



THE
ARULDASON
GROUP

Realty · Legal · Financial



Refinance Timing Checklist

When and how refinancing your mortgage makes sense.

REFINANCE TIMING

Refinancing a mortgage can be a powerful financial tool when used strategically. However, many homeowners refinance without fully understanding the timing implications, potential penalties, or long-term impact on their finances.

This checklist outlines the most common reasons homeowners refinance and the factors that should be considered before moving forward.

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1. Understand Why You Are Refinancing

There are typically two primary reasons homeowners refinance:

Mortgage Renewal Optimization

This occurs when a mortgage term is ending and the borrower wants to:

- Secure a better interest rate
- Change lenders
- Adjust loan terms
- Modify payment structures

Accessing Home Equity

Some homeowners refinance to increase the mortgage balance in order to access equity for:

- Debt consolidation
- Renovations
- Investment opportunities
- Major life expenses

Understanding your objective helps determine the most suitable refinancing strategy.

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2. Review Your Mortgage Break Penalty

One of the most commonly overlooked costs in refinancing is the ****mortgage break penalty****.

Breaking a mortgage early may result in significant penalties, sometimes amounting to thousands of dollars depending on:

- Remaining mortgage balance
- Interest rate differential
- Time remaining in the term

Before refinancing, it is critical to determine the exact cost of exiting the current mortgage.

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3. Compare Lenders

Just as when purchasing a property, refinancing involves evaluating multiple lenders.

Factors to compare include:

- Interest rates
- Qualification requirements
- Flexibility for income types
- Prepayment privileges

Different lenders calculate income and rental income differently, meaning the best option may vary depending on your financial profile.

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4. Prepare for a Property Appraisal

Most refinance transactions require a property appraisal to determine current market value.

The appraisal helps lenders confirm:

- Current property value
- Loan-to-value ratio
- Lending eligibility

A higher property value may allow access to additional equity.

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5. Complete the Legal Refinance Process

Once the new mortgage is approved:

- The new lender advances funds
- Existing mortgages are paid off
- Old mortgages are removed from title
- The new mortgage is registered on title

At that point, the refinance process is complete.

Why The Aruldason Group

Refinancing involves **legal, financial, and strategic considerations**.

At The Aruldason Group, our integrated team ensures:

- Mortgage strategies align with real estate goals
- Legal registration and title work are handled efficiently
- Clients understand the financial implications of refinancing

Our goal is to ensure refinancing works as a **long-term financial advantage**, not just a short-term solution.