



Fleur de Lis

Sentinel

FIRST QUARTER 2023

FOR REALTORS

Consider a Second Mortgage

Sources: <https://themortgagereports.com/95763/second-mortgage-guide> & <https://www.thebalancemoney.com/home-equity-second-mortgage-2386160>

Are you happy with your first mortgage rate but want to tap into your home equity?

Consider a Second Mortgage with a fixed rate and keep your first mortgage in place

WHAT IS A SECOND MORTGAGE?

A second mortgage is a loan that lets you cash out the available equity in your home. Using a second mortgage to tap equity will not impact your existing home loan. Rather, it creates a separate loan secured by the property with its own rate and monthly payment.

TYPES OF SECOND MORTGAGES

There are two main types of second mortgages: a home equity loan and a home equity line of credit (HELOC). A home equity loan is a one-time, lump-sum loan with a fixed interest rate and repayment schedule, while a HELOC is a reusable credit line with a variable interest rate.

HELOC (Home Equity Line of Credit)

The borrower gets a line of credit with a credit limit that can be used over time.

Borrowers are typically offered no more than 20 years to repay the debt.

The interest rate usually is variable.

Second Mortgage (Home Equity Loan)

The borrower typically receives all of the money in a lump sum.

The payoff period normally lasts 5 to 10 years.

The interest rate is usually fixed.



HOW DOES A SECOND MORTGAGE WORK?

A second mortgage cashes out the equity built up in your home. You build equity as you pay down your mortgage loan and as your home's value increases. A second mortgage works by taking out a second loan (on top of your existing mortgage) that's secured by the home's value. The amount you can borrow depends on how much equity you've accrued.

You repay your second mortgage debt separately from your primary mortgage debt. So, if you're still paying off your initial home loan, you can expect to make two monthly payments: one toward your primary mortgage and another toward your home equity loan or HELOC.

As secured loans, second mortgages come with lower interest rates than other sources of cash, like credit cards or personal loans. And the money you withdraw can be used for any purpose.

Speak to a Springs Valley Mortgage Specialist today about a fixed rate home equity loan! [Click here!](#)

Lunch and Learn!

Interested in learning about the products we could offer your clients over lunch?

Contact Brittany Merritt to make arrangements for a meeting: marketing@svbt.com or **812.634.4858**.

We offer the following home mortgage loans:

- Conventional Fixed Rate Loans
- Conventional Adjustable Rate Loans
- FHA (For borrowers that are FHA-approved and meet specified qualifications)
- VA (For Veterans and their families)
- USDA (For rural property)
- Construction Loans
- Pole Barn Homes

Home Equity Line of Credit

Let the equity you have in your home work for you.

- Borrow up to 85% of your home's equity
- Decisions made locally
- Line of credit or fixed rate payment available
- Terms up to 15 years
- Consult tax advisor regarding the deductibility of interest

Loans for qualified applicants only. View Consumer loan rates online and for all other current rates, call one of our loan professionals. Consult your tax advisor regarding tax deductibility. Certain closing costs may apply.

CONTACT ONE OF SPRINGS VALLEY'S MORTGAGE SPECIALISTS TODAY!



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