Speaker 1 (00:00):

The Accunet Mortgage and Realty show is sponsored by Accunet mortgage and equal housing lender and MLS ID two five five, three six, eight, and Accunet Realty advisors, which is a separate company from, but still affiliated with Accunet mortgage.

Speaker 2 (00:14):

Welcome to the Accunet mortgage and real to show getting you inside information on buying, selling, and financing your home with expert advice, but Accunet mortgage and Realty. And now here's Brian and David Wickert. Well, good morning and welcome to the Accunet mortgage Realty show. I'm Brian, the majority,

Speaker 1 (00:34):

The owner of [inaudible] Realty advisors, along with my son, David, who is the chief client experience officer at [inaudible] mortgage. If you've got a question or a comment you can call us or text us on the Accunet mortgage talk and text line, which is toll free (855) 616-1620. Don't forget. You can also grab a podcast of today's show or any of our past shows wherever you normally get your podcasts. All right. I love this article, David, that came up this week because well, it's full of great quotes. So this is the CEO of red fin, uh, being quoted here, Glenn Kelman and Redfin is a large, are they publicly traded are still venture owned, publicly traded. They're about a $6 billion company. It's just a small fish. Okay. Okay. And they, they, so they're a big real estate brokerage. They do have offices or at least one office in, um, Milwaukee.

Speaker 1 (01:30):

They might have some in other areas. So, uh, here's what he says. Quote, the housing market is now like a Soviet era supermarket with most of the shells empty. I love that, uh, migrations are warping the space-time continuum of small town economies, the affordability crisis that flowed like some huge unspent electrical charge from San Francisco to Seattle, to Portland, to Denver, and now to Boise, Idaho is reaching virtually every town in America, bringing dazzling prosperity, but also new anxieties. That's great. Wow. He, I think he rehearsed that in the mirror the morning before he gave that quote. That's a good one. It, yeah, that is dandy. All right. So here are some facts that, uh, they do a lot of research apparently, uh, and here are some fun facts. So they, they have a Redfin index, which measures home buyer demand. Okay. And it's based on things like a request to go on a home tour or other services.

Speaker 1 (02:36):

Um, last year at this time, it was at a one Oh nine. Now the buyer activities at one 48, whew. That's almost a 50% increase, but wait, there's more in the department of Holy cow and uh, where'd it go. There it is. Okay. Pending sales. So think about this. You either have in any real estate market, you have how many homes are there right now. This second that don't have offers, but are listed for sale. Okay. That's active inventory, which is down as we've been saying 40% right now from a year ago. Okay. A new all-time loan, but then the next bucket of pending sales. So these are, Hey, I got an accepted offer, but I haven't closed yet. That's up 18% over last year. And new listings are down 17%. Remember a lot of this is driven by the super cold February, uh, throughout the country.

Speaker 1 (03:33):

So hopefully this will start to come back here as March occurs. But what I'm seeing is I think you've got a big bulge in this pending bucket, right? And this is the velocity thing. As soon as homes go up for sale, they're selling quickly. Well, and here's what red tin fin has to say about that 55% of homes. This isn't the top 400 metropolitan areas. Nationwide. 55% of homes went under contract within two weeks of going on the market a year ago. That was 44%. Then let's look at how, what percentage went under contract in one week? Do you just want to take a wild guess Steven

Speaker 3 (04:10):

One week? Um, um, Oh, uh, I have it in front of me. 43% went under contract within one week of hitting the market up from 30% during the same period a year earlier. So late February of 2020.

Speaker 1 (04:26):

So I'm going to say the velocity of the market is contributing. In other words, how fast homes are selling, that's contributing to the paucity or dearth of, of listings at any given time. Because as soon as they come on, they're gone. Well, very quickly.

Speaker 3 (04:44):

I was going to say in a digital age, I mean like everyone who's home shopping is hooked up to an agent's, you know, alert system. And so as soon as that listing agent clicks, you know, publish on the multiple listing service, everybody, every buyer's going to get that instant notification and then start, you know, gobbling up a times to go see that home. It's a, you know, it's a digital world. Of course, they're going to go see that home and take it off the market right away. Right.

Speaker 1 (05:14):

All right. But now that's right. So it's going to go faster. And yet, despite this lack of listings, Fannie Mae's latest forecast and they are the smartest guys on the planet, I think, uh, Todd Duncan and his group, uh, and, and they have a whole army of economists that are looking at this stuff all the time. So they came out in mid February with their latest forecast for the economy in general and housing in particular, they're saying that home sales are going to go up almost 7% in 2021 all over the already red hot 2020. Yeah. That's I don't quite get the math on that. If we have such a lack of listings and you think, well, the only thing that could make up would be a single family homes being built. And, uh, and they do show that going up about 18%, but that's not enough to fill the gap. All right. What is this doing to home prices? When we come back, I've got the top 10 fastest price rising metropolitan areas in the country. Plus them also take a look at Wisconsin. You're listening at the Accunet mortgage. You know, you're listening to the Accunet mortgage and Realty show on Wisconsin's radio station, w T M J

Speaker 2 (06:30):

Home buying advice from [inaudible] who know it best. This is the Accunet mortgage and wheel to show with Brian Wickert on WTMJ. All right. We're talking about supply and demand. The, and, uh, and the federal housing

Speaker 1 (06:46):

Finance agency, which is the regulator for Fannie Mae and Freddie Mac. They, uh, put out a home price index, which is better than looking at the median sales price from the national association of realtors or the Wisconsin or greater Milwaukee association of realtors, because the home price index takes into account things like the square footage and the number of bathrooms and bedrooms, because it's looking at the same homes selling twice over a period of time. So let's just say it's more precise. And so here is the list of top 10 fastest appreciating, uh, metropolitan areas in the United States. Number 10, Seattle Bellevue, number nine, bridge port Stanford, Norwalk, Connecticut. Remember that, uh, 14% for Seattle 14.1% for, uh, Connecticut Bridgeport, Cleveland rocks, 14.2% were Chester, Massachusetts, which is kind of on the border with Connecticut is 14.3, Albany, Schenectady, New York. So that's upstate New York, the state capital of New York, 14.5 Camden, New Jersey, 14.7, 14.8 is Phoenix Mesa, Chandler, Arizona. Finally getting some West coast people in here, salt Lake city, Utah, 15.9 Tacoma, which is like the middle of Washington state 16.3. And in the number one position, do you have that drum roll for me, Isaac,

Speaker 2 (08:14):

Your chance to shine Boise's

Speaker 1 (08:19):

City, Idaho 23.4% year over year appreciation. Yeah, that's hot. And remember that quote from the guy at Redfin was the, some sort of unspent electric current, you know, surging from metropolitan near metropolitan area. And I think what you see in that list is some of those areas around New York city, like Connecticut, you know, that's close by, um, people don't have to live in New York city anymore, which is super expensive. In fact, Peggy Noonan, who I like to read columnists in the wall street journal kind of was worrying loud about what's going to happen to New York city, you know, and everything she's wringing her hands. Like what are we going to do to get people to want to live here if they don't have to come here to work anymore? So I think that's a real concern. No, you're skeptical.

Speaker 3 (09:11):

I think New York city has found a way to stay alive and vibrant for 400 years. I have faith. They'll figure it out, going forward. They'll figure it out. All right.

Speaker 1 (09:21):

What about, Oh, you know, what does that kind of, um, appreciation?

Speaker 3 (09:27):

Well, I was going to say in your, uh, in your list, I mean, yes, the Redfin CEO was talking about that electric current, but like you only named one Midwestern city, would Cleveland. I mean, not that you know, Hey, you didn't make the top 10, but home valleys and Wisconsin have still risen a, uh, substantially, maybe not 14%, maybe not 20%, but, um, uh, it's, it's not like the Midwest is suddenly getting out of hand compared to the Camden's or the

Speaker 1 (09:58):

Yeah, yeah. Not, not, not 14%. Uh, but I do happen to have the numbers for Wisconsin's various metropolitan areas. And, and before we do that, I'm able to do that right after we come back. But let me tell you, though, in the other States where we're licensed media, Apolis, uh, St Paul 10% with this surprise, the heck out of me, Chicago metropolitan area is up 9%, uh, in Florida where we landed. We've got a great story by the way about, uh, another Wisconsin person buying a second home and also trying to downsize and Wisconsin all at the same time, we're going to get, get to that in today's show. Um, but in Florida, uh, you got Tampa St. Pete at 13.2% Sarasota 12.2%. This is, this is quarter four of 2020 home price appreciation versus the end of the year 2019, uh, Cape coral, Fort Myers, 12% Fort Lauderdale over on the, um, Atlantic side, 11.7 Miami 10% Orlando in the middle of the state, 7.3%. So some healthy, and by the way, Naples Marco Island, I'm suspect of this one, it's only up 2.5%. I don't think so. I think that's bad data. Anyway, when we come back, let's see, we'll quickly run through the, uh, how much did home prices increase. And let's put that to the test. Are people flocking to these smaller metropolitan areas in Wisconsin? We'll put that to the test and give you the numbers. When we come back, you're listening to the academic mortgage and Realty show on am six 20. WTMJ

Speaker 2 ([11:35]):

Getting you into the home of blue dream. Here's more of the Accunet mortgage and Realty show with Brian record on WTMJ. I'm pretty sure that's Aerosmith. I think I did that song when I was in high school. All right. So, um, I love that

Speaker 1 ([11:51]):

That's some head bash and rock there. So we're talking about, Hey, when you have more buyers than sellers, which is what we have now, um, prices go up. And so we just covered the top metropolitan areas in the country. Now let's talk about how much it home prices go up in the Wisconsin, uh, various markets, because it's not one market, uh, and these numbers are coming to us from the federal housing, finance agencies, much more precise, uh, home price index. And we're looking at where did prices end, uh, in 2020, uh, versus the end of 2019. Okay. Let's talk about the Fox Valley. A lot of people live there and I was a little bit prized. Uh, did you already look at the list, David? No, no, no, no, I haven't. All right. Uh, w are you thinking above or below 10% price appreciation in the Fox Valley below?

Speaker 1 ([12:45]):

That's my guest below, correct. So you got Appleton 6% fond elect 5% Ash cash, Nina. 6%. Okay. I mean, that's healthy, healthy. Yeah. Right. You know, and not, doesn't seem frothy, like, you know, really are you going to keep up that 15% home price appreciation? Okay. Now let's go up to the home of our favorite football team, green base, 5.5%, uh, on over to Wausau 5.5%. Uh, I had Duluth in here Duluth 5.5% to the superior. If you zoom over to O'Claire go blue goals, um, 7.5, uh, to lacrosse. And that was surprising because that had been a really hot market previously down to just 3.5% appreciation. That's the greater lacrosse LA Crescent area. Um, then you come on down to Janesville 6.5% swing over to Lake County slash Kanosha. So that's a metropolitan area that straddles the Illinois, Wisconsin border, very healthy 7.8%. But the leader, the big daddy for, uh, probably all of those guys said, Oh, I had Madison in their medicine, only five present that kind of surprised me, but the King of home price appreciation and Wisconsin, as far as I could tell is the Milwaukee Metro area. So that's, uh, Milwaukee, Waukesha, Racine, uh, Washington, and Ozaki counties up 11%. Yeah. Home values from 2020 compared to 2019. That's a lot. And there's no amount of interest rates that's gonna compensate, you know, for that affordability issue, uh, going that way. Yeah. So w when you're out there, you know, writing an offer, you, you were noting in that Redfin data, David, that for the week ended February 8th, the offer to list price ratio was 99.9%. We'll pay that crazy price you're asking. Right.

Speaker 3 ([15:03]):

Which I just to, just to come back, you know, it's, uh, with home values can continue to rise anywhere, as you said, across the state from three to six to 10%, but it's at some point gravity kicks in either because, uh, you know, income, doesn't keep pace with, you know, Hey, I'm not getting a 6% raise every year to keep up with, uh, appreciating home purchased values.

Speaker 1 ([15:34]):

Um,

Speaker 3 (15:35):

Uh, or it's just, you know, what I was, what I was sharing with you about the year was even the FHA FA paints with a broad brush, because they're saying they're comparing, or they're lumping together a half million dollar house with a $200,000 house. And in terms of nominal dollars. Yeah. I mean, 500,700,000. Yeah. Yeah. You were saying it was harder for the $700,000

Speaker 1 (15:57):

Our home to go up by 70 grand versus the $150,000 house to go up by 15,000 is not as difficult. Yeah. For somebody to afford them. I would agree with that. So, so, so where we're going with that is you don't forget folks that the asking price is an anchor, right. That you think, okay, I've got to offer more than that in a lot of cases, if it's an attractive home. And I like to always tell people, you're the best expert after you have looked at 10 homes, either online or in person, you as the home shopper, probably have the best feel for what am I going to have to pay, to get a home like this? And especially after you, you know, if you can have your real estate agent tell you what homes are actually selling for, you know, that's your other indication, that's exactly what an appraiser does. So the key, and we've said this many times is in this market, giving that seller some wiggle room on the appraisal. And after we come back from the news, I'm going to tell you a story about a good client who is looking to downsize and Wisconsin and buy in Florida. And we'll tell you some useful tips when we come back on how to execute that right now, it's time for the news.

Speaker 2 (17:17):

Don't break the bank to get into a house back to the Accunet mortgage and Realty show with Brian Wicker on WTMJ. Oh, right. We've had a seat

Speaker 1 (17:29):

Series of good customers from Wisconsin, the want to either buy their second home, or in some cases relocate to the sunshine state, otherwise known as Florida, which is our biggest second home market. And so this person who I used to work with a long time ago, calls up and says, Hey, I know you guys lend in Florida, so we need to get pre-approved. Uh, because, uh, she and her husband wanted to sell their four bedroom, big, you know, house in which they raised their family. Cause they're getting to be close to 60. Okay. And they want to downsize that either by a smaller single family home, or maybe a townhome or a condo in Southeastern Wisconsin, and then buy a second home or a condo in Florida, they just kind of don't know what order the order of things were a bit of the initial request that pre-approve us for a home in Florida.

Speaker 1 (18:17):

So no problem, uh, Jerry circuits, which takes the case, one of our partners and sometimes a radio shock show, talk, host, radio talk show host. And so he runs the numbers and find no problem. They can, they have the cash to buy this second home in Florida, let's say up to 450,000 bucks. Um, although they would kind of deplete most of their, uh, non-retirement savings. And so I'm looking at the numbers kind of plan, you know, armchair quarterback or assistant to Jerry. And I say about a month ago, I said, you know, I really think we should put a bridge loan in place on your Wisconsin home so that we can extract that unused hundred and $63,000 of equity. That's sitting there because our house is probably worth like 400 and they owe one 50. We can't lend you all the equity in your home, but we can lend you, uh, make you a bridge loan up to 80% of the value. So back into the math, if we did that, they could walk away at about 163 bucks, $163,000 if we had a bridge loan in place, but nothing happens. I made that suggestion and no action until Friday when I get an email from the client that says, Oh, I kind of just came up for $249,000. And I want to write an offer, not contingent on the sale of our primary residence. Can you quickly pre-approve me for a bridge loan? Okay. So this was code for, what do you think, David?

Speaker 3 ([19:47](#)):

Uh, Oh my gosh. I love this place. And I really want to write an offer, help me with something. Bridge loan, words, words, words, help me write an offer on this house.

Speaker 1 ([19:56](#)):

That's right. Because really the bridge loan is the wrong tool for the job in this case. Yeah. Because think about it. You're supposed to, if your real estate agent is doing what they are supposed to do, even though you're not going to get a loan on the house you're buying. If your offer is contingent upon any kind of financing, like a bridge loan on your old house, you're supposed to disclose that in your offer and say, yeah. And because really what this person I think was saying is I want to write an offer. That's not contingent on the sale of my home. Maybe she meant that I wanted to write a cash offer.

Speaker 3 ([20:31](#)):

Yeah. That's what I was going to ask a bridge loan. Well, was it to Florida. Okay. So you never got the Florida condo purchase price to understand that all of a sudden

Speaker 1 ([20:43](#)):

Took a backseat. Right. Then all of a sudden took a back seat because in reality, right, when you're trying to make this move, you don't know what's going to pop first. They thought it was going to be Florida, but there is a shortage of listings down here as well in Florida. So, um, long story short, it ended up not mattering on Friday morning because they found out the, um, condo project had a restriction on pets and they didn't meet that restriction. Okay. So that suddenly fell down. But what my, my, the point of this story is when you're doing this somewhat complex dance, uh, of hail, I want to make these real estate moves. Let's finish setting the table, right? So that you're financing your mortgage financing surgeon has all the tools at their disposal. So I, I now followed up today was prepping for the show to say, go ahead.

Speaker 3 ([21:42](#)):

Oh, I was just going to say, cause what you're talking about is get ready. You know, you're about to have mortgage surgery. So like, let's do some preparations. So that instead of what happened on Friday, when they ran into the operating room and it was just like, okay, I'm ready now. Can we do surgery? It's like, no, no, no, no. Like, let's, let's be prepared for surgery. You can't just like, it's why they make you, you know, not eat or drink, you know, 12 hours beforehand. You can't just run into the operating room. Right? Right. So

Speaker 1 ([22:11](#)):

The case that preparation that I'm now, you know, pleading to take places, let us help you put that bridge loan in place, on your big house that you're eventually going to sell. Cause remember folks, our bridge loan is just a temporary home equity line of credit on your old house that allows you to extract some but not all of the equity. And then when you sell said old house, the original gets paid off. It gets extinguished. The other thing that's important in this case, David is they currently have a 10 year fixed mortgage with a rather large payment on that. So what I want to do with the bridge loan is pay off that high, monthly payment, first mortgage that they have now, which will allow them to more comfortably transition because a bridge loan is also interest only. You're not required to pay any principal. All right. So that's, what's going on there. Folks, if you need to buy a second home in Florida or up North, we really know what we're doing. We've got all the tools for the job. All right. When we come back, let's talk about the headline from Freddie Mac. This week, mortgage rates hit 3% as he clutched his chest. We'll tell you about that and how little it matters when we come back, you're listening to the Accunet mortgage and Realty show on the biggest stick in the state am six 20. WTMJ

Speaker 2 (23:30):

Important home buying questions and answers. You can count on. This is the Accunet mortgage and Realty show here on WTMJ Are right. Huey Lewis and the news. He's so deaf now from playing his band that he can

Speaker 1 (23:46):

No longer tour, I think. Ah, but a great love will love that guy. Just like me. All right. So I hate before we go get to the rates, a little Coda on the home buying in Florida versus Wisconsin story that we were just talking about what I suggested in addition to, yeah. Let's get going on the bridge loan to extract a bunch of your equity out of your home, um, that you could use that either to buy in Wisconsin or in Florida. The other more immediate recommendation that I made is since we had all of her information to pre-approve her and we issued a rock-solid guaranteed, fully verified preapproval for the home purchase in Florida, the bigger home, I just turned that around and said, well, here's a Rexall guaranteed. Pre-approval to buy up to a $280,000 condo in Wisconsin. If that's what you want to do first with 25% down, that would be plenty, good enough to win you an offer, especially if you combine that.

Speaker 1 (24:39):

Cause, cause that whole thing they've got the money, uh, you know, in their investments to do that. Okay. Yeah. They would have to liquidate some stocks. Maybe we could put a bridge loan in place in time. We probably could. And you know, we're going and I'm saying let's get started on that. But in the meantime, if another property comes up on Monday, don't worry about the bridge loan we got, you covered. You can do the purchase, uh, up to $280,000 with 25% down, which looks really strong to a seller. And then just give them a lot of latitude on the appraisal because I still think that's the more, the most attractive thing. Yeah. Don't have a home sale contingency. Give me a lot of latitude on the appraisal and have 20% or more down is a good recipe for getting your offer accepted. Agreed.

Speaker 3 (25:24):

Yeah. And just to make sure I was tracking, you're talking about their primary home in Milwaukee, you know, that they're trying to go from the downstate house to a smaller home, but can I just, uh, just to tap dance on a topic, we've talked about many, many times, you know, buying the second home in everything you've just described in the story is way more about emotion than it is about money because you know, it, um, it it's maybe how bad do you want a certain home and or what you are willing to do or organize in order to get there? You know, one ugly answer is, Hey, sell your current big house in Wisconsin and go rent a home for one or two or three months. Cause then you get all the equity from the sale of your home and, and, and then you got all the flexibility on, on the primary home here in Wisconsin and then, you know, whatever pops up in Florida. Cause as you say all the time, begin with the end in mind, it's like, you know, if they're trying

Speaker 1 (26:30):

Move twice too, people don't like to move to us. I know, I know

Speaker 3 (26:34):

It is an emotional thing. I mean, don't get me wrong. I have moving is not fun. I wouldn't want to either, but, but for the Florida home, you know, just think, um, if I, I wouldn't want to settle for the, uh, Florida home.

Speaker 1 (26:51):

Yeah. That's, that's why I want them to do the bridge loan. Or as you said, if they really want to extract all their property, all their, um, all their equity, because you know, that's going to be their main home. Eventually give a nice one. Don't and we had this conversation, don't buy a $250,000 condo in Southwest Florida. Two only then two years later want the 500,000 single family detached home with the pool, right? It's like skip step one and go directly to step two, especially with interest rates this low and continuing home price appreciation.

Speaker 3 (27:22):

Well, which is funny because we say the exact same thing to first time home buyers it's, you know, rates are low, uh, values are probably going to continue to rise. How's about your swing for that four bedroom that you're really going to need for your family of four. You know, don't necessarily start with the two bedroom bungalow that in three to five years, or you're going to be like, this is too small. The same logic applies for your second home. If we can figure out how to stretch to what you really want, it's worth, it might be worth the, I don't want to call it discomfort, but just, it might, it's going to be worth talking about how to get there, right.

Speaker 1 (28:02):

That's right. Yep. And maybe we can call these people first time. Second home buyers. Huh? First time, second old buyers. Exactly. The headline mortgage rates hit 3% from Freddie Mac since reaching a low point in January, a mortgage rates have risen by more than 0.3%. And the impact on purchase demand has been noticeable. I'm calling BS on that headline or sub headline right there from our friends at Freddie Mac. And we'll tell you more about that. When we come back, you're listening to the acronym mortgage in Realty show on Wisconsin's radio station am six 20 w T M J M J w two 77 CV and w K T H D to Milwaukee from the annex wealth management studios is news radio WTMJ

Speaker 2 (28:46):

Expert advice on buying a home. Here's more of the accurate mortgage and Realty show with Brian Wickers on WTMJ. Can you name that brand of electric bass? Very distinctive to the band? Yes. Uh, the brick and Fokker. That's the Rickenbacker bass. All right. Anyways. So Freddie and Fannie and Freddie are not for any pretty, pretty maximum

Speaker 1 (29:07):

Weekly rate survey comes out every Thursday, reflecting interest rates from Monday, Tuesday, and Wednesday. And by the way, rates continue to get worse over the course of the week. But their survey said for a 30 year fixed rate mortgage to purchase a home a 3.02, if you're willing to pay six tenths of a point, and then they were talking about how all this was kind of throwing the cold water on the purchase market. And I'm saying, uh, because on a $200,000 mortgage, the difference between where rates were at the beginning of January 2.625. And what ActionIQ could do is at the close of business on Friday, which is 2.9, 9%, um, with an APR 3.05, cause you would in fact have had to paid a thousand dollars in points. That's one half of 1% of the loan amount, your payments going up 39 bucks a month.

Speaker 1 ([29:58](#)):

That is not going to go, ah, I am buying Nope. Yeah. $39 more forget about it. Um, okay. So, so that's the reason why purchase applications slowed down as there aren't enough homes for sale because of the crummy weather in February period dot end of story. All right. Quit saying it's because of rates you people out there and the media and Freddie Mac anyway. Um, another real life example of how mortgage rates are still awesome is I got an email, uh, from a client who we helped in 2016 and they had a 3.37, five 15 year fixed. And his question was, Hey, is it worth my time to refi? And what if I kept making my same payment? Cause I really want to pay this thing off. So I ground the beans on that. His current mortgage balance is by my estimate $118,262. So if I give him a new loan for 118,200 at an interest rate of 2.37, five, a full percent lower, he would in fact, save $5,400 of interest after subtracting the rather high closing costs of 2,355 bucks.

Speaker 1 ([31:11](#)):

So what I'm saying is after giving effect to the 2355, that he would be spending up front, he would still save, he would more than double his money. I, in terms of interest savings, okay. Door number two at two and a half percent. And I like this one better. He would save $5,354 after having spent only 1,460 bucks on closing costs. Okay. That's even a better return on investment on your fixed or are you, this is on a new 15, this is on a new 15 year with the assumption. Thank you for that clarifying question with the assumption that he would continue to make his old principal and interest payment. So he's paying it faster than what he's required to then what he is currently. He's going to be done about six or nine months faster, but at a lower rate. Okay. All right. So stick with me here.

Speaker 1 ([32:04](#)):

But then door number three was, Hey, do it a 2.75, because then your total cost to do the refi is only 259 bucks. And you would save $4,611. So on a return on investment basis, those are insane numbers. All of them, yes. Hey, plunk down $259 in costs and you'll save $4,611 of interest by making the same payment you're making now. But here's the, the icing on the cake, his mandatory monthly payment, because remember, would rewrite this loan at a 15 year, fixed his mandatory monthly payment goes down $264 a month. So that if any point in the road, he gets into a car accident and has to go on disability and doesn't want to make that thousand $80 payment. He could fall back and make the lower, mandatory payment. I got two of these smaller loan balances where I was surprised after grinding the math, doing the math that, wow. Yeah, not only can I save you several thousand dollars of interest in like turn a $259 investment in closing costs into a $4,600 interest savings. Not only can I do that, but the icing on the cake is your mandatory monthly payments, 260 bucks less, you know, the other happy story. And so, yeah, go ahead.

Speaker 3 ([33:28](#)):

That was going to say the other interesting dynamic is, and I don't know how we would account for this, but I'm going to call it the acceleration, you know, Hey, if you only got seven years left on your loan, I'll bet you people just start wailing at their mortgage to pay it off even faster because that balance has come down by so much saving, even more interest to your point before. Not a lot, but I'm calling it the acceleration, uh, to get there because you're so close. That's my back of the napkin.

Speaker 1 (34:00):

Ah, yeah. Nope. The reason is because there's so little interest left to pay at that point in the cycle when you're down to seven years to go. But anyway, so, you know, the, the, the other thing that I think is gaining in popularity, as people realize my home just went up 11% in value is taking cash out for worthy purposes. I'm going to say we would never recommend that you pull cash out to go on a vacation or to buy a car because the old Warren buffet rule is matched the term of your debt to the life of the asset. So if you're going to do a bathroom remodel or a kitchen remodel, and you need to pull out 50 grand or whatever the dollar amount is, um, that's a fine thing to use a mortgage for and highly recommended. All right, that's all the time we have for today's show.

Speaker 1 (34:49):

Uh, if we can help you save money, we'd love to do that, uh, through refinancing or access to cash in your home. And we would also love to help you become a winner in that contest called the home buying process. You can get started with either a rock-solid guaranteed pre-approval to buy or a no social security number required refi checkup by clicking on the blue button on accunet.com. You've been listening to the Accunet mortgage and Realty show on am six 20 WTMJ. The proceeding was a paid program. Advice and opinions expressed during the accurate mortgage and Realty show are solely that of the hosts or guests of active mortgage and accurate Realty advisors and not WTMJ radio or good karma brands, Milwaukee LLC.