

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Subject: Cost-Benefit Analysis for Mortgage Refinancing - [Account Number]

Dear [Client Name],

As requested, we have completed a cost-benefit analysis regarding the potential refinancing of your current mortgage. This letter summarizes our findings to help you determine if replacing your existing loan is financially advantageous.

## 1. Current vs. Proposed Loan Comparison

- **Current Loan:** [Interest Rate]% interest rate with a remaining balance of \$[Amount].
- **Proposed Loan:** [Interest Rate]% interest rate with a new principal of \$[Amount].
- **Monthly Savings:** The proposed loan would reduce your monthly payment by approximately \$[Amount].

## 2. Closing Costs and Fees

The total estimated cost to initiate this refinance is \$[Total Costs]. This includes:

- Loan origination and application fees
- Appraisal and inspection fees
- Title insurance and settlement charges
- Taxes and government recording fees

## 3. Break-Even Analysis

To recover the costs associated with this refinance, you would need to remain in the property for at least [Number] months. This is calculated by dividing the total closing costs by your monthly payment savings.

## 4. Long-Term Interest Impact

By refinancing into a new [Number]-year term, the total interest paid over the life of the loan is estimated to [increase/decrease] by \$[Amount] compared to your current amortization schedule.

## 5. Recommendation

Based on your stated goal of [e.g., lowering monthly overhead / reducing total interest], this refinance appears to be [favorable/unfavorable] at this time. We recommend proceeding only if you intend to hold the property beyond the break-even period mentioned above.

Please review the attached detailed report. If you have any questions or wish to move forward with the application, please contact our office at [Phone Number].

Sincerely,

[Your Name]

[Your Title]

[Company Name]