



## **Veteran Home Owners Must Pull the Rate Lock Trigger Immediately**

*The recent .25% rate cut by the Federal Reserve on Monday the 11th of December 2007, has caused VA mortgage rates to increase. Most home owners will automatically assume that due to a Fed rate cut of any size, that interest rates on VA loans should follow suit and go lower also. This is very far from accurate.*

Washington, DC, December 14, 2007 --(PR.com)-- One of the biggest misconceptions veteran home owners usually have about the Federal Reserve and rate cuts is this:

1. If the Fed cuts rates then VA home loan rates will obviously go down.

This is very far from accurate. Hopefully this article will shed some light on why this is not normally the case and also assist VA home owners in making an educated decision in regards to refinancing or purchasing a [VA loan](#).

Monday's Fed cut was only .25% and this came as a shock to most market watchers. The entire world was hoping for and expecting a .50% cut. Well when that did not happen, the market got spooked and interest rates increased to their highest levels in almost 6 months. Why would rates go up immediately after a rate cut by the Fed?

Imagine you expected it to be 80 degrees and sunny on Saturday and you were planning all week long to go to the beach? You had the kids all excited all week long and even went out and bought all new beach equipment and toys. Realize it was almost 100% chance of nice weather. Saturday arrives and yes it is 80 degrees but it is pouring down rain. Would you go to the beach? Why not? It is still 80 degrees outside. Because your hopes are let down.

So when the Fed did not cut rates by .50% everyone that sets interest rates at the banks got upset and scared and increased their rates accordingly. Where does this leave Veteran Loan Holders?

If You Have Been Waiting to Lock in a Rate for a refinance, then Act Now. Interest rates will surely start to rise even more; VA Rates have been lower than normal for the past 6 months and those who are still waiting are playing a game of Russian Roulette.

Eric Austin, of [LowVARates.com](#) has shared the following:

"Most of our approved VA lenders have seen a significant rise in refinance applications due to the Fed cut. Our Lenders are educating their VA home owners on why they Must Refinance Now." "I would strongly urge anyone thinking about refinancing to speak frankly and directly with their loan officer to find out which way rates are moving and I would bet 9 out of 10 will indicate they are going higher each day."

LowVARates is dedicated to assisting Veteran home owners with all aspects of the VA loan process.



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