

Are You Considering Refinancing Your Home?

People refinance for many reasons, one of which may be to improve monthly cash flow. If you are considering refinancing, you need to consider the up-front costs such as legal fees. Remember, these costs are usually included as a part of the refinancing loan, making refinancing for lower monthly payments very easy to do.

Is refinancing worth it?

In the past the “rule” was that you shouldn’t refinance unless you can get at least a 2% lower rate than your current rate. In today’s market, this rule may not apply. It may be worth it to refinance if there is only one-half a percent drop in interest rates. There may be a good reason for refinancing today, even if you get almost the same rate as you currently have. If a home Appraisal shows a marked increase in value from when it was first mortgaged; refinancing could provide a lump sum of money to pay off higher interest debts. In refinancing, it pays to think time as well as money. If it costs \$2,000 to refinance a home and you save \$100 a month in mortgage payments, it will take 20 months to start seeing any real savings. However, if your plans are to stay in the home for several more years it would be worth the savings.

Is it worth it for you?

If you would like to explore whether or not refinancing is worth it for you, contact me today.

The following information will be needed;

- Your current mortgage balance
- The approximate value of your home
- Your current interest rate
- Your present monthly payment
- Approximate number of years you plan on keeping your home
- Your current balances and monthly payments for all other debts/credit cards.



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