



To Refinance or Not to Refinance? That is the Question!

A drop-in mortgage rates may make you wonder, "Should I refinance my home loan or not?" Refinancing CAN save homeowners money, but it may not always be the best option for everyone. Read on to see if it makes sense for you.

What happens when you refinance your mortgage?

Refinancing a home mortgage is replacing your existing home loan by paying it off. Since it is a new loan, you will need to go through a mortgage application and closing. Homeowners may not want to go through this process, but it doesn't have to be cumbersome with the right lender. And it may save you money and/or help you reach your financial goals.

Here are top reasons to refinance:



Need Access to Cash

If you need cash and want to use equity from your home, refinancing may be an option for you. It is also called a cash-out refinancing. You can use your equity to consolidate debt, pay student loans or get started on that home improvement you have been dreaming of. In some cases you can lower your monthly payments to!



Lower Interest Rates

A drop-in interest rates below your current mortgage rate could lower your payments and the cost of your house. This is a great reason to refinance. In some cases, an interest rate reduction of 0.25% could make a positive impact on your monthly expenses!



Higher Credit Scores

You should consider refinancing if your credit score has improved. With a better credit score, you could secure a lower interest rate.



Eliminate PMI or MI (Mortgage Insurance)

Your current mortgage may have a monthly premium known as private mortgage insurance (PMI) for Conventional Loans or (MIP) or mortgage insurance premium on FHA loans. Depending on your home's current market value, you may have the equity to remove this added monthly premium off your mortgage by refinancing into a Conventional Mortgage without MI. Doing so may lower your payments and/or shorten your payoff time.



Fixed Rate

You want to convert your Adjustable-Rate Mortgage (ARM) to a fixed rate one with lower interest than the bump-up rate of your ARM. This is another great reason to refinance so you can keep payments from ballooning in the future.



Taking the First Step

If you are thinking that refinancing is a good idea, the first step is to talk to your lender, such as Nymeo. Your lender will review your situation, goals, and current loan and then can help you achieve your goals – whether it is immediate or in the future.

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