



## The 5 Biggest Cash-Out Refinance Mistakes

Trusted. Story-Driven. Results.

**Refinancing is more than chasing a rate.** The right plan protects your equity, lowers risk, and aligns with your long-term goals. Avoid these five mistakes—and use our simple plan to do it.

### **Mistake #1 – Focusing Only on the Rate**

The lowest advertised rate can hide higher fees or a structure that doesn't fit your goals. Total cost (rate + points + fees + term changes) beats headline rate every time.

### **Mistake #2 – Taking Too Much Cash Out**

It's tempting to pull every available dollar. Over-leveraging reduces flexibility and raises risk. Protect some for future needs and market shifts.

### **Mistake #3 – Ignoring Credit or Debt Ratios**

Equity alone doesn't guarantee approval or best-tier pricing. Lenders weigh credit score, income stability, DTI, loan-to-value, and reserves.

### **Mistake #4 – Skipping the Break-Even Analysis**

Refinances include costs you recoup over time. Without a break-even, “savings” can be misleading. Compare closing costs vs. monthly savings to a clear break-even month.

### **Mistake #5 – Not Having a Long-Term Plan**

“Rates are good” isn’t a strategy. Tie the refinance to goals: debt payoff, renovations, reserves, or investment.

### **The Mortgage Guy360 Plan**

1. Clarify Goals
2. Run the Math
3. Choose Structure
4. Execute & Review

### **Benefits of Avoiding These Mistakes:**

- True savings—not just a shiny rate
- Protected equity and flexibility
- Stronger approval odds
- Clear break-even
- A strategic plan that supports long-term wealth

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