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I am beginning my 4th year of a 30 year term home loan at the rate of 6.125%. With interest rates dropping, is it worth the time and expense to refinance to get a newer and better interest rate? If so, what rate would be considered "worth it"?

Right now the lowest you can get without paying points is maybe 5.625%. The closing costs on loans are too high to see any benefit to that. 6.125% is very good (consider rates were 14% back in the early 1980s).

Rule of thumb is that you should lower your rate at least 1.5% to make refinancing worthwhile. Preferrably 2% or more.

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