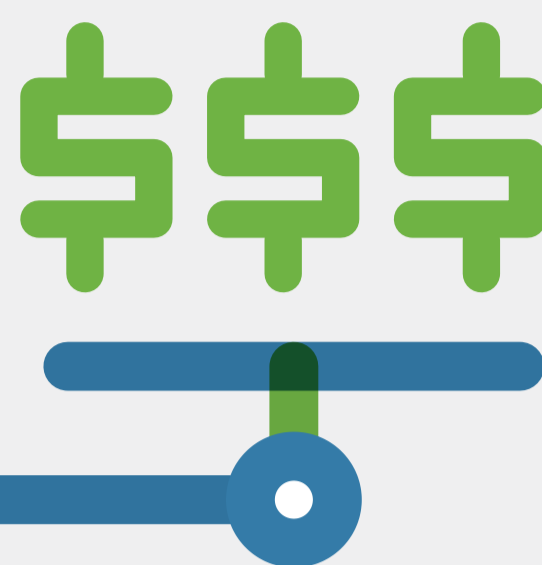


WHAT IS A HOME EQUITY LINE OF CREDIT?



A home equity line of credit is a loan that uses your home as collateral – this type of loan typically results in lower interest rates, since it's based on the equity of your home.



DID YOU KNOW?



One of the most common reasons people take out a home equity line of credit is to pay for home improvements.

WHEN MIGHT I BE ELIGIBLE FOR A HELOC?



Debt < Value



When the amount you owe on your home is less than the value of your home. You can typically borrow up to a certain percentage of the value of your home minus the amount owed.

HOW HAVE HELOCS BEEN IMPACTED BY THE NEW TAX LAW?

Homeowners can continue to deduct the interest on a home equity loan, line of credit or second mortgage when the proceeds are used to substantially improve their residence.

ADVANTAGES

👍 Flexibility in when and how much you can borrow

👍 Lower interest rates

👍 Tax Deductibility

DISADVANTAGES

👎 Could put your home at risk if debt can't be paid back.

👎 Subject to the loan being frozen if the value of your home declines

👎 Potential for over spending

Sources:

- "What you should know about home equity lines of credit." CFPD
- "5 Good Reasons to Tap Your Home Equity." Nerd Wallet
- "Consider a Home Equity line of Credit." Houselogic



NATIONAL ASSOCIATION of REALTORS®



HOME OWNERSHIP MATTERS