

HOW **MORTGAGE REFINANCING** CAN WORK FOR YOU

Mortgage refinancing provides you with a simple path to building savings, achieving debt freedom and realizing your homeownership goals. Discover how to put this financial tool to use today.

A man and a woman are sitting at a white table in a bright, modern living room. The man, wearing an orange t-shirt, is looking at a laptop. The woman, wearing a blue denim shirt, is smiling and looking at the laptop. There is a white mug on the table. In the background, there is a blue sofa, a potted plant, and a large window.

homebridge[®]



THE **WHAT** & **WHY** OF REFI

WHAT IS A REFINANCE?

When you refinance your mortgage, you're taking out an additional loan to pay off your existing mortgage – essentially replacing your mortgage with a newer one. This newer mortgage can be customized to fit your current financial goals and needs.

WHY SHOULD I REFINANCE?

With a refinance, you can:



Shorten the term so that you pay the mortgage off sooner (for example, convert a 30-year loan to a 15-year).



Take advantage of lower interest rates to save possibly thousands over the life of the loan.



Change from an adjustable-rate mortgage (ARM) to a fixed-rate mortgage or vice versa.



Access the equity in your home as cash that you can use for renovating your home or anything else.

These points, and others, should be what you consider as you discuss whether a refinance makes sense for you.

YOUR REFINANCE **OPTIONS**



RATE-AND-TERM REFINANCE

This is the most common type of refinance and only changes your rate, your term or both.

For example, a 30-year fixed-rate mortgage with an interest rate of 5.5% on a \$100,000 home has a principal and interest payment of \$568. That same loan at 4.1% reduces your payment to \$477. Over time, and with median home price at \$320,000,* a drop in interest can save you thousands.



CASH-OUT REFINANCE

With this refinance you can take out equity in your home as cash, typically up to 80% of your equity. You can use this cash for any purpose, including:

- Funding home improvement projects
- Consolidating debt with the lower home interest rate
- Paying for your children's college
- Placing a down payment on a second home/investment property

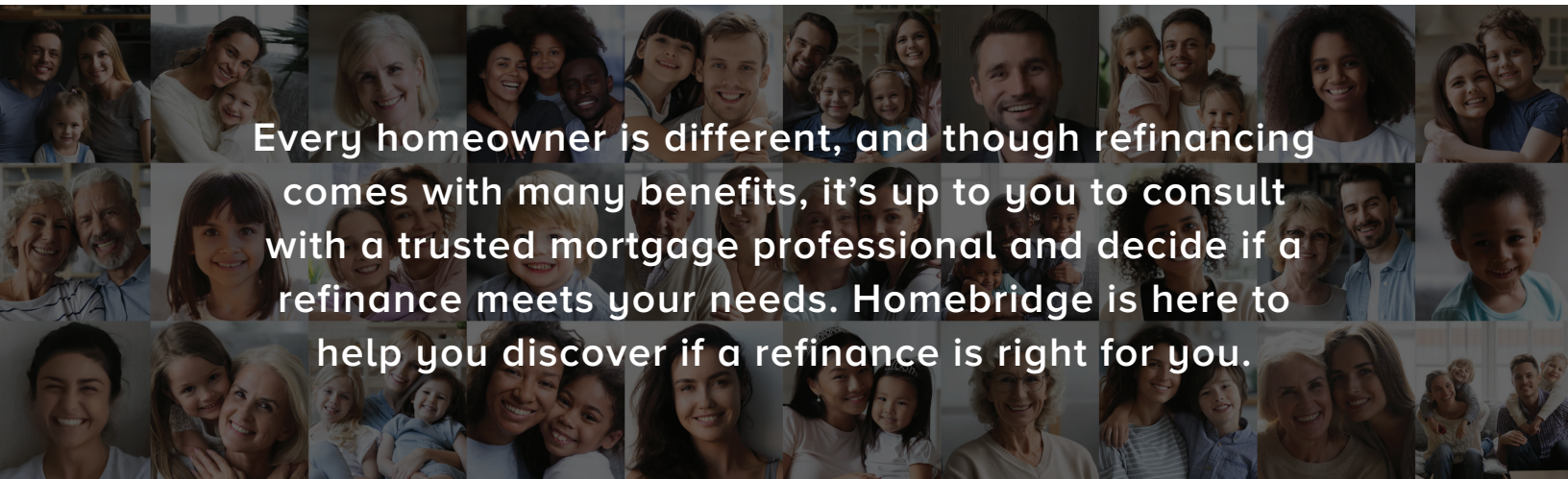


CASH-IN REFINANCE

This refinance type allows you to put additional money on your mortgage. This allows you to do two things:

1. Because you'll be lowering your loan-to-value, you'll have access to better mortgage rates.
2. Putting added cash into your mortgage can cancel mortgage insurance premium (MIP) payments on FHA loans.

*Source: <https://www.realtor.com/research/march-2020-data/>



Every homeowner is different, and though refinancing comes with many benefits, it's up to you to consult with a trusted mortgage professional and decide if a refinance meets your needs. Homebridge is here to help you discover if a refinance is right for you.



Founded in 1989, Homebridge is a recognized leader in the mortgage industry with a focus on making the dream of homeownership a reality for every customer, every day. As one of the nation's largest privately held, non-bank lenders, we originate loans in 49 states and Washington D.C., with branches from coast to coast.

Homebridge is experienced in helping buyers achieve their goals and ensuring them a rewarding loan experience. Our associates have helped countless customers for 30+ years and are dedicated to helping you get the funding you need to buy your home.

