

Refinancing your home loan

Is it best for you? When is the right time?

"These days, people refinance their home loan, on average, every 4-5 years.

Here are 5 of the most common reasons why."

1

Lower Rates

The most common reason for people to refinance their home loan is to get a better deal but you need to consider fees and be sure that in refinancing that you'll be better off in the long run after taking into account all costs.

2

Greater Flexibility

Many people only discover the full details about their home loan when it's too late. They try to do something and get told that either they can't do it, or they will incur a hefty charge if they do. So many people refinance their home loan to give themselves increased flexibility.

3

Renovations

If you carry out renovations, it often makes sense to refinance your home loan and take out a construction loan so you only pay interest as building progresses. Once construction is over, it might make sense to refinance your home loan again so that you consolidate the total amount you owe into a loan that minimises your interest bill, while giving you a degree of liquidity.

4

Home Equity

Over recent years in the property market houses have appreciated at a significant rate. Refinancing your mortgage with a home equity loan might let you tap into that extra equity.

5

Household Cashflow

Some people find that on top of their home loan, other financial commitments put a strain on their household cashflow. If you're under financial stress, consolidating and refinancing your loans can reduce your overall commitments and make your finances more manageable.

Source: www.essentialsofborrowing.com.au

Tony Elkins

P 1300 355 467

M 0458 930 911

E finance@elkins.com.au

W elkinsfinance.com

