A GUIDE FOR HOMEOWNERS

REFI

LOWER IT. SHORTEN IT.

A better loan on the same house.

When a rate-and-term refinance makes sense, how to figure your break-even point, how to drop mortgage insurance, the streamline options and the New York savings most people miss.



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START HERE

SAME HOUSE. POSSIBLY A MUCH BETTER LOAN.

A **rate-and-term refinance** replaces your current mortgage with a new one: a new rate, a new term, or both, with no cash out. The goal is simple: **pay less each month**, or **pay the house off sooner**.

It isn't always worth it. Closing costs, how long you'll stay and how far along you are in your current loan all matter. That's why I start every refinance with the **break-even math**.

I've been helping families into homes since 1993, first as a Realtor and now as a mortgage lender. A quick review costs nothing. If a refinance doesn't make sense right now, I'll tell you, and keep watching for you.

Brian

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WHAT A RATE & TERM REFINANCE IS

A new loan that replaces the old one.

You take out a new mortgage that pays off your current one. You change the **rate**, the **term** or the **loan type**, but you don't take cash out beyond small amounts allowed for costs.

LOWER YOUR RATE

When rates have dropped, or your credit has improved.

SHORTEN YOUR TERM

Go from 30 years to 20 or 15 and save on total interest.

DROP MORTGAGE INSURANCE

Move from FHA to conventional once you have enough equity.

CHANGE LOAN TYPE

Switch from an adjustable rate to a fixed rate, or the reverse.

GOOD TO KNOW: If you want cash from your equity, that's a cash-out refinance. Ask for my cash-out guide.

WHO A REFINANCE FITS

Built for homeowners who plan to stay a while.

USUALLY A GOOD FIT

- Today's rates are meaningfully lower than yours
- Your credit score has improved
- You have an FHA loan and 20% equity
- You want to pay off the home sooner
- Your adjustable rate is about to change
- You'll stay in the home past the break-even point

KNOW GOING IN

- Refinancing has **closing costs**
- A new 30-year loan **restarts the clock**
- Most refinances need an **appraisal**
- You'll go through **full qualifying** again on most loans
- Savings depend on how long you stay
- Rates change daily

REAL TALK: A lower payment isn't automatically a win. If you're 10 years into a 30-year loan, starting over at 30 years can cost more in total interest. I'll show you the whole picture.

YOUR BREAK-EVEN POINT

How long until the savings pay back the costs.

The break-even point tells you how many months it takes for your monthly savings to cover what you spent to refinance. Stay longer than that, and you come out ahead.

Current principal and interest payment	**$1,950**
New principal and interest payment	**$1,800**
Monthly savings	**$150**
Estimated closing costs	**$4,500**
BREAK-EVEN ($4,500 ÷ $150)	**30 MONTHS**

EXAMPLE ONLY. NOT A RATE QUOTE OR LOAN ESTIMATE.

STAYING LONGER?

Every month past break-even is money saved.

MOVING SOON?

If you'll move before break-even, a refinance may not pay off.

NO-COST OPTION

A slightly higher rate can cover costs. That changes the math.

30, 20 OR 15 YEARS

A shorter term costs more monthly, and far less overall.

	30-YEAR	20-YEAR	15-YEAR
MONTHLY PAYMENT	Lowest	Higher	Highest
RATE	Usually highest	Usually lower	Usually lowest
TOTAL INTEREST	Most	Much less	Least
BEST FOR	Lowest payment and flexibility	A middle ground	Paying off fastest

CUSTOM TERMS

You don't have to pick 15 or 30. Many lenders allow terms like 22 or 25 years, so you can line up your payoff with retirement without restarting a full 30 years.

REAL TALK: A 30-year loan with extra payments can give you flexibility. But be honest about whether you'll actually make them.

DROPPING MORTGAGE INSURANCE

Equity can take a big cost off your payment.

FHA TO CONVENTIONAL

FHA mortgage insurance often lasts the life of the loan. With about **20% equity**, refinancing into a conventional loan can eliminate it.

CONVENTIONAL PMI

You may not need a refinance at all. You can ask your servicer to remove PMI at 80% of the original value, and it ends at 78%.

HAS YOUR HOME GONE UP IN VALUE?

Many Capital Region homes have gained value in recent years. A new appraisal may show you have more equity than you think, which can help you drop mortgage insurance.

GOOD TO KNOW: Your current loan type, balance and home value all matter. Send me your mortgage statement and I'll check where you stand.

STREAMLINE OPTIONS

Less paperwork if you already have an FHA or VA loan.

FHA STREAMLINE

For current FHA loans. Often no appraisal and reduced income documentation. Must result in a real benefit to you.

VA IRRRL

For current VA loans. Often no appraisal, with a **0.5%** funding fee. A fast way to a lower rate.

THERE HAS TO BE A BENEFIT

Streamline refinances require a "net tangible benefit," such as a lower payment or moving from an adjustable to a fixed rate. That protects you from refinancing for the wrong reasons.

GOOD TO KNOW: There are also waiting periods after your last closing before you can streamline. I'll check your dates.

COSTS & NEW YORK SAVINGS

Know what you'll pay, and what you might save.

Refinance costs are similar to purchase costs: appraisal, title insurance, recording fees, lender fees and prepaid interest and escrow. Your Loan Estimate will list every one.

THE CEMA: A NEW YORK MONEY SAVER

New York charges a **mortgage recording tax** on new loans. A **CEMA** (Consolidation, Extension and Modification Agreement) can let you pay that tax only on new money, not your whole balance. It's often available on conventional refinances and can save thousands. Your existing lender has to cooperate.

ESCROW REFUND

Your old escrow account balance is refunded after payoff.

SKIPPED PAYMENT?

You don't really skip a payment. Interest is paid at closing.

SHOP IT

Compare Loan Estimates, not just advertised rates.

COMMON REFINANCE MISTAKES

Most of these are easy to avoid.

1 IGNORING BREAK-EVEN
Know how long it takes to pay back your costs.

2 RESTARTING AT 30 YEARS
Consider a shorter term to avoid stretching out your loan.

3 CHASING TINY SAVINGS
A small rate drop may not cover the costs.

4 FORGETTING THE CEMA
In New York, ask about it every time.

5 NEW CREDIT DURING THE LOAN
Hold off on new cards or financing.

6 CHANGING JOBS MID-PROCESS
Talk to me before you switch employers.

7 WAITING FOR THE PERFECT RATE
Nobody times rates perfectly. Run the numbers today.

8 NOT READING THE LOAN ESTIMATE
Compare full costs, not just the rate.

REAL TALK: Almost every one of these is avoidable with a 15-minute conversation before you apply. That's the cheapest time to fix a problem.

WHEN NOT TO REFINANCE

Sometimes the best refinance is no refinance.

YOU'RE MOVING SOON

If you'll sell before break-even, the costs may outweigh the savings.

YOU'RE CLOSE TO PAYOFF

Late in a loan, most of your payment is principal. Starting over may cost more.

THE SAVINGS ARE SMALL

A few dollars a month rarely justifies thousands in costs.

YOUR CREDIT DROPPED

A lower score can mean a higher rate than you have now.

I'LL KEEP WATCHING FOR YOU

If now isn't the right time, I'll set a rate alert based on your loan and let you know when the numbers start to work.

REAL TALK: I'd rather tell you not to refinance and earn your trust than talk you into a loan that doesn't help you.

12 · GET ORGANIZED

DOCUMENT CHECKLIST

Have these ready, and the process moves a lot faster.

- [ ] Most recent mortgage statement
- [ ] Property tax bill
- [ ] W-2s for the last 2 years
- [ ] Bank statements, last 2 months, all pages
- [ ] HOA information, if applicable
- [ ] Homeowners insurance declarations page
- [ ] Pay stubs covering the last 30 days
- [ ] Tax returns, if self-employed
- [ ] Government-issued photo ID
- [ ] Divorce decree, if removing a co-borrower

Every situation is a little different. I'll give you the exact list for your scenario before you gather anything.



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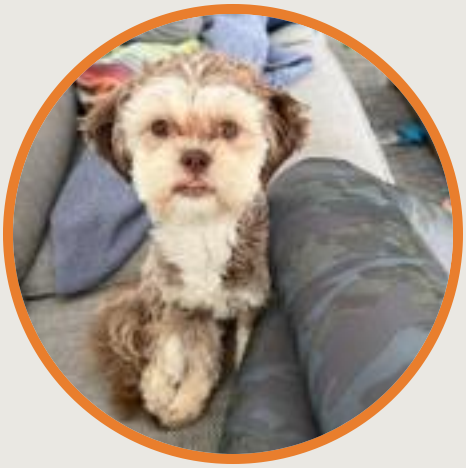
BOOK 15 MINUTES

EQUAL HOUSING OPPORTUNITY

This guide is for educational purposes only and is not a loan commitment or guarantee of approval. All loans are subject to credit, income, asset, property and appraisal approval; not all applicants will qualify. A refinance replaces your existing mortgage and involves closing costs; your total finance charges may be higher over the life of the loan if you extend your term. Savings are not guaranteed and depend on your rate, term, costs and how long you keep the loan. FHA Streamline, VA IRRRL and conventional refinance guidelines are set by each agency and are subject to change. CEMA availability depends on your existing lender and loan type. Removal of mortgage insurance is subject to program and servicer requirements. Examples are illustrations only and are not a rate quote or Loan Estimate. Program availability and guidelines are subject to change without notice. © 2026 New American Funding, LLC. NMLS #6606 (nmlsconsumeraccess.org). 1 MacArthur Place, Suite 800, Santa Ana, CA 92707 · newamericanfunding.com · (800) 450-2010. Licensed Mortgage Banker, NYS Department of Financial Services. Equal Housing Lender. October 2026.

PENNY'S CORNER

A few words from our Chief Belly-Rub Officer.



PENNY SAYS

CHIEF BELLY-RUB OFFICER

A lower rate or a shorter term on the same house? Dad runs the break-even math first, and if it doesn't make sense, he'll tell you. Honesty is my favorite trick.

If now's not the time, he'll keep watching rates for you. I'll keep watching the window.

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Tips, updates and plenty of Penny.

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