Home Improvement Options

Home Equity Line of Credit

This second mortgage lets you borrow money against the value you've built up in the home.

What You Need to Know:

- Draw money as you need it - and you'll only pay interest on what you've drawn
- May be able to borrow up to 90% of the value of the home
- Interest you pay may be tax-deductible
- Interest rates on the loan amount could go up, along with your payment

Home Refinance

This is a new mortgage, but it allows you to tap into the value you've built up through the years to give you cash for things like home improvements.

What You Need to Know:

- You'll get cash based on the value you've built up
- Because it's a new loan, it's an opportunity to get a lower interest rate
- May provide an opportunity to convert an adjustable rate mortgage into a fixed rate
- Having an existing mortgage doesn't guarantee approval
- If you choose to reset the length of the loan, it could cost you more in the long run
- Because it's a new loan, there will be closing costs involved

Unsecured Home Improvement Loan

This is an unsecured loan not tied to the value of your home, it's a personal loan from the bank to you.

What You Need to Know:

- No risk to the value you've built in the home
- Good option for smaller improvements or repairs
- You can't typically borrow as much as you could with loans tied to your equity
- Interest rates will likely be higher than mortgage loan rates

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