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LendingTree Survey Shows Some Homeowners May Have Benefited as a Result of the Housing Market Crash

Homeowners shaved on average two percentage points off mortgages after refinancing

CHARLOTTE, N.C., Dec. 10, 2012 /PRNewswire/ -- Mortgage refinancing activity outpaced first-purchase mortgage transactions by nearly a 2 to 1 margin, according to a new LendingTree survey of 1,060 homeowners conducted online by Research Data Technology, Inc. from November 16 to November 27, 2012. Nearly 60 percent of homeowners refinanced an existing mortgage, a third obtained a purchase mortgage, and 10 percent did both. Homeowners shaved on average two percentage points off their mortgages after refinancing, saving thousands of dollars over the mortgage term.

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Of those homeowners who refinanced their mortgages, 62 percent opted for a mortgage of the "same term" as their original loan, while 27 percent shortened the term of their mortgage. Eleven percent refinanced for a "longer term."

"The long-term benefits of shorter term mortgages are substantial, but you need to identify your financial priorities. Depending on your current rate, you may be able to reduce your mortgage term, build more equity and pay off your mortgage in half the time with very little impact to your monthly mortgage payment," said, Doug Lebda, chairman and CEO of LendingTree. "The current record low interest rates present a unique opportunity for homeowners to shorten their mortgage terms and save hundreds, maybe thousands of dollars over the course of their mortgage, given they can qualify for a refinance and can afford a higher monthly payment."

For the week of November 27 — December 6, 2012, the average mortgage rate offered by lenders on the LendingTree network was 3.49 percent for a 30-year fixed rate mortgage, compared to 3.25 percent for a 20-year fixed rate mortgage, and 2.86 percent for a 15-year fixed rate mortgage.

The chart below illustrates the interest rate savings of refinancing into shorter term mortgages. While mortgage payments increase slightly as the term shortens, the savings on interest grows dramatically.

December 2012	Rate	Loan Amount	Monthly Payment	Interest Paid Life of Loan	Interest Savings from Current Loan
Current loan	5.50%	\$250,000	\$1,419.00	\$261,010.10	0
30-year Fixed Rate	3.49%	\$250,000	\$1,121.22	\$153,638.00	\$107,372.10
20-year Fixed Rate	3.25%	\$250,000	\$1,417.99	\$90,317.46	\$170,692.64
15-year Fixed Rate	2.87%	\$250,000	\$1,710.87	\$57,955.94	\$203,054.16

About the Survey

1,060 homeowners shared their views on the process and experience of obtaining a mortgage. These homeowners obtained a purchase mortgage or refinanced an existing mortgage in 2009 or later. They participated in an online survey conducted by Research Data Technology, Inc. on behalf of LendingTree, LLC on November 16 — 27, 2012. The 1,060 survey respondents represent a random sample of homeowners selected from a consumer panel of individuals in the U.S. who have access to the Internet. The margin of error in this survey is +/- 3.0%. This means that in 19 cases out of 20, survey results based on 1,060 respondents will differ by no more than 3.0 percentage points in either direction from what would have been obtained by seeking the opinions of all eligible individuals in the U.S. who are online.

About LendingTree, LLC

LendingTree, LLC is the nation's leading online source for competitive home loan offers, empowering consumers during the mortgage, refinance or auto loan process. LendingTree provides an online marketplace which connects consumers with multiple lenders that compete for their business, as well as an array of online tools and information to help consumers find the best loan. Since inception, LendingTree has facilitated more than 30 million loan requests and \$214 billion in closed loan transactions. LendingTree provides access to lenders offering [mortgages](#) and [refinance loans](#), home equity loans/lines of

credit, and more. LendingTree, LLC is a subsidiary of Tree.com, Inc. (NASDAQ: TREE). For more information go to www.lendingtree.com, dial 800-555-TREE, join our [Facebook page](#) and/or follow us on Twitter [@LendingTree](#).

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