

## Home Equity Line of Credit and Loans

HomeTown Mortgage Company, Inc. offers both fixed Home Equity Loans as well as Home Equity Lines of Credit.

### **HOME EQUITY LOAN:**

Home equity loans are used when you want to borrow a specific dollar amount against the equity in your home. The money can be used for a variety of purposes, such as refinancing, home improvements, debt consolidation, vacations and more.

- You may be able to deduct your interest expense on your taxes, just like your mortgage (consult your tax advisor)
- You may be able to borrow up to 100% of the equity in your home, which means you may be able to borrow more than through other borrowing options
- Consolidating your bills with a home equity can lower your monthly bills, helping you keep **more money in your pocket** each month
- The rate is fixed for the life of the loan, allowing you to plan and budget without factoring potential interest rate fluctuations
- Available with no income check option

### **HOME EQUITY LINE OF CREDIT:**

A home equity line of credit lets you establish a flexible line based on the equity in your home, and draw on it by simply writing an access check. You can use the cash whenever you need it, for almost any purpose. This might be appropriate when your borrowing needs vary over time, or if you want to be able to quickly access funds for emergency purposes. The interest expense is typically tax-deductible (consult your tax advisor)

- No closing costs up to \$1,000,000
- 10 year interest only draw period and 20 years amortization
- Up to 100% maximum loan to value
- Convenient access checks
- Available with no income check option

The difference between these two types of Home Equity Loans is as simple as this:

#### HOME EQUITY LOAN

Fixed rate – your payment stays the same for the entire life of your loan

#### Fixed Repayment Period --

You can choose a term that works for you, such as 5 years, 10 years, 15 years, 20 years, or 30 years

Check for lump sum issued upon approval

#### HOME EQUITY LINE

Variable interest rate on the line of credit

#### Revolving Repayment

Period – as you pay off your loan, you can re-borrow up to your credit limit as easily as writing a check

Once approved, you decide when to borrow, and how much, by writing a check whenever you need it