

## Frequently Asked Questions – Refinancing

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### **What is refinancing?**

Refinancing is changing your home loan so that it better suits your current circumstances. This can involve a change in loan type, a change in lender or both.

### **What are the common reasons that people refinance?**

People generally refinance for the below reasons:

- To switch from a variable rate to a fixed rate so that they have more certainty around their repayment costs.
- To obtain a cheaper interest rate.
- To consolidate debt – for example rolling credit cards into your home loan
- To undertake a home renovation
- To access money for a major purchase such as a new car

### **Would refinancing benefit me?**

You may benefit from refinancing in the following circumstances:

- Your circumstances have changed since you took out your loan
- You are considering an investment property
- You would like to consolidate your debt
- You would like to pay off your loan sooner
- You want to top-up your home loan

### **Are there costs involved?**

Generally there are costs involved in refinancing your home loan. You need to be sure that by refinancing you achieve a favourable outcome that places you in the position you want to be in.

Your loan consultant can help you look at your options, the costs involved and the pro's and con's of refinancing to achieve your goals.