

Title:

Debt Consolidation Refi Loans - Eliminate Debt With A Mortgage Refinancing

Word Count:

394

Summary:

Refinancing your home loan can be worthwhile for several reasons. If you purchased your current home when rates were high, refinancing for a lesser rate may actually lower your monthly payment. Moreover, refinancing your home and receiving cash at closing is another attractive feature. With this option, homeowners also have the opportunity to eliminate debt.

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Keywords:

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Article Body:

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What are Refinance Mortgage Loans?

By choosing to refinance your existing mortgage loan, you will create a new loan to replace the old. Aside from getting a lower interest rate, some choose refinancing to convert their adjustable rate mortgage into a fixed rate. Obtaining a shorter loan term is another reason for refinancing. Refinancing your home loan may take several weeks. Moreover, homeowners must have the disposable income to pay closing costs and other mortgage fees.

How to Consolidate Debt with a Mortgage Refinance?

A cash-out mortgage refinance will allow you to obtain a lump sum of money when you close on the new loan. When you refinance, you create a new mortgage and

borrow money from your home's equity. The borrowed money can be used for any purpose. Debt consolidation is a top reason why many homeowners choose this option.

Once the funds are received, you can use the money to payoff the balance on credit cards, automobile loans, student loans, personal loans, etc. In most cases, the amount borrowed from your home's equity can be included in the new mortgage amount; thus you will not acquire a second loan.

Choosing a Good Debt Consolidation Refinance Lender

Several lenders are willing to offer mortgage refinancing. However, homeowners should not make a hasty decision. Instead, you should carefully review lender sites and request quotes before making a final decision.

The key to refinancing is getting a good, low rate. Moreover, homeowners should attempt to get some fees waived. For this matter, contact the lender of your current mortgage. If you were a loyal customer and developed a good relationship, your lenders may not charge fees such as title search, application, etc. In this instance, you can save hundred on your closing cost.

Working with an online mortgage broker is another great way to locate a good lender. Brokers will contact several lenders on your behalf. In turn, lenders will make you an offer. The offer will include rates and mortgage terms. You choose the lender with the best quote.