

THE DAWN ROBBINS GROUP HOMEOWNER SERIES

Is Now the **Time** to Refi?

"Everything your lender assumes you already know about refinancing, explained clearly by someone who's been helping families make informed choices for almost 30 years."



Dawn Robbins

Mortgage Loan Officer · Dawn Robbins Group · Lake Oswego, OR

FROM DAWN

Why I Wrote This

I'm going to be straight with you. I've been helping families make informed choices for almost 30 years. I've sat across from a lot of homeowners who had no idea they were sitting on a real opportunity — or just as often, were about to make an expensive mistake. Not because they weren't smart. Because nobody ever took the time to explain how this actually works.

"I've had clients come in excited about a rate they saw online, ready to jump, and within 20 minutes we figured out the refi would cost them more than it saves. I've also had clients who didn't think they'd qualify and ended up saving \$400 a month. The difference is always the same: taking 30 minutes to run the actual numbers first."

DAWN ROBBINS · DAWN ROBBINS GROUP · LAKE OSWEGO, OR

This guide covers what a refinance is, the types, when it makes sense, when it doesn't, and alternatives most loan officers never mention. Eight consecutive years as a Five Star Mortgage Professional comes from telling people the truth — including when the answer is "not yet."

ONE THING BEFORE YOU START

Every situation is different. If anything in here makes you think "wait, that might be me," reach out. The call is free and I won't try to talk you into something that doesn't make sense for your situation.

SECTION 01

What Is a Refinance?

A refinance is when you replace your current mortgage with a new one. You're not selling your home — you're swapping out the loan you have for different terms that fit your life right now. Think of it like refinancing a car loan: the car stays the same, your payment changes. One thing upfront:

The question isn't whether you can — it's whether you should.

Your Rate

Lower rate means lower payment and more money staying in your pocket every month.

Your Term

Shortening from 30 to 15 years builds equity faster and cuts total interest paid significantly.

Your Balance

A cash-out refi lets you tap equity you've built and receive usable funds at closing.

Your Loan Type

Moving from FHA to Conventional can permanently drop mortgage insurance costs.

SECTION 02

The 3 Types of Refinances

Each type solves a different problem. Straight breakdown.

1 Rate & Term Refinance

LOWER YOUR RATE OR CHANGE YOUR TIMELINE

The most common refi. You keep your loan balance roughly the same and change your interest rate, your loan term, or both. No cash comes out. The whole goal is a better deal on your existing mortgage.

Real example: You bought at 7.5%. Rates drop to 6.2%. On a \$400,000 loan, that's roughly \$380 less per month — every month, for as long as you stay.

Best for: Homeowners who want a lower payment or to pay off the home faster

2 Cash-Out Refinance

TURN YOUR EQUITY INTO USABLE CASH

You refinance for more than you currently owe. The difference comes to you as cash at closing. You're borrowing against the equity you've built. Your new mortgage is larger, but you walk away with real money.

Real example: You owe \$250,000 on a home worth \$420,000. You refi for \$320,000 and get \$70,000 at closing. New balance: \$320,000.

Best for: Homeowners with strong equity who need funds for a specific purpose

3 FHA & VA Streamline Refinance

FASTER AND SIMPLER FOR GOVERNMENT-BACKED LOANS

If you have an FHA or VA loan, you may qualify for a simplified refi with less paperwork, no appraisal in most cases, and a faster close. Requirements: you're current on your loan, the refi lowers your payment, and no cash comes out.

Best for: FHA or VA borrowers who want a better rate with minimal hassle

THE FHA-TO-CONVENTIONAL MOVE

If you bought with an FHA loan and now have 20% equity, you may be able to refi into a Conventional loan and drop mortgage insurance permanently. For most people that's \$150-\$300 off the monthly payment just from switching loan types — even at the same rate.

SECTION 03

When a Refi Isn't the Right Call

Here's a scenario I see all the time in the Portland metro. A homeowner bought in 2020 or 2021 at 3%. They've built real equity and need cash — maybe for a renovation or to pay off debt. A cash-out refi sounds like the answer, until you realize they'd have to give up that 3% rate and replace it with today's rate. That math rarely works.

This is where most loan officers stop talking. There's another option that lets you tap your equity without touching your first mortgage at all.

HELOC

HOME EQUITY LINE OF CREDIT

Works like a credit card backed by your home equity. You draw from

HELOAN

HOME EQUITY LOAN

Fixed lump sum at a fixed rate with predictable monthly payments.

PROTECTING YOUR FIRST MORTGAGE

If your current rate is below 5%, the general rule is: don't touch it. A HELOC or HELOAN lets you fund your goals while keeping that first mortgage exactly where it is. This is the conversation most homeowners never get to have.

SECTION 04

What You Might Be Refinancing Into

When you refinance, you're not just picking a rate — you're choosing a loan type. That choice matters more than most people realize.

Conventional Loan

Most common type. Not government-backed; follows Fannie/Freddie guidelines. Typically requires 620+ credit. No mortgage insurance once you have 20%+ equity.

FHA Loan

Flexible credit requirements — popular with first-time buyers. Trade-off: MIP for most of the loan's life. Once at 20% equity, moving to Conventional drops that cost permanently.

VA Loan

For eligible veterans and active-duty service members. No mortgage insurance, often lower rates. One of the most underused benefits out there — especially here in Oregon.

Fixed vs. ARM

Fixed: Rate never changes — stable and predictable. **ARM:** Starts lower, adjusts after 5-7 years. For most Oregon homeowners staying long-term, fixed is the right call.

SECTION 05

The Numbers That Actually Matter

1 The Break-Even Point: The Math Nobody Talks About

A refi costs money upfront. Break-even is how long it takes your monthly savings to cover closing costs. Save \$300/month, spend \$6,000 to close — you break even in 20 months. Planning to stay longer? Makes sense. Moving in a year? Probably doesn't. This is the first number I calculate for every client.

2 Closing Costs: What They Actually Are

Plan for roughly **2%-5% of your loan amount**. Covers appraisal, title insurance, lender fees, and prepaids. On a \$350,000 loan that's \$7,000-\$17,500. Always ask for a Loan Estimate — lenders are required by law to provide one.

3 "No-Cost" Refis: What That Actually Means

Zero closing costs means costs are rolled into your loan balance or you take a slightly higher rate in exchange for a lender credit. You're still paying — just differently. Rolling costs in means paying interest on them for the life of the loan.

4 LTV: Why It Controls Everything

LTV = what you owe ÷ what your home is worth. Owe \$280,000 on a \$400,000 home? LTV is 70%. This determines your rate, whether you pay mortgage insurance, and how much equity you can access.

SECTION 06 & 07

Should You or Shouldn't You?

5 SIGNS IT'S WORTH A CONVERSATION

✓ Your rate is well above current market.

If today's rates are 0.75%-1%+ below yours, it's worth running the numbers.

✓ FHA loan with 20%+ equity.

You may be paying mortgage insurance you no longer need — real monthly savings hiding in plain sight.

✓ High-interest debt and home equity.

Cards at 22% vs. a refi at 7%? That math can work — if the spending habits change too.

✓ Financial picture improved since you bought.

Better credit, higher income, less debt? You may qualify for significantly better terms now.

✓ You want to pay off the home faster.

A 30-to-15 year refi saves serious money in total interest over the life of the loan.

5 TIMES TO HOLD OFF

× Moving in the next 1-2 years.

You likely won't hit break-even before you sell. It usually doesn't pencil out.

× Stretching your loan back out to 30 years.

Make sure you're truly saving — not just lowering your payment by resetting the clock and paying more over time.

× Credit score recently dropped.

Wait for it to recover. A lower score means a worse rate, wiping out potential savings.

× Current rate is already low.

If you locked in at 3% or below, there's almost no scenario where refi-ing into a higher rate makes sense.

× Consolidating debt without changing habits.

A cash-out refi to pay off cards won't help if those cards are maxed again in a year.

THE QUESTION ISN'T "CAN YOU." IT'S "SHOULD YOU."

Let's run the numbers, then decide. If it doesn't make sense for you right now, I'll tell you that — and we'll build a plan for when it does.

QUICK REFERENCE

15 Terms Your Lender Will Throw At You

Don't let the jargon slow you down. One sentence each.

<p>AMORTIZATION How your monthly payment splits between interest and principal over time. Early payments are mostly interest; later ones mostly principal.</p>	<p>APR Your interest rate plus lender fees as a yearly percentage — a more complete picture of loan cost than the rate alone.</p>
<p>APPRAISAL A licensed professional's estimate of your home's current market value, typically required before a refinance can close.</p>	<p>BREAK-EVEN POINT The month your cumulative monthly savings equals what you paid in closing costs. After that, you're saving real money.</p>
<p>CASH-OUT Refinancing for more than you owe and receiving the difference as cash at closing, drawn from your home equity.</p>	<p>CLOSING COSTS Fees paid at close — typically 2%-5% of the loan amount — covering appraisal, title, lender fees, and prepaid items.</p>
<p>DTI (DEBT-TO-INCOME) Your monthly debt payments divided by gross monthly income. Lenders use this to gauge how much mortgage you can handle.</p>	<p>EQUITY What your home is worth minus what you still owe. The portion of the home you actually own outright.</p>
<p>ESCROW A lender-managed account that holds and pays your property taxes and homeowner's insurance when they come due.</p>	<p>LTV (LOAN-TO-VALUE) Your loan balance divided by your home's value. Lower LTV means more equity, more options, and usually a better rate.</p>
<p>MIP Mortgage Insurance Premium on FHA loans. Unlike conventional PMI, MIP often continues for the life of the loan regardless of equity built.</p>	<p>PMI Private Mortgage Insurance on conventional loans when LTV is above 80%. Protects the lender, not you. Removable at 20% equity.</p>
<p>POINTS Upfront fees paid to buy down your rate. One point = 1% of the loan amount, typically lowering your rate by about 0.25%.</p>	<p>PRINCIPAL The actual amount you borrowed — separate from interest, which is the cost the lender charges for lending it.</p>
<p>RATE LOCK A lender's commitment that your interest rate won't change during a set window while your loan is being processed and approved.</p>	<p>WANT ME TO RUN YOUR SCENARIOS? Tell me your rate, loan amount, and rough home value. I'll tell you what's worth looking at — no pressure, just a clear picture.</p>

LET'S RUN THE NUMBERS

Let's See If the Numbers Work For You.

If anything in this guide made you think "wait, that might be me," let's talk. I've been helping families make informed choices for almost 30 years and the first conversation is always free. No pressure. No obligation. Just an honest look at your situation and whether there's a real opportunity worth going after. There is always a way forward.



Call or Text
503-805-7878



Book a Free 30-Min Call
calendly.com/dawn-robbins/30min



Visit Online
dawnrobbinsgroup.com

★ Five Star Mortgage Professional · 8 Consecutive Years (2019–2026) · Dawn Robbins · NMLS #432345 · Dawn Robbins Group powered by Rate