YOUR GUIDE TO

# HOME REFINANCING



## 5 QUESTIONS TO ASK YOURSELF BEFORE REFINANCING

1

**What are my financial goals?**
Many homeowners refinance to lower their monthly payments. Others choose a shorter-term loan with higher monthly payments so they can reduce overall interest payments and own their homes faster. Visit **assurancemortgage.com/mortgagecalculator** to get a good sense of what your new payment would be after a refinance.

2

**How long do I plan to stay in this home?**
Refinancing could reduce your monthly mortgage payment. No matter how long you plan to stay in your current home, it's always free to talk to a loan officer about what makes sense for your financial goals.

3

**Do I have equity in my home?**
Having equity in your home may give you the opportunity to do a cash-out refinance for things like a kitchen renovation or college tuition.

4

**Do I qualify for a refinance?**
Whether you have excellent or imperfect credit, today's loan opportunities are more flexible than ever. There's a great possibility there is a loan product that will work for your current situation.

5

**What are the terms of my current loan?**
Borrowers with adjustable rate mortgages or interest-only loans may want to consider the potential benefits of switching to a fixed-rate loan. You may get a lower rate on the front end, while avoiding the long-term uncertainty of adjustable rate loans.

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# WHAT'S YOUR REFINANCE GOAL?

Here's a quick scenario: If you bought your home 7 years ago for $215,000 at an interest rate of 5.25%, then you may have the following options:

## LOWER MONTHLY PAYMENTS

If mortgage interest rates drop lower than your loan's current rate, you could save significantly on your monthly mortgage payment.

| | Current Loan | New Loan |
|---|---|---|
| **Loan Type** | 30-Year Conventional | 30-Year Conventional |
| **Loan Amount** | $215,000 | $189,675 |
| **Interest Rate** | 5.25% | 4.5% |
| **Monthly Payment (P&I)** | $1,187 | $961 |

**Total Savings of $226/Month**

## SHORT-TERM

You could potentially save thousands in interest with a shorter-term loan. People who anticipate a planned reduction in income in their future, like retirement, may want to lower their monthly mortgage payment.

| | Current Loan | New Loan |
|---|---|---|
| **Loan Type** | 30-Year Conventional | 15-Year Conventional |
| **Loan Amount** | $215,000 | $189,675 |
| **Interest Rate** | 5.25% | 4% |
| **Monthly Payment (P&I)** | $1,187 | $1,403 |

**Potential Savings of $75,072 Over Life of Loan**

## CASH-OUT

A cash-out refinance allows you to borrow from the equity you've built in your home and receive cash that can be used for just about any purpose, like home improvements and student loan debt.

| | Current Loan | New Loan |
|---|---|---|
| **Loan Type** | 30-Year Conventional | 30-Year Conventional |
| **Loan Amount** | $215,000 | $230,385 |
| **Interest Rate** | 5.25% | 4.5% |
| **Monthly Payment (P&I)** | $1,187 | $1,167 |

**$30,000 Cash in Your Pocket**

***Let's Discuss All of Your Home Refinance Options!***




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