

# Refinancing your

# Mortgage

Refinancing a mortgage means paying off an existing mortgage to create a new one. There are several reasons why borrowers choose to refinance their existing mortgage, including lowering the interest rate on the mortgage, changing the duration of the mortgage and to earn funds from the equity built up on the home.

## WHY REFINANCE?

- It can lower the interest rate which then changes the duration of the mortgage
  - Paying a lower interest rate can help borrowers build up the equity on their homes faster
  - A 0.5% difference in interest rate can add up to hundreds of dollars in savings.
- You can earn funds from the equity built up on the home
  - If you choose this option, be aware you will own less of the home and it will take some time for that equity to build back up

## INTEREST RATES

Higher Rate = paying more each month over a shorter period of time

Lower Rate = paying less each month over a longer period of time



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