

# Is It Time to Refinance Your Mortgage? A Homeowner's Guide

Refinancing your mortgage can be a strategic financial move, potentially saving you thousands of dollars over the life of your loan. This guide explores the key indicators that suggest it might be time to refinance, helping you understand when this option makes sense and how to maximize its benefits with professional guidance.

# Saving on Interest Through Refinancing

One of the most compelling reasons to refinance is securing a lower interest rate. Even a reduction of 0.5% can translate to substantial savings over your loan term. For example, on a \$300,000 mortgage, this small decrease could save you over \$20,000 across 30 years.

However, before pursuing this path, consider several important factors that affect your true savings:

- Refinancing costs (application fees, valuation fees, settlement fees)
- Early exit fees from your current loan
- The structure and features of the new loan compared to your existing one



A mortgage broker can provide valuable assistance by comparing your current repayments and loan conditions against available options. This personalized analysis helps determine whether refinancing will meaningfully benefit your specific financial situation after accounting for all associated costs.

# Accessing Home Equity and Changing Loan Types

## Unlocking Your Home Equity

Equity represents the difference between your property's current market value and your remaining mortgage balance. Refinancing can provide access to this equity without selling your home, making it an attractive option for homeowners looking to:

- Fund home renovations or improvements
- Invest in additional property
- Cover major expenses like education or business ventures

A broker will assess your property's current market value and advise on how much equity you could responsibly access.

## Switching Loan Types

Refinancing also allows you to change your loan structure to better suit your current needs:

- Convert from variable to fixed rates (or vice versa)
- Restructure repayment schedules
- Add valuable features like offset accounts or redraw facilities

Be aware that changing loans could trigger costs like Lender's Mortgage Insurance if your equity falls below 20% of the property value.



# Adapting to Changed Financial Circumstances



Life rarely stands still, and significant changes in your financial situation often warrant a review of your mortgage arrangements. Major life events that might prompt refinancing include:

- Income changes (promotion, career change, or retirement)
- Marital status changes (marriage, divorce)
- Family expansion (children, elderly parents moving in)
- Unexpected medical expenses or other financial challenges

In these situations, refinancing could help:

- Reduce monthly repayments to accommodate budget changes
- Consolidate multiple debts into one manageable loan
- Provide flexibility through features like repayment holidays

Before proceeding with a full refinance, your mortgage broker can help negotiate with your current lender for better terms, potentially saving you the hassle and costs of switching.

# Is Refinancing Worth It? How a Broker Can Help

## \$1,000+

### Annual Savings Threshold

The general rule of thumb for worthwhile refinancing - savings should exceed this amount annually after all costs

## 30+

### Lender Options

The typical number of lenders a mortgage broker can access, compared to staying with just one bank

## 3-5%

### Potential Interest Savings

The range of interest savings many homeowners achieve through strategic refinancing

While refinancing offers potential benefits, it's not always the right move. The associated fees and changes sometimes outweigh the advantages. A professional mortgage broker conducts detailed analysis to ensure refinancing aligns with your financial goals.

### How a Mortgage Broker Adds Value

- Access to a wide panel of lenders and products
- Personalized, unbiased advice based on your specific situation
- Comprehensive comparison of available options
- Expert handling of applications, paperwork, and negotiations

### Ready to Explore Your Options?

Speak to an accredited mortgage broker at Gain Home Loans to assess whether refinancing is right for you. Our team will guide you through the entire process seamlessly if refinancing proves advantageous for your circumstances.

Call us today on 1800 46 79 59 or visit [www.gainhomeloans.com.au](http://www.gainhomeloans.com.au) to learn more about how we can help optimize your mortgage.