REFI CHECK

Refinancing doesn't pay off yet. The 0.125% gap between your 6.750% rate and the expected 6.625% refi rate saves about $28/month, and break-even is about 26 years out, long past your 4-year horizon.

OUR READ

Refinancing doesn't pay off yet at the expected rates

THE MATH AT THE EXPECTED RATE

MONTHLY IMPACT

$28/mo saved

BREAK-EVEN

308 months

NET BENEFIT OVER 4-YR STAY

-$7,222

after recouping closing costs

LIFETIME INTEREST

$9,347 saved

across the remaining loan

"Lifetime interest" is total interest on your current loan over its remaining 336 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 720-739)	**6.500% to 6.750% (mid 6.625%)**

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	**$342,280**
Estimated closing costs (paid at closing)	**$8,557**
Assumed refi term	**336 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 $8,557 and your new payment goes up by about $56 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 6.750%. For the 720-739 credit tier, the expected 30-year rate as of this report is about 6.625%. That gap is only 0.125%, which works out to about $28 in monthly savings on your remaining $342,280 balance. The estimated closing costs of $8,557 would take 308 months to earn back at that pace. You plan to sell in 4 years (48 months), so you'd never reach break-even: over your horizon, refinancing leaves you about $7,222 worse off than keeping your current loan.

This is the classic case for waiting. Refinancing does lower your payment, but the gap between the market rate and your rate is too narrow to recover the closing costs before you sell. It only makes sense if (a) the gap widens, (b) you end up keeping the loan for about 26 years or more, or (c) closing costs come in far below the $8,557 estimate.

This can change. Mortgage rates move: the Freddie Mac PMMS 30-year average has moved by more than a full percentage point within a single quarter in recent years. If the average fell to 6.000%, your

expected rate would be about 6.125%, saving about $138/month with a 63-month break-even. That's still past your 4-year horizon, but much closer. At 5.750%, your expected rate would be about 5.875%, saving about $192/month with a 45-month break-even, just inside your horizon. Because this report says wait, your free Refi Watchlist emails you if rates fall far enough that refinancing clearly pays off (see Rate check-ins below). A smaller drop, to about 5.80%, is enough to make refinancing worth another look, so re-run this Check if you see it.

CONDITIONS TO REVISIT THIS DECISION

- The 30-year average falls to 6.000%. Your expected refi rate would be about 6.125%, saving about $138/month with a 63-month break-even: still past your horizon, but much closer.
- The 30-year average falls to 5.750%. Your expected refi rate would be about 5.875%, saving about $192/month with a 45-month break-even, just inside your 4-year horizon.
- You decide to stay 5 years instead of 4. At the current narrow gap, 60 months of savings adds up to about $1,670 against $8,557 in costs. Still negative, but closer to break-even.
- Your credit moves up to the 780+ tier AND closing costs come in under $5,000. Savings would rise to about $97/month and break-even would drop to about 52 months, close to your horizon. Worth re-running if both happen.

CAUTIONS

- Be skeptical of 'no-closing-cost refinance' pitches that solve the break-even problem on paper. They almost always work by raising the rate (a lender credit covers the costs), which wipes out the monthly savings. Ask for both quotes side by side: costs paid in cash, and costs covered by a lender credit. Estimate Compare lines them up for you.
- If a lender frames the refinance as 'lifetime savings of $9,347' (the lifetime-interest difference), remember that's a 30-year number against a 4-year plan. The number that matters for your decision is the net benefit over the time you'll keep the loan, which is negative.
- A cash-out refinance is a different question with different math. If you need cash (debt consolidation, a major repair), the break-even framing above doesn't apply, but cash-out pricing usually adds another 0.25 to 0.50 percent to the rate, so it likely still doesn't pencil out at the current gap.

- Freddie Mac publishes the PMMS 30-year average every Thursday. The level that changes this answer is roughly 5.80% on the headline 30-year number: that's where break-even comes inside your 4-year horizon. If it gets there, re-run this analysis.

RATE CHECK-INS ON THIS LOAN

- We've added this loan to our Refi Watchlist, unless you've already stopped watchlist emails from us. Once a day we check the latest Freddie Mac 30-year average rate against where it stood when this report ran.
- If that 30-year average falls at least 0.25 percentage points below where it stood when this report ran, and refinancing would then save at least $150 a month with a break-even of 36 months or less (and no more than half the time you plan to stay), we'll email you your updated numbers.
- The email shows your updated monthly savings and break-even at the new rate, and how to re-run this Check to get a fresh report.
- Check-ins are free, with no recurring billing, and run for 12 months. We email at most once every 30 days, and every email has a link to pause or stop them.

> *The "expected refi rate" is a benchmark for the 720-739 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.*