

June
2025



OLYMPIA
CREDIT UNION
Embracing the Human Difference

What can your home do for you today?



Lower Rate

Payoff Debt

Home Improvement

Shorten Term

We can help with that.

Ask us which mortgage loan is the best fit for you!

YOUR CREDIT UNION, OUR COMMUNITY!

CHEERS TO 60 YEARS!!!

Our 60th Annual Meeting was held at River's Edge in Tumwater this year! It was so wonderful to see everyone, and we hope to see you next year. Olympia Credit Union staff shared all the changes we have implemented and we can't wait to see what the future brings!

Congratulations to Olympia Credit Union's 2025/2026 Scholarship winners! Our rising stars are: Robert Ullerich and Cassey Gilbertson! Don't forget to tell the students in your life about our scholarships open every February. We offer two scholarships in the amounts of \$1000.00 and \$1500.00!

Congratulations to Larry Lufkin, our 2025 Volunteer of the Year! This is Larry's last year as Board of Directors Chair. We thank him for all his hard work over the years and wish him a blissful future.



Mortgage Refinance to Pay Off Debt

Some homeowners refinance to pay off debt, such as credit card balances. There are multiple benefits to this approach — for starters, it combines your debts into a single loan, which may make them easier to manage. Refinancing allows you to pay off high-interest debt, replacing the balance with a lower-interest mortgage. Additionally, you can give yourself a longer repayment timeline, since you're restarting the clock on your debt.

You have several options for using your mortgage to consolidate and pay off debt, and the best path for you depends on your goals and circumstances.

Cash-out refinances: for borrowers with equity who can lower their rate

A cash-out refinance replaces your current mortgage with a new, larger loan, with the ability to use your equity — the difference between the value of the home and what you owe — to pay off your debt.

In order to qualify for a cash-out refinance, you'll typically need to retain at least 20% equity in your home. For example, if your home is worth \$400,000 and you have a remaining mortgage balance of \$200,000, you may be able to access \$120,000 of your equity (80% of your \$200,000 stake in your home) to pay off your other debts.

Because your cash-out refinance loan is fixed to an asset — your home — the interest rate is likely to be lower than unsecured debt like personal loans or credit cards.

This can be a good option if today's interest rates are lower than your current mortgage rate. If your rate will go up by refinancing, you'll want to be sure that the interest savings from consolidating your other debts are enough to offset the higher mortgage costs.

Rate-and-term refinance: for borrowers who want to lower monthly payments

If current mortgage rates are lower than yours, another option is to do a straightforward rate-and-term refinance. This will replace your loan with one of the same size, but with a different interest rate and new repayment terms. In addition to having a lower rate, refinancing gives you the option to extend your timeline. For example, if you have 20 years remaining on your mortgage, you could refinance to 30 years and stretch your payments for an extra decade.

This could free up additional cash each month that could go toward paying down your outstanding debts, without sacrificing any equity in your home.

How closing costs figure into your decision

Closing costs are another factor to consider before you refinance to pay off debt. Lenders and service providers charge hundreds or thousands of dollars in fees when you refinance a mortgage. That's money you could otherwise use to pay down debt.

Compare the closing costs with your overall interest savings on the consolidated debt; you want the interest savings to exceed the closing costs.

In other words, it may make sense to spend \$3,000 on mortgage closing costs to save \$12,000 in interest, but not to save \$2,000 in interest.

HELOCs and home equity loans: for borrowers who want to keep their mortgage rate

If current mortgage rates are higher than yours, it may not be ideal to refinance. Instead, you could extract your equity by getting a second mortgage.

One option is to get a home equity loan, which you receive as a lump sum that you pay back at a fixed interest rate. Your primary mortgage rate stays the same, and you can usually borrow between 80%-85% of your equity.

Alternatively, you can get a home equity line of credit (HELOC). You can borrow from the line up to a certain limit, usually 80%-85% of your equity. The interest rate is generally variable, so each draw will have a different interest rate that moves up and down with the market. Most lenders allow you to draw from the line for 10 years, followed by a 20-year repayment period. Like a home equity loan, a HELOC allows you to retain your primary mortgage rate.

Both HELOCs and home equity loans are secured by your home, meaning that you are likely to get better interest rate offers than you would with other types of loans or credit cards. However, one drawback is that you risk losing your home to foreclosure if you cannot keep up with payments. If debt is a persistent struggle, you'll want to be careful about mortgaging your home to pay for it.

Abridged with permission from Nerdwallet.

Taylor Getler is a home and mortgages writer for NerdWallet. Her work has been featured in outlets such as MarketWatch, Yahoo Finance, MSN and Nasdaq. [Read the full article here](#)

OLYMPIA CREDIT UNION



HOLIDAY BRANCH CLOSURE SCHEDULE

Thursday
June 19th
Juneteenth

Friday
July 4th
Independence Day

Monday
September 1st
Labor Day

Monday
October 13th
Indigenous People's Day

Tuesday
November 11th
Veteran's Day

Thursday
November 27th
Thanksgiving

Wednesday
December 24th
closed early 1:30

Thursday
December 25th
Christmas Day

Olympia Branch
202 9th Ave SE
PO Box 7549
Olympia, WA 98507
360-754-5559

Lobby/Drive-thru
M-F 9:00-5:30

Lacey Branch
720 Sleater-Kinney Rd SE Ste Z
Lacey, WA 98503
360-456-7037

Lobby
M-F 9:00-5:30

Digital Banking
www.olycu.org
Credit Union Connection
1-800-659-8355
1-800-OLY-TELL



Join us at
CAPITAL CITY PRIDE!

June 28th, 2025
Percival Landing
11:00am - 6:00pm

We support our LGBTQIA2S+ and
BIPOC community.
Swing by and say hello,
we'd love to see you!