

LOWER YOUR MONTHLY LOAN

PAYMENTS



**FREEDOM
UP YOUR
FINANCES
NEVER FELT
SO GOOD**

**STOP
WASTING
YOUR MONEY
NOW**

CAFCU®
empowering financial success®

INTEREST RATES ARE AT AN ALL-TIME LOW

What does this mean for you?
Depending on your loan, you may
be able to decrease your loan
interest rate and start having more
cash in your wallet today!

TOP 3 REASONS TO REFINANCE

Refinancing is an option that may work for people in a variety of situations. It can help those who fell behind due to temporary hardship or looking to lower their monthly payments because their financial situation has changed. Refinancing is also a smart move for those who want to build their equity faster or pay off their loan quicker.

Refinancing is the process of paying off an existing loan with the proceeds from a new loan and using the same property as collateral. The interest rate on the new loan will typically be less than your current loan, saving you a significant amount of money now and in the long run.

Refinancing now could help you catch up on payments, save money, and be a great financial solution for you!



NO. 1

GET A BETTER RATE

Lowering your interest rate, even by one percent, will save you money now and in the long run.

NO. 2

LOWER YOUR MONTHLY PAYMENTS

If you secure a lower interest rate, the monthly payments could be lower, and you may be able to extend the term of your loan.

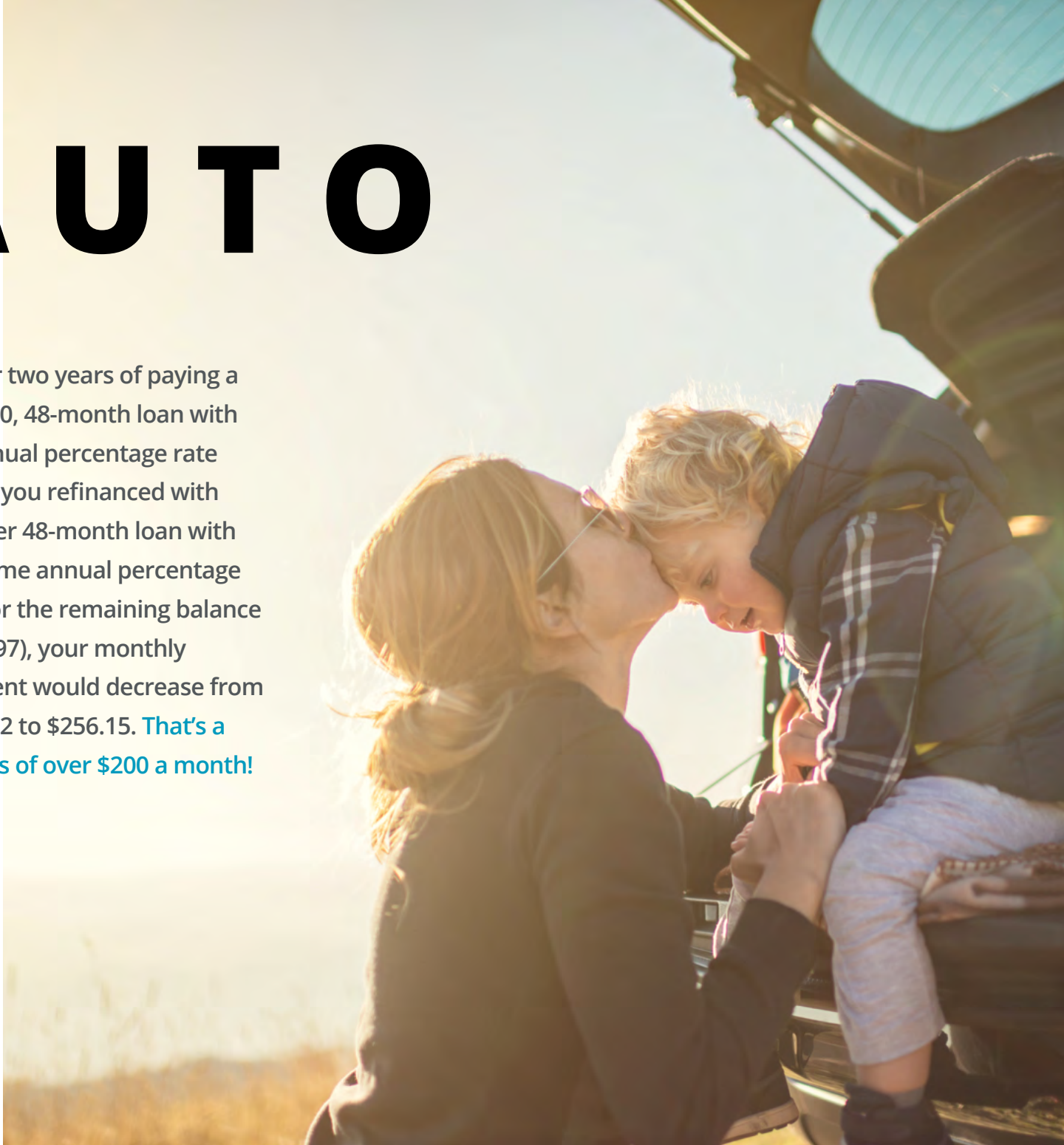
NO. 3

GET EXTRA MONEY NOW

You could get cash back from a cash-out refinance loan.

AUTO

If after two years of paying a \$20,000, 48-month loan with an annual percentage rate of 7%, you refinanced with another 48-month loan with the same annual percentage rate for the remaining balance (\$10,697), your monthly payment would decrease from \$478.92 to \$256.15. [That's a savings of over \\$200 a month!](#)



HOME



If your car payment is too high, refinancing can provide a way to lower your monthly payment. If you have already paid down a significant portion of the loan, refinancing may be an excellent option for you. Having a lower monthly payment amount can help if you are cash-strapped.

The same result can be achieved with a loan modification if your current lender is willing to extend your loan and lower your monthly payment.

LOWERING YOUR RATE, JUST A QUARTER OF A PERCENT, CAN SAVE THOUSANDS OF DOLLARS ON THE TOTAL LOAN.¹

Many people choose to refinance because the reduced interest rate decreases their monthly mortgage payment, freeing up cash for other expenses. If the annual percentage rate on your mortgage rate is above 4%, right now is a great time to find out about refinancing.

MORTGAGE RATES ARE AT AN ALL-TIME LOW

The time may be right to check out how much money you could save by refinancing your home loan with our [Home Refinance Interest Savings Calculator](#). See how much money you can start saving now!

PAY OFF YOUR MORTGAGE SOONER AND BUILD EQUITY FASTER

Switch a long-term loan with a high-interest rate for a short-term loan with a low-interest rate.

More of your payment will also go to your principal every month, which will increase your equity faster! Plus, you will save a lot of money by paying less interest over the life of the loan!

If you have a 30-year loan and switch to a 15-year loan, the time you spend paying your mortgage will be cut in half!

EVERY PERCENTAGE POINT MAKES A DIFFERENCE.

For example, suppose you refinanced a \$200,000 loan with an annual percentage rate of 7% to a loan with an annual percentage rate of 6%. In that case, you'd have about [\\$130 more in your pocket each month!](#)





GET THE CASH YOU NEED NOW

CASH-OUT REFINANCING IS YET ANOTHER ATTRACTIVE OPTION.

With this type of loan, you refinance your current mortgage plus take out some money from the equity you've built up. The benefit? Interest rates on the cashed-out portion are often lower than a home equity line of credit, home equity loan, or second mortgage. Another plus is that you will not go into credit card debt paying for the things you need!

CHANGE YOUR LOAN

Think about changing from an adjustable-rate to a fixed-rate loan, change from a longer to a shorter loan period, or from a shorter to a longer loan period. Take advantage of the low-interest rates today! Changing your type of loan may be a brilliant move for you and significantly improve your financial situation. You can work with our loan experts to pick the loan that fits your current financial goals.

CONSOLIDATE YOUR DEBTS

If you are looking to pay off your credit cards, refinancing may be an excellent solution for you. You can transfer your debt into your mortgage loan, and if you are approved for a lower rate, your monthly mortgage payment could still be lower or stay the same.

GET OUT OF PAYING PMI

Depending on your original down payment, a percentage of your monthly mortgage payment could be going to costly Private Mortgage Insurance (PMI). Suppose you've accumulated quite a bit of equity and would only need to refinance under 80% of the home's value. In that case, refinancing may be able to get you out from under your PMI payments and more of your monthly payment can go towards your debt so that you can build equity much faster.¹

UNDERWATER LOAN REFINANCING

When you owe more on the loan than the property is worth, you may feel hopeless, but there is hope! Depending on your situation, you may be able to take advantage of the Home Affordable Refinance Program (HARP) if your mortgage is owned by Fannie Mae or Freddie Mac. If you have a VA, FHA, or USDA loan, there are also refinancing options for you. If you are going through a financial hardship, the Home Affordable Modification Program (HAMP) may also be a good solution for you. Talk to your loan officer to see what the best options are for your needs and financial security.





Whether you are paying for an auto loan or a home loan, refinancing may be possible for you. Review your financial goals and talk to one of our loan experts to help you make the best choice for your situation. Be confident that you are making the best choices for your financial future.

ARE YOU READY FOR A BETTER RATE?

To refinance your loan, contact our loan experts at **1-800-359-1939, option 2.**

CAFCU is a place where you can learn how to become financially successful with our professional financial help, guidance, tools, education and assistance! We care about your financial future.

As a member of CAFCU, you will receive [FREE financial guidance, counseling and coaching FOR LIFE!](#)

Not a member? You can still schedule a [FREE 15-minute financial health checkup](#) today!

JOIN TODAY!

Source:

¹The Many Benefits of Refinancing: Taking Advantage of the Refi Boom - <https://migonline.com/blog/2019/09/25/the-many-benefits-of-refinancing-taking-advantage-of-the-refi-boom/>



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