

Published based on [What is a Second Mortgage, and How Can I Profit From It?](#)

What is a Second Mortgage, and How Can I Profit From It?

So what is a second mortgage? A second mortgage is a secured loan (or mortgage) that is subordinate to another loan against the same property. More specifically, the second loan in sequence. In real estate, a property can have multiple loans against it. The loan which is registered with county or city registry first is called the first mortgage. The loan registered second is called the second mortgage. A property can have a third or even fourth mortgage, but those are rarer. Second mortgages are called subordinate because, if the loan goes into default, the first mortgage gets paid off first before the second mortgage gets any money. Thus, second mortgages are riskier for the lender, who generally charges a higher interest rate.

How can you benefit from a second mortgage? Well you can use the money gained from the second mortgage to do any number of things. You can put the money toward paying off various debts including credit cards, car loans, boat loans, school loans, or other types of loans. You can use the money to purchase a new car, boat, go on a vacation. Many people use the money to do home remodels...adding on to the existing house, upgrading the kitchen, put in a pool. All these things are very helpful, and it's up to you to decide what to do with your money.

How do you get a second mortgage? You get a second mortgage first by owning a house. If you don't own a house, you won't be able to get a second mortgage. If you have equity in your house, i.e. your house is worth more than you own on your first mortgage. You can get a second mortgage. In many cases you can get a second mortgage up to the value of the house. The best thing to do when getting a second mortgage is to get quotes. Quotes offer you the ability to "window shop" various rates. With a better rate, you will save more money on your second mortgage. Many quotes are good faith estimates and don't require a credit check. If you like what a lender is offering in terms of rate and packages, you can choose to go with a lender at which time they will run your credit and tailor the loan package specifically for you.

Where can I get a rate quote? There are lots of places to get a rate quote. Local banks, lending companies, even online there are tons of sites that offer rate quotes. Although be warned...some sites out there will sell your information...so be sure to read the privacy policy before you fill in your information. One great place to get information on quotes and second mortgages is [www mortgage refinance second.com](http://www.mortgage.refinance.second.com). They offer some good advice and even offer rate quotes. But by shopping around for rate quotes, you will greatly magnify the possibility of getting a great deal and it will save you tons of money.

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