

## Debt Consolidation and Mortgage Refinance

A common time to consider mortgage refinance is when you are having some financial difficulties. Refinancing and financial troubles sort of go hand in hand because when you are trying to cut costs you will look at all of your bills and see how you can reduce them. The mortgage payment is generally the largest payment that people have, and because of this it is also the first bill that people choose to change, if possible. The thought process makes sense and when you refinance it can provide the opportunity to consolidate debt.

### Consolidating Debt with Mortgage Refinance

There are many different ways in which you can help to reduce or consolidate debt when you refinance. When you refinance, the goal is generally to lower your monthly payment. If you did just a straight refinance you will generally see a marked change in the monthly payment. The difference between the old payment and the new payment could then be applied to other debts. Even if the savings is only \$100 per month this would be \$1200 per year in savings that could be applied to other debts. Being able to make a \$1200 dent in your other debt per year is better than not being able to pay on it at all, and it will definitely help you improve your credit standing with other creditors.

Another way that you can consolidate debt with mortgage refinance is by doing a cash-out refinance. This is a great option because when you refinance you actually refinance for more than you owe on the home. So, if you owed \$100,000 on the home and you refinanced for \$120,000, you would then have \$20,000 to pay off any debts that you have. You will be paying on a \$120,000 loan instead of a \$100,000 but if you get a good enough interest rate, you will find that this is a very sensible way to go about paying off debt. This is because you are paying less interest on this \$20,000 than you would be paying on interest from a \$20,000 credit card debt.

When you need to consolidate debt, you need to be very careful about mortgage refinance. There are a lot of lenders out there that will take advantage of your need to consolidate debt and pay off bills and they will get you into a loan that will leave you in worse shape than you were in before. You need to be very careful not to fall for any refinance scams, as they are out there. Working with a mortgage lender that you can trust is of the utmost importance. You need to question everything to be sure that you understand the loan so that you are making strides at paying off your debt instead of sinking deeper into it.

When you look into mortgage refinance you need to be sure that you are getting a good deal. There are many costs associated with refinancing and when you do this you need to be sure that you are not paying more for the loan than you are saving. Especially when you are trying to save money, it's important to really stop and look at the math involved. Being careful about this will allow you to pay off your debts faster and in a more methodical manner.

### About the Author

Refinance.com is managed by a group of professionals in the [Mortgage refinance](#) field who can help you consolidate your debts while lowering your rate and payment, to learn more visit our site at <http://www.refinance.com/>

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