Many cut home loan cost

Low rates drive refinancings

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The last time mortgage interest rates were as low as they are now you could buy a gallon of gas for 19 cents, and you could buy a loaf of bread for 16 cents.

So what's turned the home loan clock back to 1951? The government's attempt to jump start a stubborn economy. One of the benefits of the Federal Reserve's low interest strategy is cheap loans.

Borrowers can finance their home purchase for an average 4.2 percent on a 30-year fixed-rate home loan, says government-controlled mortgage buyer Freddie Mac, in its weekly survey of mortgage rates.

That means a homeowner with a $200,000 mortgage with an interest rate of 6.07 percent could save more than $230 a month on principal and interest payments by refinancing now.

"People are starting to think, 'I don't want to miss something that may be a once in a lifetime opportunity,'" said Cass Chappell, a financial planner at Chappell, Mayfield & Associates in Atlanta.

Conventional mortgage applications for refinancing jumped 24 percent last week over the week before.

For those with an adjustable rate mortgage, now is a good time to lock in interest at a low rate.

Also, it makes sense for homeowners with good credit scores who plan on staying in the home for several more years.

Online calculators can help estimate the time it will take to recover financing costs.

As you think about refinancing, here are some points to consider:

■ Shop around; Com-

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