Refinance Break-Even Worksheet

Never decide from an estimated penalty. Request the written payout statement first — the figure changes daily. Then count savings only over the months remaining on your current term. Everything past maturity belongs to the calendar, not the break.

Step 0 · Timing and ceiling

Months remaining to maturity ________ months
If small, price the wait first — refinancing at maturity is penalty-free

Home value (realistic) × 0.80 $ ________

Less current mortgage balance − $ ________

= EQUITY CEILING AVAILABLE $ ________
Standard refinance limit is 80% loan-to-value

Step 1 · The toll (C)

Payout statement dated: ________ *Statements expire — decide the same week.*

Prepayment penalty $ ________
From the WRITTEN payout statement only

Appraisal + $ ________

Legal / registration + $ ________

Discharge fee + $ ________

Cash-back clawback or other charges + $ ________

TOTAL TOLL (C) $ ________

Step 2 · The honest gain (G)

Rate saving on existing balance, per month $ ________
Counted to OLD maturity only

Financing advantage of new money vs. best alternative + $ ________
Per month — compare against a HELOC quote

TOTAL MONTHLY GAIN (G) $ ________

Step 3 · Break-even and the test

C ÷ G = break-even point ________ months

☐ Will this mortgage — and this life — still be intact past that month?
A 31-month break-even inside a plan that might sell in year two is a donation with paperwork.

☐ Alternative priced on paper: wait for maturity / HELOC / blend / other: ________
The refinance only wins by beating something.

VERDICT

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For personal planning only — not financial, legal, or tax advice. Figures and program rules change; verify current values with official sources and licensed professionals.