



Harry's Take

February 3, 2026

How Many Times Can You Refi Your Mortgage?

I'm pretty sure this is the first time in history that there have been so many people refinancing their mortgages to get lower monthly payments. It's an instant boost to your standard of living, the closest modern-day equivalent of the revered "free lunch.". There is a fee and some bureaucracy, so you can't just do it every year. But many households have done it more than once in the last few decades, on top of moving about every 7 years and often upgrading to a better house.

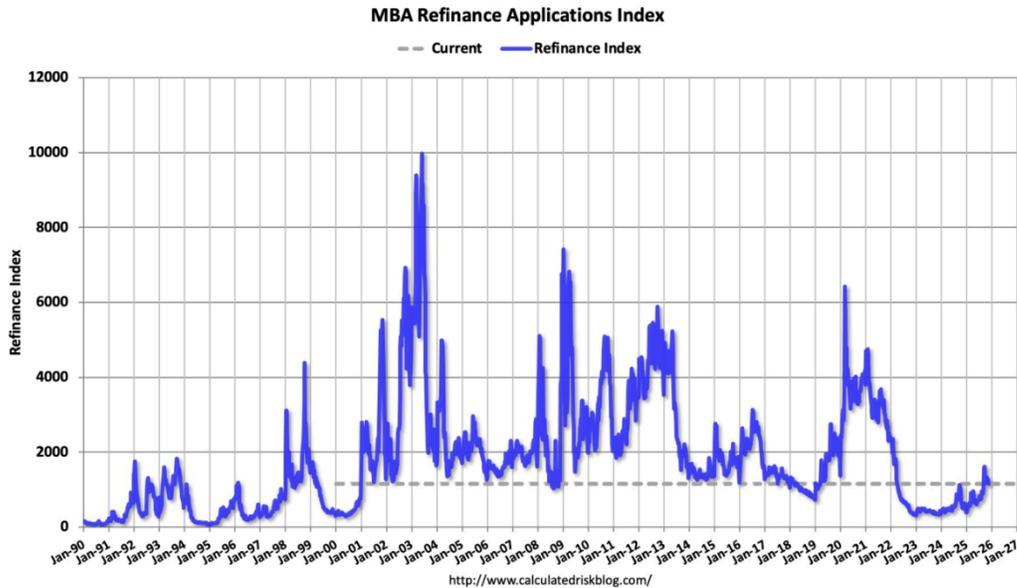
And of course, it frees up money for households to spend on other things and that boosts the economy, in addition to the natural aging process wherein the average household spends more money from workforce entry on average at age 20 into a peak in spending at age 46, moving to age 47 for the Millennials.

One of the drivers has been falling inflation. Inflation rates peaked in 1980 with the full entry of the massive Baby Boom generation into the workforce on that 20-year lag for workforce entry. Falling inflation leads to falling mortgage rates, which in turn motivates refis even for people that aren't buying their first house, moving for work or lifestyle or simply upgrading their living circumstance.

But inflation has stabilized in the 2-3% range as my indicators long predicted by the early 1990s. Since 2008 governments have been heavily stimulating to make up for the peak of the Baby Boom Spending Wave in late 2007, also as long predicted by my indicators, and that has helped drive mortgage rates artificially lower.

But there has to be a limit to how long this can keep occurring... I think we're going to see this in the coming years.

Mortgage Refi's Really Exhausted, and to Lower Lows Since COVID



Source: https://www.calculatedriskblog.com/2025/11/mba-mortgage-applications-decrease-in_0408217174.html

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This chart shows that refis peaked in early 2003 right after the natural peak of housing at age 42 in late 2002 for the Boomers in late 2002, and about 5 years before their spending peak as long predicted in late 2007. Since then, it's been downhill for refis with two lower peaks at the end of 2008 and in early 2020 when COVID hit.

Hence, a big headwind for further stimulation efforts. Next week I'll look at how mortgage applications are similarly running out of steam.

Harry

Got a question or comment? You can reach us at info@hsdent.com.

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