

Five Options To Help Homeowners Make The Most Of Their Existing Mortgage

Homeowners can begin by considering 5 key options for maximizing their home's financial-management potential:

1. Consider Cash-Out
2. Unlock the HELOC Opportunity
3. Investigate Interest
4. Aim for Another
5. Reflect on Reverse Mortgages

- **Option 1.** A cash-out refinance can leverage equity to generate extra funds needed to meet personal and financial goals, including home upgrades that may add to your property's value in the long run.
- **Option 2.** Home equity lines of credit (or HELOCs) tap equity to provide funds for everything from vacations to debt consolidation, and everything in between.
 - Interest-paid is often tax deductible (consult your tax advisor).
 - Interest rates and monthly payments are generally lower than on credit card or installment loans.
 - Interest-only payments usually can be made on amounts drawn for the first 5-10 years, depending on type of HELOC.
 - No payments are usually due until funds are accessed, so unused funds provide a safety net for emergencies.
- **Option 3.** Obtaining a new loan may be a smart move if you have an adjustable interest rate that is rising outside of your comfort level.
 - Consider loans with a lower rate, a fixed payment, a different loan term or other features that match your current financial situation.
 - Determine possible long-run versus short-term savings to meet your needs.
- **Option 4.** Using equity from your first home can help you springboard into a second home or other investment property, which can significantly build your assets.
- **Option 5.** If you are at least 62 years old, a reverse mortgage may be a secure and simple ways to access home equity and obtain additional funds for everything from daily expenses and medical bills to maintaining a leisurely retirement lifestyle.
 - No restrictions usually on how loan funds are used.

- Funds often can be obtained as lump sum, monthly payment, line of credit or other payment structure and are often tax-free (consult tax advisor).
- Seniors can remain in homes for as long as they wish.
- Borrowers, their heirs, or their estate typically will not owe more than the appraised market value of the home at time of loan maturity, regardless of loan balance.

To learn more tips and tools for managing a mortgage, home buyers and homeowners can call 800-570-9888.

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