Refinancing Your House

Why should you refinance?

1. Lower Your Monthly Payment
 - If rates are lower now than when you originally financed your home, or if you choose an adjustable rate mortgage with a lower initial interest rate than your current rate, your monthly payment will go down (assuming you don't shorten the term or increase the loan balance significantly). That means you can save more every month. Not only that, but you probably won't have to scrape together money to bring to the closing table either, because you can usually include all of the costs to close your loan in the new loan amount.

2. Switch From an Adjustable Rate to a Fixed Rate Mortgage
 - Adjustable rate mortgages (ARMs) can provide lower initial monthly payments for those who are willing to risk upward market adjustments. They're also ideal if you don't plan to own your property for more than a few years. However, if you have made your house a permanent home, you may want to swap your adjustable rate for a 15-, 20- or 30-year fixed rate mortgage. Your interest may be higher than with an ARM, but you have the confidence of knowing what your payment will be every month for the rest of your loan term.

3. Escape Balloon Payment Programs
 - Like adjustable rate mortgage programs, balloon programs are great when you want lower rates and lower initial monthly payments. However, if you still own the property at the end of the fixed rate term (usually 5 or 7 years), the entire balance of your mortgage is due to the lender. If you are in a balloon program, you can easily switch over into a new adjustable rate mortgage or fixed rate mortgage.

4. Remove Private Mortgage Insurance (PMI)\
 - Zero or Low down payment options allow homeowners to purchase homes with less than 20% down. Unfortunately, they also usually require private mortgage insurance, which is designed to protect the lender from loan default. As the value of your home increases and the balance on your home decreases, you may be eligible to remove your PMI with a mortgage refinance loan.

5. Cash In on Your Home's Equity
 - Your home is a great resource for extra cash. Like most homes, yours has probably increased in value, and that gives you the ability to take some of that cash and put it to good use. Pay off credit cards, make home improvements, pay tuition, replace your current car, or even take a long-overdue vacation. With a cash-out mortgage refinance transaction, it's easy. And it's even tax deductible.

Necessary documents to refinancing application

 - Original pay stubs covering the most 6 months
 - Original W-2 forms for the last two years
 - Your last three months financial statements for all non-First Tech asset accounts

Regarding your residence:

If you own a house,bring
 - a copy of your current mortgage statements for all mortgages

 - If you are renting, bring the name, address and phone number of your current landlord covering the most recent 12 months

If this applies to you:
 - Original or current award letters for Social Security or pension income and pay stubs
 - Copy of divorce decree, including property settlement
 - Copy of last two years tax returns for rental properties you own, along with current rental agreements
 - If you are self-employed:
 - Copy of your last two years federal tax returns with original signatures
 - Year-to-date profit and loss statements, signed
 - Current balance sheet, signed
 - K-1's for all partnerships
 - Copy of last two years partnership returns for general partners
 - Copy of last two years 1120 returns for corporations or an 1120S for S-Corps

Miscellaneous:
Every borrower is different. Depending on your particular situation, you may be asked to provide various other records as well