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## **1 in 5 Homeowners With a Mortgage Could Save Money By Refinancing—But Few Are Taking the Plunge**

- *The share of homeowners who are “in the money” for a refinance has hit its highest level in over four years as mortgage rates dip to around 6%*
- *But less than 1 in 10 eligible homeowners have refinanced, even though they stand to save money*

SEATTLE — March 12, 2026 — One in five (19.8%) U.S. homeowners with a mortgage could save money by refinancing to a lower rate, according to a new [report](#) from [Redfin](#), the real estate brokerage powered by Rocket. That’s the highest share in over four years and up from just 7% a year ago.

These calculations are based on a 6.08% mortgage rate, the average so far this year. A homeowner is “in the money”—meaning they could save money by refinancing—if their current mortgage rate is at least 50 basis points above the prevailing mortgage rate; for instance, if they have a 6.5% mortgage rate and the prevailing rate is 6%.

### **There are two main reasons more homeowners are in the money for a refinance this year:**

- Mortgage rates dropped down to 6% in February and early March, the lowest level in three and a half years.
- Mortgage rates were elevated above 6% for so long that 21.2% of U.S. homeowners [had a rate above 6%](#) as of the third quarter of 2025, the highest share in a decade. That marks the first time in five years more borrowers have a rate above 6% than below 3%.

Say someone bought a \$500,000 home in October 2023, when rates hit a 20-year high of 7.8%. Their monthly mortgage payment would be about \$3,700, assuming a 20% down payment. Refinancing to a 6% rate would bring the payment down to about \$3,200, saving \$500 per month. If the homeowner [pays \\$10,000 in refinance fees](#), it would take less than two years—20 months—for the monthly savings to pay for the fees.

The last time this many homeowners were in the money for a refinance was the end of 2021, when mortgage rates averaged 3.08%, and roughly two in five (39.4%) would have benefited from refinancing. The in-the-money share peaked at nearly 70% at the end of 2020, when mortgage rates plummeted to 2.76% during the pandemic.

### **Despite Potential Savings, Just 9% of Eligible Borrowers Have Refinanced**

Just 9.1% of homeowners who could save money by refinancing to today’s average rate (6.08%) have actually done so, as of the first quarter of this year. That’s the lowest “take-up rate” for homeowners who could benefit from refinancing since the beginning of 2020.

Zooming out to *all* mortgaged homeowners in the U.S., 1.8% have refinanced so far in the first quarter.

“For homeowners who are in the money, refinancing now could meaningfully lower monthly payments and total interest costs over the life of the home loan,” said Bill Banfield, chief business officer at Rocket. “Even a modest rate reduction can add up to big savings, helping free up cash, build equity faster, or better weather future financial uncertainty. Homeowners may also consider whether refinancing could have advantages other than putting money back in their pocketbooks every month. For instance, they could consider [consolidating debt](#) or changing their [loan type](#). Some people take advantage of lower rates to change the length of their loan and pay it off [faster](#) while keeping essentially the same monthly payment.”

While refinancing to a lower rate could save money in the long run for many homeowners, there are several reasons so few people are actually doing it:

- **Waiting for lower rates.** Mortgage rates can shift quickly; people may be hesitant to lock in a rate if they think rates will dip further in the near future, even if they could save money now. But homeowners should also consider that rates could go back up, and that they can refinance again if rates fall significantly more.
- **Limited awareness.** Not all borrowers regularly review mortgage options; many may simply be unaware they could save. Homeowners can save money by paying attention to changes in mortgage rates.
- **Closing costs and fees.** While refinancing costs can seem large on paper, many homeowners will be able to pay them off quickly with the amount they’re saving on interest every month.

When mortgage rates were sitting at record lows during the pandemic, dipping below 3% for much of 2020 and 2021, the take-up rate hovered around 1 in 10 eligible borrowers per quarter. The take-up rate peaked at 13.5% in the first quarter of 2021, when the average rate was 2.88%.

Today’s take-up rate is similar to what it was during each individual quarter of 2020 and 2021. But looking at those eight quarters *together*, more than half of in-the-money borrowers refinanced during that time.

It’s also worth noting that the take-up rate jumped to 38% in the fourth quarter of 2023, when rates were at a two-decade high. That’s because just 1.3% of homeowners were in the money for a refi; the actual number of homeowners who refinanced is much lower than the 38% suggests.

### **Homeowners Left Massive Amounts of Potential Savings Untapped**

Americans refinanced an estimated \$223 billion worth of home loans in the first quarter.

But they *could* have refinanced \$2.24 trillion worth of home loans. That \$2.24 trillion represents the total loan value of the 90.9% of in-the-money homeowners who *didn’t* refinance.

To view the full report, including charts and a methodology, please visit:

<https://www.redfin.com/news/refi-take-up-rate-2026>

### **About Redfin**

Redfin is a technology-driven real estate company with the country's most-visited real estate brokerage website. As part of Rocket Companies (NYSE: RKT), Redfin is creating an integrated homeownership platform from search to close to make the dream of homeownership more affordable and accessible for everyone. Redfin's clients can see homes first with on-demand tours, easily apply for a home loan with Rocket Mortgage, and save thousands in fees while working with a top local agent.

You can find more information about Redfin and get the latest housing market data and research at <https://www.redfin.com/news>. For more information about Rocket Companies, visit <https://www.rocketcompanies.com>.

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