



# Refinancing: Navigating the Waters Safely

**NEVER** use your home as collateral when refinancing unsecured debts without consulting a credit counselor first. Using your home this way risks its loss to the lender. Protect your home; seek better ways to manage debt issues by working with a credit counselor.

- ✓ Verify whether the loan offers a fixed or adjustable interest rate, as adjustable rates may lead to substantial monthly payment hikes.
- ✓ Avoid refinancing low-interest loans with higher-rate options.
- ✓ Assess the closing costs and overall fees associated with the loan.
- ✓ Check for prepayment penalties.
- ✓ Confirm if property taxes and insurance are included in the total monthly payment.
- ✓ **When in doubt, refrain from signing!** Seek guidance from community-based consumer credit agencies or housing counselors. Call 2-1-1 or 216-436-2000 for the nearest location.

## Remember!

You can refinance without tapping into your home equity. If you use your home as collateral during refinancing, note that you have a three-day window to cancel. Ensure to cancel in writing before the deadline.

## Contact for More Information

### Office Address

Community Development -  
Office of Consumer Affairs  
601 Lakeside Avenue, Rm 320  
Cleveland, Ohio 44114

### Phone

216-664-4529

### Website

[www.clevelandohio.gov](http://www.clevelandohio.gov)

