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Client: Bills.com
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Scope of Work

Bills.com has contracted with Galvin and Associates to provide copy for a series of mortgage advertorials. This assignment addresses Divorce and Refinancing. WORD COUNT Article 680 footnotes 225 Total 905

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How to Divorce Your Current Mortgage

You and your spouse are calling it quits. Divorce is seldom easy, and one of the potentially most divisive issues is what to do with your biggest shared investment: your home.

The good news is that you and your spouse have talked it over, and you're the one who will get the house. Now you have two big hurdles: how to pay off your spouse, and how to afford a mortgage on your now-one-paycheck income.

How to Reduce the Cost of Your Mortgage

If you want to keep your home, the best idea is to “divorce” your current mortgage and refinance. Rates are at near-record lows, so you and your spouse probably should have already refinanced¹ – but we understand, you've had other issues that occupied your time.

The great news is that you can find out much money you can save in a matter of minutes. Just go to [TheEasyLoanSite](#) and have them compare offers from multiple lenders. TheEasyLoanSite.com² service is not only fast but also free. Once you enter your information, you will have offers within a matter of minutes.

You Could Save \$2,500 a Month

In January 2015, the average 30-year fixed-rate mortgage was 3.73 percent, according to Freddie Mac, its lowest point since May 23, 2013. Mortgage rates hovered around 4.25 percent for most of the summer of 2014, so today's rates are a significant drop.³

Freddie Mac based its savings on a \$200,000 loan that is refinanced at an average interest rate reduction of 1.3 percentage points. If your mortgage is more than \$200,000, or your interest rate savings more than 1.3 percent, you will save more than \$2,500.

Mortgage Rates Will Likely Rise Soon

At the new lower rates, you'll be in much better position to afford to keep your home. There's just one catch: you need to act now.

While mortgage rates are currently very low, the American economy is picking up steam and the economic outlook is that there will be more demand for capital – which means interest rates will rise. Freddie Mac predicts home loan mortgage rates will be in the mid-four percent range by the end of the year.⁴

A major challenge of a divorce is that decisions you used to share are now entirely on your shoulders. So now is clearly the time to get informed and take control of your financial future.

How to Pay Off Your Spouse

To settle the account with your spouse is a simple 1-2-3:

- 1) Determine how much equity you and your spouse currently have in the home from your current lender
- 2) Refinance the loan in your name
- 3) Take out enough cash from the home equity to pay the non-buying spouse his or her share

Once you have paid off your spouse, be sure to transfer the title on the home to you.⁵

What About Your Current Lender?

You may want to call your current lender. Before you do, understand that to your lender, you and your spouse still own the home until you refinance or sell and pay him off.

Your lender might not be highly motivated to give you a new mortgage: you are proposing to pay him less money for the same loan; and he or she may be wary of your changed financial status. Unless you have competing rates, no lender will willingly lower their fees.⁶

That's why it's important to take a few minutes to shop for a loan at TheEasyLoanSite.com. Since your refinancing cost includes both an interest rate and fees, you will be armed with rate and fee information that will give you bargaining power.⁷

If your current lender is still a problem, don't worry. With hordes of homeowners taking advantage of new lower rates, there are many lenders competing for your business. So put aside any emotional ties you have to your lender and make a good financial decision – it will be the most important first step in your new life.



Save Money - Act Now!

To “divorce” your old mortgage rate, click the link and get going:

[TheEasyLoanSite](#).

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Footnotes / Hyperlinks

1 <http://www.nber.org/digest/jan15/w20401.html>

"Households that fail to refinance when interest rates decline can lose out on tens of thousands of dollars in savings. For example, a household with a 30-year, fixed-rate mortgage of \$200,000 at an interest rate of 6.5 percent that refinances when rates fall to 4.5 percent will save over \$80,000 in interest payments over the life of the loan, even after accounting for typical refinancing costs."

National Bureau of Economic Research

2 TheEasyLoanSite.com is owned and operated by Bills.com, the author of this advertisement.

3 <http://www.freddiemac.com/finance/pdf/RefiReport2014Q4.pdf>

"For those refinancing in the fourth quarter, the average interest rate reduction was about 1.3 percentage points -- a savings of about 23 percent. On a \$200,000 loan, that translates into mortgage interest savings on average of about \$2,500 during the next 12 months," or \$208 saved each month.

Freddie Mac

4 <http://www.freddiemac.com/finance/ehforecast.html>

Interest rates will rise into the mid 4% range by the end of 2015.

Freddie Mac

5 http://www.divorcenet.com/states/nationwide/keep_the_house_and_refinance_the_mortgage

Your first step is to figure out your share of the “equity” in the home – Divorce.net

6 <https://www.chicagofed.org/publications/working-papers/2014/wp2014-25>

"Limiting competition raised interest rates on 30-year fixed-rate mortgages by 15 to 20 basis points, translating into higher lender profits."

Federal Reserve Bank of Chicago

7 http://www.mtgprofessor.com/a%20-%20refinance/refinance_with_current_lender.htm

You might be able to cajole your lender to waive some fees because of the on-going relationship.

The Mortgage Professor