

Why would I Refinance my Home?

We work what feels like our WHOLE lives to pay off our homes. Right? At least 25 or 30 years! Why in the world would we EVER consider taking the equity out of our home? Although refinancing sounds scary, there are so many advantages and opportunities if you have equity in your home. Here are a couple to consider:

Refinance for Renovations. As your home ages, work needs to be done to maintain your investment. A new roof, a new fence or even a furnace that needs updating. These are all necessary evils that come with homeownership. Many of us choose to add a bedroom for a growing family, finish our basements or redo our kitchens to upgrade the home. Again, these are all normal desires that surface over the years as a homeowner. Putting the cost of the renovations on to a line of credit is going to cost you interest between 7-9%.. A credit card? 13-18%. Every day, I meet with clients that feel like they're running on a hamster wheel paying off excess credit card debt. If you consider refinancing your home instead of using credit cards, you'd be in the range of about 3.50% and the payments are MUCH smaller!

Refinance to pay off excess debt. Sometimes things just get tricky. We need cash quickly and we haven't had time to research all of our options. This happens more often than you think! If you own a home with equity and you feel like you've got some payment piling up, refinancing could be the perfect solution to take some pressure off.

Refinance for investment. Did you know that if you pull equity out of your home and then use that money to invest, either in RRSP's, Mutual funds, the stock market or even another property, you're actually able to write off the mortgage interest you're paying on your principal residence? True story! You can pull equity out (or refinance) your home, invest the money to get it working for you AND end up with a smaller tax bill at the end of the year! Triple win!

Refinance to purchase a Rental Property. In a challenging employment and mortgage environment, Calgarians are finding it harder and harder to purchase their own homes. This creates two opportunities: a buyer's market, and a strong rental market. The combination makes for an excellent time to purchase investment Real Estate.

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Children's Education? Early Inheritance? FUN FUN FUN in retirement? Another reason you might want to refinance your property as a long-term property owner is to help your children to achieve their goals. Education is incredibly expensive and the barriers to entry with homeownership have never been higher. Refinancing your home as a way to provide early inheritance might be perfect for your family! (And the kids can pay the interest payments! At least that is what I'll be making my kids do)!! And don't forget enjoying your life in retirement. A refinance or equity release from your home might be the perfect way to add to your monthly income in retirement.

I know what you're thinking now, "Okay, okay lady, so what is the process if we actually want to consider this refinance business?"

Step 1: We'll have a quick call and figure out what your ultimate goals are.

Step 2: We'll gather the documents. I'm going to need your property tax statement and your most current mortgage statement. I might need employment documents if you're still working, or your most recent tax returns if you're not working. It's that simple!

Step 3: We'll structure a transaction just for you. Do you want a mortgage payment? Do you want an interest only payment? Do you want NO payments? There are so many choices available with these transactions, we'll be able to figure out exactly what works best for your specific situation!