REFI CHECK

Refinancing looks worth pursuing. Expected savings of $237/month and break-even in 38 months, well inside your 8-year horizon, with another $13,861 in net benefit beyond break-even.

OUR READ

Refinancing looks worth pursuing

THE MATH AT THE EXPECTED RATE

MONTHLY IMPACT

$237/mo saved

BREAK-EVEN

38 months

NET BENEFIT OVER 8-YR STAY

$13,861

after recouping closing costs

LIFETIME INTEREST

$80,968 saved

across the remaining loan

"Lifetime interest" is total interest on your current loan over its remaining 342 months minus total interest on a new loan at the expected refi rate over the same term. It captures the compounding effect of a lower rate, not just monthly savings times months.

ASSUMPTIONS BEHIND THESE NUMBERS

30-year fixed average (Freddie Mac PMMS, week of Jun 4, 2026)	**6.500%**
Expected refi rate (credit tier 740-779)	**6.375% to 6.500% (mid 6.438%)**

Source: the Freddie Mac PMMS 30-year average, adjusted for your credit tier using typical lender pricing. Real quotes vary by lender, so use this range as a yardstick when you collect Loan Estimates.

Current loan balance	**$443,346**
Estimated closing costs (paid at closing)	**$8,867**
Assumed refi term	**342 months (matches remaining term)**

If you roll the closing costs into the new loan instead of paying at closing, your new balance goes up by about $8,867 and your new payment goes up by about $57 a month, so your monthly savings shrink by the same amount. There's no cash to recoup, so there's no break-even period.

HOW WE GOT THIS READ

Your current loan is at 7.250%. For the 740-779 credit tier, the expected 30-year rate as of this report is about 6.438%. That spread works out to roughly $237 in monthly savings on your remaining $443,346 balance. You'd earn back the estimated $8,867 in closing costs in about 38 months. Since you plan to stay in the home another 8 years (96 months), you'd keep saving for roughly 58 months past break-even, worth about $13,861 in net benefit on top of recovering the closing costs.

This assumes you pay the closing costs in cash at closing rather than rolling them into the new loan. If you roll them in, your monthly savings shrink by about $57 and there's no break-even period, because no cash is brought up front. The lifetime-interest comparison still favors refinancing over keeping the 7.250% loan, but the cash-flow picture is weaker. If you can pay the closing costs in cash and that cash would otherwise sit in a savings account earning 4 to 5%, paying them usually comes out ahead.

Your next step is to collect 2 to 3 real Loan Estimates from lenders you'd consider and compare them

side by side. Estimate Compare lines them up and flags fees that look out of place. Real offers often come in 0.10% to 0.25% above the 6.438% midpoint used here. That would push break-even out to roughly 43 to 54 months, which still fits comfortably inside your 8-year plan.

PMI CANCELLATION

There are two sets of rules. Under the federal Homeowners Protection Act, you can ask your servicer to cancel PMI once your balance is scheduled to reach 80% of your home's ORIGINAL value (the purchase price or original appraisal), and it ends automatically at 78% of that original value. We don't have your original value, so this report can't give you those dates. Many servicers will also remove PMI based on a new appraisal of the current value. That is a lender or investor policy, not a legal right, and it usually needs at least 2 years of on-time payments and a lower loan-to-value (often 75%) in the early years.

1. Home appreciation. If a new appraisal values your home at **$554,183** or more, your current $443,346 balance is at or below 80% of that value. Ask your servicer whether they'll remove PMI on that basis and what else they require. The appraisal is usually at your expense.

2. Principal paydown. Using the home value you gave us, if you **keep your current loan**, the balance falls to 80% of that value at month **108 from the report date**. If you **refinance at the expected rate**, the new loan pays down faster early on and reaches that point at month **100 from the report date**. Whether PMI can come off at that point depends on your servicer's rules.

You're 18 months into this loan. Servicers that remove PMI based on a new appraisal usually want at least 2 years of on-time payments first, and many want the balance at 75% of the new value (an appraisal of about $591,000 here) until the loan is 5 years old, so ask your servicer for their exact rules before you pay for an appraisal. Refinancing doesn't remove PMI on its own: at the $480,000 value you gave us, the new loan would be about 92% of the home's value, so it would carry PMI too.

CONDITIONS TO REVISIT THIS DECISION

- The 30-year average falls to 6.000%. Your expected refi rate would drop to about 5.938%, shortening break-even to about 24 months and adding about $13,600 to your net benefit.
- An appraisal at $554,183 or more. At that value your current balance is 80% of the home's value, so ask your servicer whether they'll remove PMI based on the new appraisal. That's their policy to set (you're 18 months into the loan), and it would remove one reason to refinance now.

- Your credit moves up to the 780+ tier. Your expected rate would be about 0.125% lower, adding roughly $3,400 to your net benefit.
- Closing costs come in well under $8,867 on the offers you actually receive. That shortens break-even further. Estimate Compare flags lender fees that look out of place.

CAUTIONS

- Actual lender offers may come in 0.10% to 0.25% above the 6.438% expected midpoint for your credit tier. This report uses tier averages, not your specific quote. Estimate Compare is the next step once you have 2 to 3 real Loan Estimates in hand.
- At the $480,000 value you gave us, the new loan would be about 92% of your home's value, so expect PMI on it too, priced by the new lender. The savings above compare principal and interest only. A lower appraisal would raise the new PMI premium.
- Lender origination fees and discount-point pricing vary widely, so don't lock with the first lender you call. Estimate Compare flags fees that look out of place.
- If you're considering rolling closing costs into the new loan, ask each lender to quote it both ways (costs paid in cash vs. rolled in) on the same Loan Estimate. Rolling them in lowers your monthly savings by about $57, which is about $5,500 over your 8-year horizon.

> *The "expected refi rate" is a benchmark for the 740-779 credit tier against the Freddie Mac 30-year average for the week shown above. Actual lender offers will vary. If this report finds refinancing worth pursuing, your next step is to collect 2 to 3 real Loan Estimates and compare them. See the Estimate Compare product on mortgagelens.ai. This report is information, not financial or legal advice. Mortgage Lens does not accept lender money or referral fees.*