



**Farmers &  
Merchants Bank**  
Where Family is our Foundation

# Cash-Out Refinancing

Cash-out refinancing is one way to tap into the equity or ownership you've built in your home. To see if a cash-out refinance is the right fit for you, take a look at the information below:

**Difference between cash-out refi and rate-and-term refi:** If you are looking to lower your interest rate, a rate-and-term refi may be a better option. If you are looking to borrow more than you currently owe to use towards something else, like home improvements, then the cash-out refi may be a better fit.

**When might a cash-out refinance be a good idea?** If you are looking to consolidate higher-interest debt, pay for higher education, or make home improvements, this may be the right time to consider a cash-out refi.

**What to do before deciding on a cash-out refinance:** It is important to have a clear reason for why you're doing a cash-out refi before going through with the process. Knowing your credit score and comparing the new rates and terms to your current mortgage are simple steps to take before making a decision.

To see if a cash-out refinance is the best option for you, read [here](#) for more information.



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