



Department of Community

CITY OF CLEVELAND
Mayor Justin M. Bibb



Refinancing?

Things should look out for ...

Development

Never ...

Use your home as collateral to refinance unsecured debts such as a credit card, medical or utility bills without consulting a credit counselor. If you refinance and use your home as collateral, the lender **CAN TAKE YOUR HOME!** Do not put your home at risk! There are better ways to address debt collection problems than to borrow against your home. Work with a credit counselor first.

- Be careful with Variable Rates! Verify if the loan's interest rates are fixed or adjustable (monthly payments can increase drastically if you agree to an adjustable rate).
- Do not refinance low interest rate loans with higher rate loans.
- Consider the amount of closing costs and the total of fees involved.
- Find out if there are any prepayment penalties.
- Always ask if the total monthly payment includes property taxes and insurance.
- **If you are not sure, DON'T SIGN!** Seek help from community based consumer credit agencies or housing counselors. (*Dial 2-1-1 or (216) 436-2000 for nearest location*)

Remember, you can always refinance without having to touch your home equity.

If you do use your home as collateral when refinancing, remember that you have three days to cancel, but make sure you cancel in writing before the deadline.

“Dedicated to the protection of Cleveland Consumers”

Department of Community Development
Office of Fair Housing & Consumer Affairs
601 Lakeside Avenue, Room 320
Cleveland, Ohio 44114
Phone: (216) 664-4529
www.cleveland-oh.gov
Se Habla Español

