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UNLOCK SAVINGS

YOUR REFINANCE RESOURCE

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REFINANCING, *EXPLAINED.*

Refinancing is the process of replacing your current mortgage with a new one — usually to get better terms. Homeowners typically refinance to lower their interest rate, reduce their monthly payment, tap into their home's equity for cash, or change the length of their loan. In simple terms, it's a way to reset your mortgage based on your current financial goals and market conditions.

When you refinance, you'll go through a new loan application and approval process, similar to when you first bought your home. Working with the right lender can help you weigh the costs (like closing fees) against the potential savings, so you know if it's truly the right move. Whether you're looking to save money, pay off your loan faster, or access funds for renovations, refinancing can be a smart strategy when done at the right time.

SMART REFINANCE MOVES

Refinancing your home can be a powerful financial move. It gives you the chance to adjust your loan terms, lower your interest rate, or tap into your home's equity. Whether you're aiming to save money each month, fund major expenses, or simply create more financial flexibility, refinancing can open new doors when used strategically. Here are some of the top reasons homeowners choose to refinance:



Lower Your **Interest Rate**

Secure a better rate and reduce your monthly payment.



Shorten Your **Loan Term**

Pay off your mortgage faster and save on long-term interest.



Cash-Out **Equity**

Access cash for renovations, debt consolidation, or other major expenses.



Switch **Loan Types**

Move from an adjustable-rate mortgage (ARM) to a fixed-rate for more stability.



Remove **Mortgage Insurance**

If your home's value has increased, you may be able to eliminate PMI (private mortgage insurance).



Consolidate **Debt**

Combine higher-interest debts into your mortgage for one lower payment.





HOW INTEREST RATES *IMPACT* YOUR MORTGAGE PAYMENT

Interest rates have a major impact on the cost of owning a home. When rates are low, your monthly mortgage payment is lower, which means you can often afford a more expensive home without increasing your budget. Lower rates also mean you'll pay less interest over the life of the loan, potentially saving you thousands of dollars.

On the other hand, when interest rates rise, your monthly payment increases — sometimes by a lot. Even a small change in rates can make a noticeable difference in what you owe each month and over the full term of the loan. That's why paying attention to market trends and locking in a favorable rate when you can is so important when buying or refinancing a home.



REFINANCE PROGRAMS

Conventional Refinance

A conventional refinance is for homeowners who have a non-government-backed loan. It offers flexibility with competitive interest rates for those with good credit and sufficient home equity. You can choose between a fixed-rate or adjustable-rate mortgage (ARM).

FHA Refinance

The FHA refinance program is designed for homeowners with existing FHA loans, but it's also available to others who may have less-than-perfect credit. It allows you to refinance with a low down payment or even access cash from your home equity. FHA loans are often easier to qualify for compared to conventional loans.

VA Refinance

Exclusively for veterans and active-duty military personnel, the VA refinance program offers low or no-cost refinancing options with no down payment or private mortgage insurance (PMI). The VA's Interest Rate Reduction Refinance Loan (IRRRL) is a popular option for current VA homeowners looking to lower their interest rate.

USDA Refinance

The USDA refinance program is available to homeowners living in rural or suburban areas who have a USDA loan. It's a great option for those who want to reduce their interest rates, with no required down payment and competitive rates for eligible homeowners.

Cash-Out Refinance

A cash-out refinance lets you tap into your home's equity and receive a lump sum of cash while refinancing your existing mortgage. It's a popular option for home improvements, debt consolidation, or paying off large expenses. You take out a new mortgage larger than your current balance and pocket the difference.

Streamline Refinance

This program is designed to make refinancing quicker and easier, especially for FHA, VA, or USDA loan holders. The "streamlined" process typically doesn't require an appraisal or income verification, which speeds up approval. It's an excellent choice for those who want to lower their interest rate or switch to a more stable loan.

Jumbo Refinance

A jumbo refinance is for homeowners with large loan balances that exceed conforming loan limits. Typically offering competitive rates for those with excellent credit and significant home equity, this program can help homeowners refinance high-value properties without private mortgage insurance (PMI).

REFINANCE PROGRAMS (cont.)

HARP Refinance (Home Affordable Refinance Program)

Although it's no longer available for new applicants, the HARP program helped homeowners who were underwater on their mortgages (owing more than the home was worth) refinance into a better loan. While HARP is now closed, similar programs may be available depending on your lender's offerings.

Interest-Only Refinance

With an interest-only refinance, you pay only the interest on your loan for a set period (typically 5 to 10 years), after which you begin paying off the principal. This can lower your monthly payments in the short term but may result in higher payments later on.

Reverse Mortgage Refinance

For homeowners aged 62 and older, a reverse mortgage refinance lets you tap into the equity of your home without having to make monthly payments. Instead, the loan balance is paid back when you sell the home or pass away. It's ideal for seniors looking to supplement their retirement income.

**It's important to note that the availability, eligibility, and terms of these refinance programs can vary depending on several factors. These may include your location, credit profile, income level, and the specific lender you choose to work with. Additionally, the terms of these programs may change based on current market conditions, government regulations, and lender-specific guidelines. It is always recommended to speak with a mortgage professional to get a clear understanding of your options and determine which program best suits your financial situation and long-term goals.*

PREPARATION IS *KEY.*



Clarify Your Refinance Objective

Decide what you want to achieve. Are you aiming for a lower rate, reduced monthly payments, a shorter loan term, or cash for a renovation? Knowing your goal shapes the type of refinance that's best for you.



Organize Your Paperwork

You'll need documents just like you did when you first bought your home — recent bank statements, W-2s, pay stubs, and a valid ID. Having these ready will speed up the application process.



Look At All Your Options

If refinancing for debt consolidation, compare other debt management strategies before moving forward.



Understand The Full Costs

Know all the fees tied to refinancing — and make sure they don't wipe out your potential savings.



Check Your Home's Current Value

Your home's appraised value will impact your loan terms, rates, and how much equity you can tap into. Research recent sales in your area or talk to a local real estate agent to get an estimate before starting the process.

ESSENTIAL *DO'S & DON'TS.*

Do check your credit score.

Your credit score has a significant impact on your refinancing options. I recommend reviewing your score before we start the process to make sure it's in the best possible shape to help you get the best rates.

Do calculate your "break-even" point.

We'll want to figure out how long it will take for you to recoup the costs of refinancing. This helps determine if refinancing is a financially sound decision for you.

Do gather all necessary documents in advance.

Having your financial documents, such as your tax returns, pay stubs, and bank statements, ready will help us move through the refinancing process more smoothly and efficiently.

Don't apply for new credit during the process.

Opening new lines of credit could negatively affect your credit score and, in turn, hurt your chances of securing a great refinancing rate. Let's keep things steady on your credit report.

Don't ignore additional costs.

There will be closing costs and fees associated with refinancing. I'll make sure you understand all of these costs upfront so you're prepared for any financial impact.

Don't rush the decision.

Refinancing is a big decision, and I'm here to guide you every step of the way. Take the time to consider your options and feel confident that you're making the right move for your financial future.





***READY* TO GET STARTED?**

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