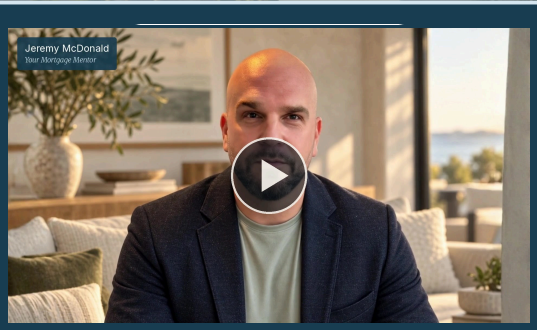
CONVENTIONAL

THE REFINANCE *Guide*



Watch here

A clear look at a conventional refinance.

Who it's for, how rate-and-term and cash-out differ, PMI, and the process from application to funding.

Prepared by

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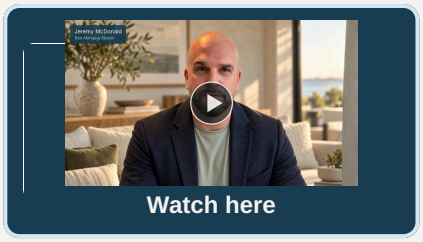

Who a conventional refinance is for

A conventional refinance can change your rate or term, or take cash out when you want to use equity.

A new appraisal is typical, though some rate-and-term files may receive an appraisal waiver. That is never a given. If you are taking cash out, expect an appraisal and a lower maximum loan-to-value than a rate-and-term refinance.

If the new loan is above 80% of value, PMI is typically required. I'll compare both options with your current loan before we start a file.

INSIDE THIS GUIDE

01 **Who it's for**
See if this path fits your situation.

02 **The loan process**
From application and disclosures to appraisal or waiver review, underwriting, and funding.

03 **The costs**
Rate-and-term versus cash-out, PMI if needed, and closing costs.

04 **Your worksheet**
Organize your current loan, equity goal, and timeline.

HOW TO USE THIS GUIDE

01 Read who this refinance is for and the key requirements.

02 Walk through the process, including whether an appraisal is needed.

03 Fill in the worksheet with your current loan and your goal.

04 Bring your questions when we talk. Call or text me at (904) 442-3213.

Meet your mentor

Jeremy McDonald
Your Mortgage Mentor

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Seven steps in your refinance

Here's the real refinance path, from application to funding. I'll tell you at the start whether a new appraisal is part of this loan.



Watch here

01

Application

We'll review your current loan and whether this is rate-and-term or cash-out, then take a refinance application.

02

Loan Disclosures Go Out

Your loan disclosures go out so you can see estimated costs and the new terms in writing before we go further.

03

File Is Assembled

We gather your current loan information and anything else the file needs, then get it ready for underwriting.

04

Appraisal and Underwriting

We order an appraisal when one is required, or confirm a waiver if it is offered, and submit your file to underwriting. Cash-out typically needs an appraisal.

05

Conditions

If underwriting asks for more items, I'll tell you exactly what we need and why.

06

Clear to Close

Once you're clear to close, review your Closing Disclosure. You should have it at least three business days before signing.

07

Closing and Funding

You sign and the new loan pays off the old one. If this is cash-out, eligible cash is disbursed after closing. On a primary home, you generally have a three-business-day right to cancel.

PRO TIP

Compare rate-and-term and cash-out separately.

Cash-out usually has a lower maximum loan-to-value and a different cost picture than a rate-and-term refinance. We'll look at both against your goal.

WHAT'S THE TIMELINE?

Timing depends on the appraisal or waiver, underwriting, and how quickly documents come in.

I'll stay in close touch so you always know what is next.

NEED A HAND?

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Plan rate-and-term or cash-out costs

A conventional refinance can lower a payment or pull out equity, but the costs and the maximum loan amount are not the same for both paths.

01. RATE-AND-TERM OR CASH-OUT

Rate-and-term refinances the current balance and eligible costs. Cash-out can pull equity, usually at a lower maximum loan-to-value, especially on a second home or rental.

YOUR ESTIMATE: $_____

02. CLOSING COSTS

These may include lender fees, title services, taxes, and prepaid items. I'll show you the estimate, and on cash-out, the net cash after costs.

YOUR ESTIMATE: $_____

03. APPRAISAL

A new appraisal is typical. Some rate-and-term files may receive a waiver, but that is not guaranteed. Cash-out typically requires an appraisal.

YOUR ESTIMATE: $_____

04. PRIVATE MORTGAGE INSURANCE

If the new loan is above 80% of value, PMI is typically required. It can usually be cancelled later once you reach the required equity and the loan is in good standing.

YOUR ESTIMATE: $_____

Understand your monthly payment

- **PRINCIPAL**

The portion of your payment that reduces the amount you borrowed.

- **INTEREST**

The cost of borrowing money on this loan.

- **TAXES & INSURANCE**

Property taxes and homeowners insurance, often collected with your payment.

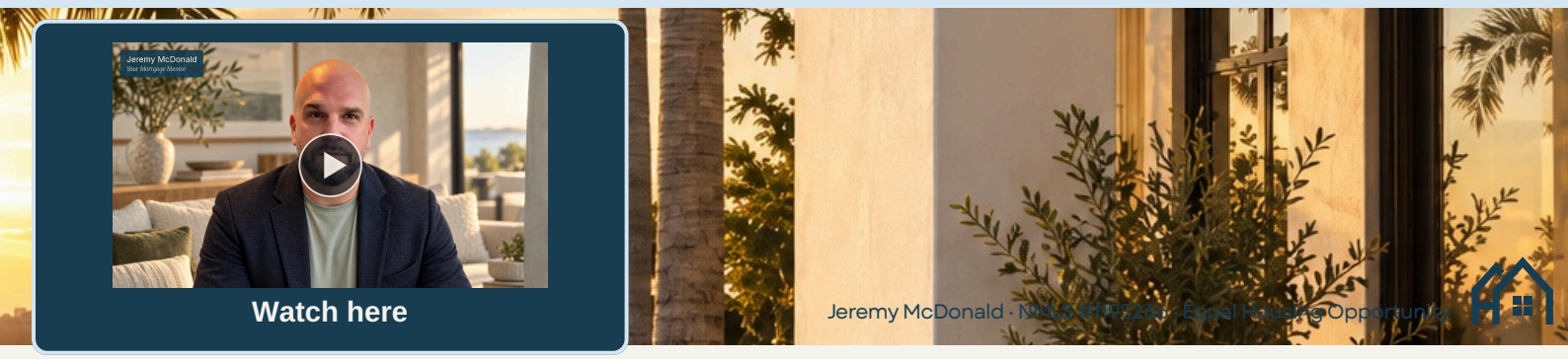
- **PMI**

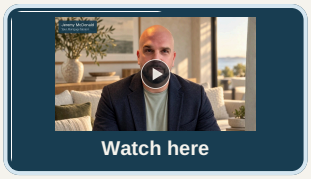
Private mortgage insurance, if the new loan is above 80% of value. This can often be removed later once you have enough equity.

Other items to consider

Maximum cash-out and PMI rules depend on occupancy and the property type. Program details can change, and I'll confirm current conventional guidelines on your file.

Ask me for a personalized estimate of your total monthly payment and closing costs.





Get your refinance numbers on paper.

Use this worksheet to organize your current loan and whether this is rate-and-term or cash-out.

YOUR REFINANCE PLAN

CURRENT LOAN BALANCE

$_____

TARGET MONTHLY PAYMENT

$_____

CURRENT RATE AND TERM

TARGET CLOSE DATE

DEFINE YOUR GOAL

RATE-AND-TERM OR CASH-OUT

Lower payment, shorter term, cash-out, or another goal.

- ○ _____
- ○ _____
- ○ _____
- ○ _____
- ○ _____

WHAT I WANT TO KEEP

Terms or features you don't want to give up.

- ○ _____
- ○ _____
- ○ _____
- ○ _____
- ○ _____

WHAT TO AVOID

Costs, timelines, or terms that would make this a poor fit.

- ○ _____
- ○ _____
- ○ _____
- ○ _____
- ○ _____

LOAN FILE NOTES

PROPERTY ADDRESS	ESTIMATED VALUE	CASH-OUT GOAL	PRIORITY	NOTES
			○ ○ ○ ○ ○	
			○ ○ ○ ○ ○	
			○ ○ ○ ○ ○	
			○ ○ ○ ○ ○	
			○ ○ ○ ○ ○	

Current loan details, questions, and items to send in.

Your next step

Write down your balance, estimated value, and cash goal if any, then call or text me at (904) 442-3213. We'll compare rate-and-term and cash-out against your current loan.

Program rules can change. I'll confirm current conventional refinance requirements on your file.

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