

# Refinancing 101

Determine if you can benefit from a mortgage refinance.



Refinancing needs to be considered on a case-by-case basis for each homeowner, weighing the benefits of refinancing against the possible drawbacks – and also comparing your potential new interest rate and terms to what you have with your current mortgage.

Most homeowners refinance their mortgage for one or more of the following reasons:



To secure a lower interest rate



To change the length and other terms of the loan



To cash out equity for investing or other large purchases (to invest in a second property, college tuition, home remodel, a new car)



To consolidate high-interest debt for long-term savings



To remove mortgage insurance

Like any major financial decision, there are benefits and advantages to refinancing that homeowners need to consider.

The obvious benefits of refinancing include the ability to save money over time by securing better terms, consolidating debt, or getting rid of a monthly mortgage insurance payment. Alternatively, refinancing is one of the most reliable ways to access large sums of cash to cover major purchases.



But refinancing may come with added expenses of closing costs, points, or fees – although this isn't always the case. And in the wrong situation, refinancing can end up costing you more money in the long run. If you sell the home shortly after refinancing, for example, you might not generate enough home equity to cover the cost of the refinance.

## Is refinancing right for you?

It depends on your personal financial situation, as well as your refinancing goals. If you're looking for help, use our decision tree to figure out whether a refinance makes financial sense.



If you're interested in refinancing your mortgage, the first step is to contact your credit union, bank, or mortgage lender to discuss your goals of refinancing and to get the process started.

**Ready to refinance? We have the right loans for you.**

[Contact us](#)