2023 · SHOULD I CONSIDER REFINANCING MY MORTGAGE?



Has your home value

appreciated significantly?

Contact your current

lender to remove any PMI,

and/or consider a cash-out

refinance if you need to

apply your home equity to

other financial goals.

Yes

No



Yes

Yes

Yes

No

Has your credit score

recently improved?

Is your current rate fixed?

Do you expect interest

rates relative to your

current rate to decrease

in the future?

Consider waiting to

refinance to lock in a lower

rate in the future.

No

No

No

Yes

Sorry, the costs may exceed any benefits of refinancing if you sell your home in the near term.

No

Yes

Are you nearing a milestone event, such as retirement or the end of an ARM or balloon term?

Yes

Consider refinancing (or a reset) before your options become limited by time or income constraints.

No

Sorry, you may have a hard time refinancing, and will likely be subject to PMI.

Can you qualify for a new loan at a rate that is meaningfully lower than your current rate (or that removes PMI, if applicable)?

Yes

Refinancing may make sense. Calculate the fees and costs to determine your breakeven point, and whether refinancing is justified.

No

Consider a 30-year term with a fixed rate. Apply excess cash to your savings or other financial goals.

No additional planning opportunities.

Consider refinancing, and seek loan terms that best match your needs and goals.

Are you a veteran, do you live in a rural area, and/or do you have a lower credit score or income?

Yes

Yes

No

Consider whether a VA. USDA or FHA loan might be right for you. These government loans can offer lower down payments, favorable rates, and relaxed guidelines.

No

Is your primary goal to reduce your monthly mortgage payment?

No

Is your primary goal to reduce your interest expense over the life of the loan?

Yes

Consider a shorter term loan (e.g. 15-year fixed), making bi-weekly payments, and/or making extra principal payments.

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