

Home Equity Lines of Credit are More Popular than Ever in the San Francisco Bay Area Oakland Berkeley Alameda San Jose

As Mortgage Rates Sky Rocket, and Home Equity Remains at an All Time High, Bay Area Homeowners Seek Home Equity Lines of Credit

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/EINPresswire.com/ -- With mortgage rates basically doubling in the past couple months, and home equity at an all time high, it is a no wonder many homeowners are turning to Home Equity Lines of Credit or [HELOC's](#). "We

saw a definite need for these lines of credit early in 2022, even when rates were in the mid 3's." says Garrick Wermuller, President, and CEO of [Fresh Home Loan](#) inc., in Alameda Ca. "We also didn't have a reliable source to refer our clients to, so we took it upon ourselves to offer this

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We saw a definite need for these lines of credit early in 2022...We also didn't have a reliable source to refer our clients to, so we took it upon ourselves to find lenders and offer this product.”

*Garrick Wermuller,
President/CEO Fresh Home
Loan*



product." Since then, Fresh Home Loan has been approved with multiple Home Equity Lenders to make sure they can offer a variety of options for their clients. You can inquire here: <https://freshhomeloan.com/heloc/> . This is the advantage of a mortgage broker, over a mortgage bank or big lender, the ability to pivot fast for the consumer.

"Imagine a homeowner with a rate of 2.75% fixed on a 30 year term on a \$900,000 first mortgage loan that was refinanced in 2020. The homeowner wants \$70,000 to remodel a kitchen. To refinance the first mortgage their rate will most likely be twice as high in this market. That's insanity!" exclaims Wermuller "However, one can open an

equity line for minimal cost, and draw out only what they want to use. For this example just mentioned, I had a client get a \$200,000 equity line, but only used \$70,000 for their kitchen remodel. They now have \$130,000 they can access at any time, but they don't pay interest on it

until they do.” explains Werdmuller.

Here are some Home Equity Line basics:

What is a [Home Equity Line of Credit](#) used for?

- Home Improvement
- Debt Consolidation
- Emergency Funds
- Bridge Funds for a Home Purchase
- Purchase Financing to Avoid Mortgage Insurance

What is a Home Equity Line of Credit?

A home equity line of credit, or HELOC, is a second mortgage that gives one access to cash based on the value of their home. They can draw from a home equity line of credit and repay all or some of it monthly, somewhat like a credit card.

With a HELOC, one can borrow against their equity, which is the home’s value minus the amount they owe on the primary mortgage. They can also get a HELOC if you they own thier home outright, in which case the HELOC is the primary mortgage rather than a second one.

How a HELOC works...

Much like a credit card that allows one to borrow against their spending limit as often as needed, a HELOC gives one the flexibility to borrow against their home equity, repay and repeat. HELOCs are tied to the PRIME rate index and therefore, have adjustable interest rates. This means that as the



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Garrick Werdmuller, President and CEO Fresh Home Loan Inc

Federal Funds Rate goes up or down, the interest rate on the HELOC will adjust, too. To set the rate, the lender will start with an index rate, then add a markup depending on many factors including credit profile, loan-to-value, and transaction type. That markup is called the margin, and one should ask to see the amount before you sign off on the HELOC.



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Is getting a HELOC a good idea?

Whether a home equity line of credit is a good idea really comes down to one's goals and financial situation. A HELOC is often used for home repairs and renovations, which can increase a home's value. In general, a HELOC has a much lower interest rate than a credit card.

Some use home equity lines of credit to pay for education, but one may get better rates using federal student loans. Financial advisors generally don't recommend using a HELOC to pay for vacations and cars because those expenditures don't build wealth.

Home Equity Line Of Credit Basics...

The Rate is tied to Prime, with a margin of anywhere from .5 -2+% (depending on credit, loan to value, line amount etc.) Line amounts from \$50,000 to \$500,000. An automated valuation may be used in lieu of a full appraisal. We find this out AFTER submission. There is a minimum draw at funding of \$50K required. Closing is 30 days typically.

Program Highlights include:

- oPurchase and Standalone Seconds.
- o89.99% Loan to Value
- oFirst and Second Homes
- oMinimum Fico 680
- oLine Amounts up to \$500,000
- oInterest-Only Payments Available

For more information here: <https://freshhomeloan.com/heloc/>

To apply visit:

<https://freshhomeloan.com/heloc/>

Have a question about mortgage rates specific to your needs?

<https://freshhomeloan.com/todays-rate-checker/>

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