

Home Equity Line VS Home Equity Loan

How Your Home Equity Working for You?

Home equity loans and lines of credit are commonly used for debt consolidation, educational expenses, unplanned emergencies, home improvements, vehicle purchases, and other gifts and purchases.

	Equity Line	Equity Loans
Key Benefit	Lowest monthly payments	Fixed rate and payments
Receiving Funds	Receive the money as you need it	Receive the entire amount at closing
Payment Amount	Interest only (Minimum \$100)	Options available to base payments on 15 or 30 year payback
Length of Loan	10 Year	15 Year
Interest Rate	Fixed Margin, varies with the Prime Rate	Fixed Rate
Combined Loan-to-Value	1 unit (i.e. single family home or condo/townhouse) and 2 unit complex up to 100% 3-4 unit complex up to 80%	1 unit (i.e. single family home or condo/townhouse) and 2 unit complex up to 100% 3-4 unit complex up to 80%
Loan Amount	\$10,000 to \$1,000,000	\$10,000 to \$1,000,000
Disadvantages	Adjustable interest rate base on Prime rate	Can only draw money once (unlike a line of credit)