5 TIPS FOR REFINANCING YOUR HOME LOAN

Refinancing your home can help you get lower rates, shortern the the loan term, or even get cash out of your home. While refinancing follows a similar process to buying a home, here are 5 tips to help you prepare for a refinance.

1) Set Your Goals

Are you looking for shorter rates and lower monthly payments? Do you want to switch from an adjustable rate to a fixed rate? Answering these types questions early will help you close in on the of refinance you need. Some common goals include:

- Lowering your rates and monthly payments
- Reducing the term of your loan
- Converting FHA or VA loans to a conventional loan
- Switching from an adjustable to fixed rate
- Tapping into your home equity

3) Decide on Your Refinance Type

Once you establish your goals and have insight into your current credit, the next step is deciding which option is right for you.

- Rate-and-term can help you attain a lower interest rate while reducing your term or matching the time you have left
- Cash-Out lets you borrow money against your home equity for a variety of purposes
- Streamlines lets you refinance while sticking with your existing FHA or VA loan, and bypasses income and home appraisal requirements

2) Check Your Credit and Debts

Like buying a home, lenders look at your credit score and debt-to-income ratio when evaluating your application. Higher credit scores can translate to better rates, and any credit improvements since you bought the home can help. Checking your credit will also let you screen for any errors or issues before applying.

4) Gather Your Paperwork

Your lender will require similar documents to a home purchase. Although different lenders have varying requirements, here are some common documents they need:

- Bank statements
- Pay stubs
- Federal tax returns
- Retirement account statements
- Other sources of income (alimony, child support, social security, etc.)

5) Lock In Your Rate

Most lenders allow you to lock in your interest rates for a certain period of time before closing. This locks it in place and prevents it from going up before the loan is finalized. These locks can last anywhere from 20 to 60 days, varying lender by lender.

PrimeChoice™ FUNDING
NMLS #117375

Have Questions? Contact Us!

877-787-7463 | www.primechoicefunding.com
NMLS 117375

Your Loan Officer:

Your Processor: