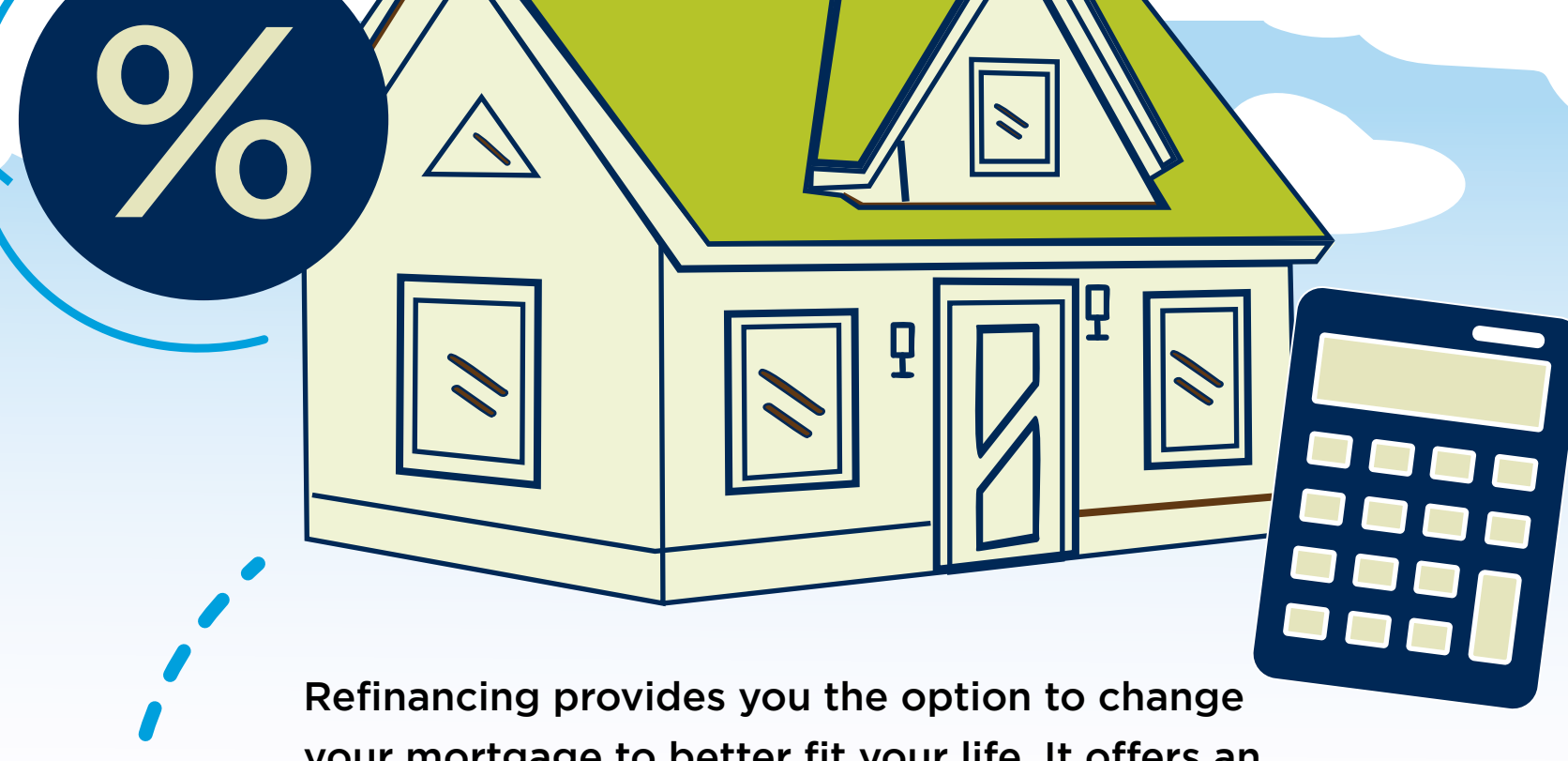


Why Refinance?



Refinancing provides you the option to change your mortgage to better fit your life. It offers an avenue to reduce payments, qualify for a better rate, pay off your loan faster, and more.

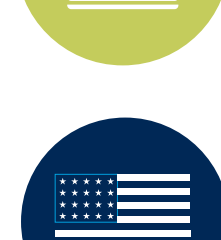
Ways to Refinance

Life changes, so why shouldn't your mortgage? Whether you want to reduce your monthly payments, pay off your loan faster, or access the equity you've built in your home — there's a refinance option for you.

RATE-AND-TERM



CASH-OUT



VA IRRRL
(Streamline Refi)



Key Terms

Know the basic concepts and research and apply for loans with confidence.

BREAK-EVEN PERIOD

The time it takes to benefit from a lower rate. Your monthly payment will decrease, but the full savings come once you recover the closing costs for the refi.

FIXED RATE

A percentage interest rate that stays constant over the life of the loan.

CLOSING COSTS

Costs related to creating the loan, including attorney fees, title recording fees, loan origination, underwriting, etc. Fees will vary by lender.

ADJUSTABLE-RATE MORTGAGE

A home loan with a variable interest rate. The initial rate is fixed for a set period of time, after which it is subject to adjustments periodically, at yearly or monthly intervals.

DEBT-TO-INCOME RATIO

The percentage of your monthly gross income that goes toward paying debts.

TERM

The repayment period of the loan, from the time it is originated until it is paid in full.

Rate-and-Term Refi

This type of refinance is best for borrowers interested in changing the rate or terms of their current mortgage to lower their monthly payments or pay off the loan faster. You'll have the option to refinance to a fixed rate or an adjustable rate.

	LOAN AMOUNT	TERM	RATE	PAYMENT
ORIGINAL MORTGAGE	\$200,000	30 YEARS	5%	\$1,200/MO
\$165,000 BALANCE AFTER 10 YEARS				
20 year refi	\$165,000	20 YEARS	3%	\$930/MO
v/s				
30 year refi	\$165,000	30 YEARS	3%	\$700/MO

DID YOU KNOW?



An ARM refi may be a good choice if you:

- Desire initial monthly payments lower than fixed-rate offers.
- Think interest rates will go down in the future.
- Plan to move prior to the end of the introductory fixed-rate period and are not concerned about potential rate increases.

ART OF THE CASH-OUT

HOW IT WORKS

A cash-out mortgage allows borrowers to replace their existing mortgage with a new, larger loan. You can then take the difference between your new mortgage and the balance on your old loan to get cash at closing!

MORTGAGE DAY 1	10 YEARS LATER	CASH-OUT
OWED: \$482,500 EQUITY: \$17,500	EST. VALUE: \$861,000 OWED: \$372,500 EQUITY: \$488,500	TOTAL LOAN AMOUNT: \$447,500 CASH BORROWED: \$75,000 EQUITY: \$263,000

Streamline your refi



Streamline refinancing, also known as IRRRL, gives qualifying veterans the green light to refinance to a lower interest rate — skipping the steps of a conventional refi.



VA LOANS COVER CLOSING COSTS.

Streamlined refinancing may allow you to roll in some or all of the costs of refinancing.



THERE IS NO APPRAISAL REQUIREMENT.

No appraisal means no appraisal fee, saving you money and time.



YOU CAN LOWER YOUR MONTHLY PAYMENTS.

An IRRRL can help you obtain a lower interest rate and reduce the amount you pay per month.



YOU CAN REFINANCE TO A FIXED RATE.

Switching from an adjustable-rate to a fixed one can help stabilize your payments so you always know what to expect.



If you're interested in learning more about all of your refinance options, check out our eBook: [Ready, Set...Refi](#)