

THINGS TO CONSIDER BEFORE REFINANCING YOUR HOME MORTGAGE

When you refinance your home mortgage, you are accessing the equity you have built up in your home. Equity is the current value of your home minus what you owe on your mortgage. Sometimes, accessing your home's equity can be a great investment. But, often, equity is taken from a home with no real benefit to the homeowner. BENI wants to help protect your equity.

You probably have a lot of questions about your potential refinance. Well, before you close the deal, we have some questions for you, too.

- Are you accessing your home's equity to make a smart investment like value-adding home improvements, another property or business, or education for you or your child?
- Or are you stripping the equity to pay off short-term debt?
- Have you consulted a housing counselor to determine if refinancing is your best option?
- Will the loan you are going after help you accomplish your goals? Or, after you refinance, will you be in a better position than you were before?

Many lenders will try to take advantage of your home's equity. To ensure that you are getting a good deal on your refinance, make sure that you:

- Shop around for the best possible loan with the best possible interest rate
- Determine if your current mortgage has a pre-payment penalty
- Determine if you are getting a fixed-rate loan -- many refi products have adjustable rates
- Review your credit to determine if there were any barriers that would prevent you from getting the best possible terms
- Determine if the loan will include Escrow for property taxes and homeowners insurance
- Consult a housing counselor to determine if this is the best possible loan

To speak to a Housing Counselor about your refinance options, please call us at 410.485.8422.



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