Should I refinance my home?

Find out if it's right for you.

Memorial CREDIT UNION

growing your financial health

Refinancing is the process of obtaining a new mortgage to reduce monthly payments, lower your interest rate, take cash out of your home for large purchases, or change mortgage companies.

Why Refinance Your Mortgage?

Lower Your Interest Rate

If your interest rate is higher than the current rates, refinancing to a lower rate could save you thousands of dollars.

Lower Your Monthly Payment

When you refinance a loan, the term resets. You can refinance the new lower balance over 30 years to dramatically lower your monthly payment.

Pay Off Your Mortgage Faster

If you have a 30-year loan, it may be advantageous to change it to a 15 or 20-year term to pay off your mortgage sooner and save on the interest.

Get a Fixed Rate Mortgage

If you have an adjustable-rate mortgage (ARM), you can avoid an increasing payment by refinancing to a fixed-rate mortgage loan.

Remove PMI from an FHA Loan

If the loan-to-value ratio on your FHA loan is 78% or less, you can refinance into a conventional loan and drop PMI.

Get Cash-out and Invest

With home prices increasing, you might have enough equity to cash out and invest in something else, like your children's education, a vacation home, or a new business.

How much is it going to cost?

Mortgage refinance closing costs typically range from 2% to 6% of your loan amount, depending on your loan size.

Is it worth it?

Each situation is different so here's an example. Let's assume you have a $200,000 home loan. A 2% refinance cost will be $4,000. If you want to lower your interest rate from 6% to 4%, then refinancing is going to save you $244 per month. To break even ($4,000/$244), you need to own your home for over 16 months. So, if you plan to stay in your current home for 1-2 more years, then it may be worth refinancing.

Talk To MCU

There are many great refinance opportunities. To find out what's right for your family, talk to us about your options and evaluate what works best for you.

CONTACT US

APPLY TODAY