

UNDERSTANDING HOME EQUITY LOANS

Simple ways to use your home's equity responsibly

What Is a Home Equity Loan?

A home equity loan allows homeowners to borrow against the equity they've built in their home. Funds are typically received as a lump sum and repaid through fixed monthly payments.

Reasons People Use Home Equity Loans

- ☐ Home improvement projects
- ☐ Debt consolidation
- ☐ Emergency expenses
- ☐ Major purchases
- ☐ Education expenses
- ☐ Unexpected life events

Things to Consider Before Borrowing

- ☐ Your home is used as collateral
- ☐ Monthly payments become part of your budget
- ☐ Interest rates and terms may vary
- ☐ Borrowing too much may create financial strain
- ☐ Closing costs or fees may apply
- ☐ Missed payments could put your home at risk

Ways to Use Home Equity Responsibly

- ☐ Borrow only what you truly need
- ☐ Understand the full repayment terms
- ☐ Compare loan options carefully
- ☐ Plan for monthly payments ahead of time
- ☐ Maintain emergency savings when possible
- ☐ Use funds for long-term financial goals

Before You Apply

Gather this information.

- ☐ Estimated home value
- ☐ Current mortgage balance
- ☐ Monthly income
- ☐ Monthly debt payments
- ☐ Credit information
- ☐ Estimated project or expense costs

Questions to Ask Yourself

- ☐ Does this fit comfortably within my budget?
- ☐ Am I borrowing for a long-term financial need?
- ☐ Have I compared different financing options?
- ☐ Do I understand the repayment terms clearly?

Financial Tools That May Help

- ☐ Home equity calculators
- ☐ Budget planning tools
- ☐ Debt consolidation planning
- ☐ Financial counseling resources

Ready to Explore Your Options?

Scan to apply
or learn more.

Questions?
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