

## Home Refinancing : Why Do Home Owners Apply

### Access to cash

A popular reason to apply for home refinancing is to pull the equity of your home out as cash. The cash then can be used for pretty much any project you can imagine. Often there are unexpected needs for cash in large amounts such as a medical emergency or a orthodontist's bill. Some homeowners use cash to renovate their house and make it updated with even higher value built in. If there are nagging debts with high interest rates that are cutting down on your financial planning, using a refinance of your home mortgage is an excellent way to cut back on monthly obligations at a lower interest rate.

### Paying off credit card debt

Although the credit card companies want you to spend your paycheck paying off debt at their high interest rates, many homeowners are learning that by home refinancing, they will have a somewhat higher mortgage payment, but instead of paying interest rates of 18 to 24 percent on the credit cards, they can pay the mortgage loan rates that are 5-6 percent. One caution to beware of is the tendency to pay off the high interest credit cards, obtain the new mortgage loan and then immediately run up debt on the credit cards again.

### Lowering your monthly payment

If you have been paying higher rates on your existing mortgage, a new loan for home refinancing will allow you to obtain a loan at a lower rate. Once you allow for the costs of obtaining the loan, a refinance will potentially lower your monthly payments. If the interest rate is lower, the payments will be lower as well. In addition, you take the entire loan and spread it over a longer term reducing your monthly payment amount. You could also choose to pull out some of the equity thus providing immediate cash plus lowering your payment and interest rate.

### Renovating or remodeling your house

Often, a homeowner who wants to do a major remodeling or renovation job on the home place will elect to take out a home refinancing loan and get a line of credit to be accessed to pay for the significant costs of the remodeling project. Thus, you are using the value of the equity you have built up in your house to improve the amount of equity that you will have once your renovation project has been completed. You can do this at a much lower interest rate than would be required by putting costs on a credit card or a store charge account.

### Medical bills

If you have been hit with unexpected medical bills, you should consider using the equity in your home to help pay off the rising cost of medical care. A home refinancing loan provides cash that can help to pay for anything project you can imagine. Home owners who choose to deal with this type of unexpected bills by obtaining a loan from the equity of their home have better peace of mind during the recovery period.

### About the Author

Home refinancing doesn't have to be a scary thought if you use the resources available on the internet to provide tips and links to help you obtain the best information possible. Visit [Home Loan Refinance](#) or [Home Refinancing](#) to learn more.