

MORTGAGE LIBRARY • WORKSHEET

Refinance Break-Even Worksheet

Fill in a few numbers and see when a refinance pays for itself.

A refinance has real costs. This worksheet helps you see how long it takes for your monthly savings to cover those costs — your break-even point. Use the numbers from your current mortgage statement and the Loan Estimate for the new loan.

Step 1: Your Monthly Savings

A. Current monthly principal and interest payment

from your mortgage statement

B. New estimated principal and interest payment

from your Loan Estimate

C. Monthly savings (A minus B)

Step 2: Your Cost to Refinance

D. Total closing costs

from your Loan Estimate

E. Lender credits, if any

from your Loan Estimate

F. Net cost to refinance (D minus E)

Step 3: Your Break-Even Point

G. Months to break even (F divided by C)

how long until savings cover your costs

H. How many more months do you expect to keep this home and loan?

your best honest estimate

READING YOUR RESULT

If H is comfortably larger than G, the refinance may make financial sense. If G is close to or larger than H, the costs may outweigh the savings. Compare principal and interest only — taxes and insurance usually stay about the same either way.

Before You Decide, Also Consider

- Total interest: a new full-length loan can mean paying more interest overall, even with a lower payment.
- Your remaining term: are you restarting the clock? Would a shorter term fit your budget?
- Cash out: if you're taking cash out, compare your new total balance to what you owe today.
- Mortgage insurance: will the new loan add, keep, or remove it?
- Your plans: a move, a retirement, or a change in income can change the answer.

Notes

Have a question? Ask me directly.

Asking a question isn't applying for a loan. You'll get a straight answer from a real person.

Mike Beal

(619) 218-4706

mikeb@libertynatl.com

www.MikeBealMortgage.com

This material is for general educational purposes only and is not a commitment to lend or an offer of credit. All loans are subject to credit approval, underwriting, property eligibility, and program guidelines, which may change without notice. Rates, terms, and timelines are not guaranteed. Reverse mortgage borrowers must continue to pay property taxes, homeowners insurance, and maintain the home; the loan becomes due when the last borrower no longer occupies the home as a principal residence. These materials are not from HUD or FHA and were not approved by HUD or any government agency. Consult your own tax, legal, and financial advisors. Mike Beal, Mortgage Broker, NMLS# 236308. Mike Beal - Liberty National Lending Group, NMLS# 238335. 3914 Murphy Canyon Road #129, San Diego, CA 92123. [STATE LICENSING DISCLOSURES — CA, TX, MI, FL — per Liberty National compliance.] Equal Housing Opportunity.