

Refinancing Checklist

Whether you want to improve the terms of your current mortgage or leverage your home equity for an important purchase, refinancing lets you take advantage of your most valuable asset -- your home.

Use this checklist to help you think through your options and to track your refinancing progress.

FIRST, DETERMINE YOUR GOAL AND FOLLOW THESE STEPS:

Should you lengthen the term of your loan, thereby lowering your monthly payments?

Can you shorten the term of your loan, thereby building your equity faster?

If you want to change or improve the terms of your current mortgage, or home equity loan or line of credit:

- **Decide if refinancing is advantageous**
 - Is the current interest rate for refinancing lower than your existing rate?
 - Can you afford the closing costs and transaction fees?
 - Does your current lender offer special deals for refinancing?
 - What effect will the refinance have on your payments and your current home equity?
- **Compare your best refinance option** with your current mortgage.
- **Determine your payoff amount**, including any prepayment penalty. (Consult with your lender.)

If you want to get a larger loan or have an ongoing source of funding in order to remodel, make major purchases, pay off other loans and consolidate debt, or meet any other financial needs:

- **Determine the amount of money you need.** Is this an unknown amount, likely to fluctuate over a long period of time? If so, a home equity line of credit might be your best financing option. You can take money out as you need it and pay interest only on what you borrow.
- **Assess current interest rates.** Are interest rates generally better than your existing rate?
 - If yes, cash-out refinancing (replacing your existing mortgage with a larger amount) might be your best option.
 - If no, getting a home equity account is a smart way to leverage your home asset. It allows you to keep your current mortgage intact.
- **Determine the details of the products you're considering.** Be sure to consider closing and transaction costs, as well as your new monthly payment. Ask your lender for help.

NEXT, GET READY TO APPLY:

- **Assemble the required financial information**, such as:
 - Year property was acquired
 - Original cost of the home
 - Payoff balances for your first and any second mortgages, if applicable
 - Income tax forms
 - Income information
 - Information regarding other debts
 - Bank statements
- **Apply.**
- **Work with your lender to set up an appraisal and get title insurance.**
- **Pay any closing costs**, transaction fees, or taxes required, if not already included in the loan. (Your lender will help with this.)

To learn more about refinancing through the **NEA Home Financing Program[®]**, go to neamb.com/loans/hmfpge.jsp.

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