

Refinancing

Video Transcript

Refinancing your mortgage means you replace your existing home loan with a new home loan, usually at a term that better fits your current needs.

But before you submit an application, there are some steps you should take.

Consider your situation.

Is your financial situation or credit score similar or better when you first purchased your home? You may be able to qualify for a lower interest rate.

Reflect on your goals. Different types of loans fit different needs. Do you want to lower your monthly payment or access home equity, pay off your loan faster, or switch from an ARM to a fixed rate loan? Your lender can help you choose the best rate and term for you. Do the math, fees and closing costs can be between three to six percent of loan value. So it might take a while to break even where your monthly savings exceed the cost to refinance.

Finally, check your existing loan. It may include a waiting period before you can refinance.

When you're ready, your mortgage banker can help you get started and answer any questions

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