

The Right Time to Refinance Your Home

Edge No. 42

 **The RiverBank**
Clearly Different

**Tips on
back!**

The right time to refinance your home...

Lower interest rates

In general, refinancing makes sense if the current interest rate on your mortgage is at least one percentage point higher than the market rate. Refinancing can lower your monthly payments and sometimes eliminate mortgage insurance.

Need extra cash

Refinancing your mortgage may offer a way to get cash for major purchases, home-improvement projects, or educational expenses. Using your home equity to finance these expenses also can have tax advantages. If a straight refinance isn't favorable, you may want to consider a home equity line of credit.

Consolidate debt

If you have equity in your home, you may be able to consolidate high-interest credit card or other consumer debt into a lower-interest loan. Generally, your overall monthly payment can be significantly reduced, plus the interest you pay is likely tax deductible.

Planning to stay a while

The longer you plan to stay in your home, the more you will benefit from a lower interest rate.

Seeking a permanent fixed rate

Consider refinancing if you have an adjustable-rate, balloon, or interest-only mortgage and want the certainty of a fixed-rate, fixed-payment loan.

Reduce your mortgage term

When you refinance to a shorter term, you reduce the amount of interest you pay over the life of the loan. Your monthly payments will likely increase, but your overall savings will be substantial and you will quickly build equity.

Our home-loan specialists will help you decide if refinancing is beneficial for you or if other options are available. Give us a call.

 **The RiverBank**

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