Home Equity Loan

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What is a Home Equity Loan?

In short, it’s a type of loan secured by the equity in your existing, mortgaged property. You receive one lump sum of money at closing and repay it over a fixed period, with a fixed rate, on a fixed monthly payment.

How does it differ from a traditional mortgage?

Unlike a traditional mortgage used to purchase a home, a Home Equity Loan is a second mortgage on a property that already has a first mortgage in place. Rather than being used to buy a home, it allows homeowners to access the equity in their property to use for whatever purposes they have in mind.

What do people typically use a Home Equity Loan for?

Homeowners often use Home Equity Loans for major expenses such as home renovations, debt consolidation, education expenses, or other large purchases. Some also use them for investment purposes or to cover unexpected financial emergencies.

What are the advantages of a Home Equity Loan?

- Low interest rates compared to credit cards and personal loans.
- Access to a larger amount of funds compared to other types of loans.
- Fixed monthly payments for easier budgeting.
- Loan Terms: Typically, a fixed rate for 20 years, providing certainty with a one-time lump sum of cash at closing.
- No prepayment penalties, allowing early repayment without additional costs.

Eligibility

Will I qualify for a Home Equity Loan?

Typically, lenders will consider factors such as your credit score, debt-to-income ratio, amount of equity in the property, and loan-to-value ratio when determining eligibility and terms. Generally, the better your credit and financial situation, the more favorable terms you'll receive.

How it works

How does a Home Equity Loan work?



Can I pay off a Home Equity Loan early?

While the terms can vary by lender and other factors, our Home Equity Loan does allow for early repayment without prepayment penalties! Paying off the loan early can save you money on interest payments over time.

Is a Home Equity Loan right for me?

Is a Home Equity Loan a good choice for me?

It depends on your financial goals, current mortgage terms, and ability to repay the loan. A Home Equity Loan can be a valuable financial tool, but it’s important to understand all aspects of the loan

before proceeding. Evaluate your options carefully, consider the potential benefits and risks, and consult professionals if needed before deciding.

Our knowledgeable Direct Lending team is eager to help you navigate the options and carve a path forward based on your personal goals and priorities! Reach out to us today.

Are there alternatives to a Home Equity Loans?

Depending on your financial situation and needs, alternatives may include Home Equity Line of Credit (HELOC), personal loan, or refinancing your primary mortgage. Each option can have its own set of advantages and disadvantages depending on your situation, so it's essential to compare them carefully before deciding.

Learn more and get started

Who can tell me more?

Our knowledgeable Direct Lending team is eager to help you navigate the options and carve a path forward based on your personal goals and priorities! Reach out to us today.

How can I get started with a Home Equity Loan?

Ready to move forward with a Home Equity Loan? Click here to apply, and our Direct Lending team will reach out to you with next steps.