

## PAYMENT SHOCK ON ADJUSTABLE-RATE HOME LOANS IS CAUSING A COUNTLESS NUMBER OF OWNERS TO DEFAULT.

### THE CURRENT HOUSING MARKET REPORT:

*“Especially in the current housing market - as initially low home mortgage rates are spiraling upwards - individuals are hoping to refinance home loans and find a solid fixed rate mortgage”. – Brian Augustine, CRMS*

We want YOU to be smart! What is the purpose for refinancing?  
Is your mortgage is still meeting your financial needs?

*Our goal* at Capital Financial Bancorp is to work with you to review the following basic reasons why you should reevaluate your adjustable rate mortgage and go through an annual financial check up:

#### 1. Lowering Your Rate and Payment

Many people refinance their adjustable-rate mortgage (ARM) to lower their interest rate. It may be that you got your ARM at a higher rate than what is currently available. If you refinanced to a lower interest rate, you would subsequently be lowering your monthly mortgage payment and possibly saving you some money.

#### 2. Consolidating Debt

Consolidating high-interest credit card debt is another good reason to refinance your ARM. If you have a lot of credit card debt that you want to get rid of, it's a smart idea to use your mortgage loan to do it; the interest on your credit cards is most likely higher than the interest rate you can get on a mortgage. Moreover, mortgage interest is tax-deductible whereas credit card interest is not. That can be a great advantage and can save you more money!

#### 3. Getting a Fixed Rate Mortgage

When you consider mortgage refinancing your ARM, you have to consider the current mortgage environment. Are rates going up or down? Right now, short-term rates have remained at a constant level. But that could change at any time. You also have to know whether the rate on your ARM is about to adjust. If it is, it could go up. Or you may have been in a situation where you needed a short-term mortgage, but now are ready to move to a long-term, fixed-rate mortgage. If you're averse to your rate (and payment) changing, you may want to move from an ARM to a fixed-rate mortgage. A fixed-rate mortgage will guarantee that your rate and payment won't fluctuate for up to 30 years.

#### 4. Getting Cash Out

But refinancing can be more than just getting a fixed rate or lowering your payment. Getting cash from your home equity is another big reason to refinance. You may need to make some improvements on your home like adding a bathroom or updating your kitchen. Or you may need money to start the business of your dreams. Whatever the case - we are here to help!

*There are many reasons to refinance out of an adjustable rate mortgage. For any additional questions or for a complimentary financial check up – Call Me Today at 847.240.2442 or email to [Brian@CapitalFinancial.net](mailto:Brian@CapitalFinancial.net).*

*Brian Augustine, CRMS | CEO*

*Smart. Creative. Mortgages.*

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