

Chasing the Lowest Mortgage Rate May Not Be the Wisest Option

New patented mortgage puts less reliance on interest rates to rapidly decrease time to pay-off and cut interest charges by an average of 73 percent

LOS ANGELES (October 20, 2011) – If you ask a consumer the rate they’re paying for their mortgage, they’ll answer with precise accuracy. But ask the amount of interest they will pay, and most have no idea. Many consumers refinance to a lower rate without realizing the implications of resetting the [amortization](#) clock and interest payments.

For example, a \$400,000 30-year fixed rate mortgage at 4.5 percent will cost a borrower \$329,627 in interest payments, equal to 82% of the original loan amount. The break-even point – the time when payments are split equally among principal and interest – doesn’t occur until 15 years into the loan. Refinancing starts the clock all over.

Is there a better way to own a home rather than pay a seemingly endless and expensive mortgage on one?

Mortgage expert [Scott Griffin](#) recommends the patented [All-in-One mortgage](#) product that leverages idle cash to rapidly decrease time to pay-off to eight years on average and cut interest charges by an average of 73 percent. “I like to see people own their home, not make endless mortgage payments and go deeper into debt,” he said.

The All-in-One loan is a transactional mortgage that combines an individual’s checking, home loan and home equity line accounts into one master account. The master account is a “[loan sweep account](#)” that automatically credits all deposited cash against the loan balance each day. The money in the account is applied toward the loan principal and converted to equity, which reduces the amount of interest charged.

On a \$400,000 mortgage, the All-in-One will save \$238,174 in interest payments and cut time to pay-off to eight years, considering conservative assumptions for a married couple with \$125,000 net annual income and a 20 percent positive cash flow.

There is no loss of liquidity because borrowers maintain full access to all funds in the All-in-One loan account. The account behaves like a traditional checking account where funds are available 24 hours per day through unlimited check writing, ATM/debit cards or online bill pay.

Even as funds go toward paying loan principal, the money is still accessible because the account works through a line of credit that stays open during the entire 30 years of the loan.

The All-in-One allows borrowers to accelerate their equity position while saving thousands in interest payments. Borrowers must have a minimum [FICO](#) score of 720, a minimum of 10 percent positive cash flow and have accrued 25 percent equity in the home. [Closing costs](#) for the All-in-One loan are at or below market with a 1 percent origination fee along with escrow, title, lender and processing fees.

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