



FACT SHEET



Refinancing

A lot of people pay too much money on their mortgage, most are unsure of if it is worthwhile to refinance.

WHY REFINANCE

People refinance for the following reasons:

1. To find a Cheaper or Better Suited Product
2. Lender Service Dissatisfaction
3. Fees and Charges
4. The need to restructure or consolidate existing debt

BENEFITS OF REFINANCING:

The benefits of mortgage refinancing may include:

- paying off your mortgage faster;
- a lower interest rate or more favourable terms than your current mortgage;
- extending the length of your mortgage and thereby reducing the amount you repay each month;
- consolidating your credit card and personal loan debts into your mortgage to take advantage of the lower mortgage interest rate.

DO YOU GET STAMP DUTY EXEMPTIONS?

If you are refinancing and the borrowers and the security remaining unchanged you MAY be able to get exemptions for Mortgage Stamp Duty. This means that you will not need to pay Mortgage Stamp Duty for the new refinanced loan.

If you are refinancing and increasing your facility then you will have to pay Mortgage Stamp Duty on the additional increase amount. For example if you were refinancing a \$100,000 and getting an additional \$50,000 then you would need to pay stamp duty on the additional \$50,000.

GET A FREE "HEALTH CHECK"

If you are unsure why not get Equitimax to do a 'health check' on your loans to see how your mortgage compares with others in the marketplace.

CONSOLIDATING YOUR DEBTS

Mortgage refinance is often used to consolidate credit card and personal loan debt. This is because a mortgage loan is usually available at a substantially lower interest rate than the interest rate you pay on your credit cards or personal loans.

By consolidating all your debts under your mortgage you will only have to make a single payment instead of making multiple payments each month. In addition, you may end up paying less each month than you are currently. This helps many people manage their finances more effectively.

REFINANCING CHECKLIST

- What are the Exit Fees for your current lender?
- What are the Establishment Fees on the new loan?
- What are the Ongoing Fees for the new loan?
- What is the new Interest Rates and how does it compare?
- Will I get a Mortgage Stamp Duty Exemption?
- Are there any other Government Fees and Charges to pay?

IN SUMMARY

- Does the new lender suit your requirements?
- And will it save me money?



FACT:

Most lenders will charge you the full amount of Mortgage Stamp Duty regardless of what exemptions are applicable. Once settled the lender will then send a request to the Office of State Revenue to have the Mortgage Stamp Duty refunded. You may be out of pocket for 4-8 weeks.