##### [00:00:00.250] - Speaker 1

Hey, I'm Jeff Milliken, a senior mortgage loan officer at Texas Farm Credit. Let's talk about mortgage refinancing. A refinance replaces your existing mortgage with a new loan. It can allow you to change your mortgage term interest rate or take cash out of your home's equity. I'm going to walk walk you through the options, the process, and how you can start your refinance with Texas Farm Credit.

##### [00:00:19.420] - Speaker 1

First, let's talk about the benefits of refinancing. You can lower your monthly payments when you refinance to a longer term. You can also go the opposite direction and take a shorter term and save money in interest and pay off your home sooner. You may be able to get a lower interest rate than when you first signed your loan, which could reduce the amount you owe each month. You could apply for a cash out refinance, which allows you to tap into the equity you built into your home and get much needed cash in hand.

##### [00:00:43.620] - Speaker 1

You can even refinance a current property and purchase additional adjoining acreage with the same loan. This has a five acre minimum and must be a second home. There are two main types of refinances rate and term refinance and cash out refinance rate and term refinance changes your interest rate or how long you have to pay back your loan. You can lower your monthly payments by increasing your loan's term, how long you have to pay it off, or you can save money on interest over time by taking on a higher monthly payment. You may also qualify for a lower interest rate.

##### [00:01:12.490] - Speaker 1

Of course, none of this will change the amount of principal or the original amount of money you were lent, but it could help you better manage your mortgage. You can even roll in all the fees associated with the loan. Cash out refinance occurs when you take out the equity you have in your home. Equity refers to the amount of money you put into your home through a down payment or monthly payments. A cash out refinance allows you to take that money out of your equity to cover almost anything.

##### [00:01:38.250] - Speaker 1

Whether you want to pay off credit card bills, make home improvements, boost retirement savings, or start a college fund for a child. Your interest rate and term may or may not change, but your mortgage principal balance will increase. Keep in mind that not everyone qualifies for a refinance. Getting a refinance is a lot like applying for a mortgage. The lender you choose will consider your current home equity credit score and other debts, among other things.

##### [00:02:00.310] - Speaker 1

When considering you for a refinance program, the refinance processes first step is to find a lender that will help you through the refinance. Because your new loan will completely replace your current loan. You can refinance with any lender you choose. Texas Farm Credit has on staff refinance experts that will match you with the best loan program for your particular situation and guide you through the application. Once you select the lender, you'll be asked to provide documents such as pay stubs and tax returns.

##### [00:02:25.770] - Speaker 1

Then you'll receive a loan estimate, outlining your new terms and interest rate. Your lender will underwrite your loan and order an appraisal. And if everything goes through, you're closing the schedule. And if you're taking cash out of your home, you'll get your money three days after closing. If you're planning on or have questions about refinancing, consider Texas Farm Credit.

##### [00:02:43.420] - Speaker 1

Give us a call today. We haven't and Mortgage team dedicated to loan processing that will provide excellent service and answer all your questions.