



CITY OF CLEVELAND  
Mayor Frank G. Jackson

# Department of Community Development



**Never ...**

## Refinancing?

Things should look out for ...

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”*

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