



Fleur de Lis

Sentinel

JUNE 2024

FOR OUR COMMUNITY

Celebrate National Homeownership Month by Unlocking Your Home's Potential: Understanding Home Equity

Source: Springs Valley's Money IQ - <https://svbt.bank/>



Owning a home is a major life milestone, but did you know your home holds hidden value beyond just a roof over your head? That value is called “home equity,” and understanding it can be the key to unlocking goals and financial opportunities.

Maybe you've been dreaming of a kitchen renovation but saving up for the project gets further away every year. Or perhaps you're considering consolidating debt, but you are worried about high-interest rates. Home equity could be the answer you've been searching for.

WHAT IS HOME EQUITY?

We have all heard that “home is where the heart is,” but what exactly is equity in a home? Home equity is the difference between the current market value of your home and the amount

you owe on your mortgage. Think of it as the portion of your home you truly own, free and clear.

To calculate your home equity, you can subtract the amount you owe on your mortgage from the current market value of your home. For example, if your home is currently valued at \$300,000 and you still owe \$200,000 on your mortgage, your home equity would be \$100,000.

WHY IS HOME EQUITY IMPORTANT?

Home equity is a powerful tool for building financial security and wealth. It can provide financial security, lower interest rates, and even open investment opportunities in the future. By strategically utilizing your home equity, you can:

Access funds for major expenses. Tackle that dream home renovation, pay for your child's education, or consolidate debt at lower interest rates.

Increase your borrowing power. Home equity products often offer more favorable rates than personal loans, making them a cost-effective way to borrow.

Invest in your future. Tap into your home equity to invest in rental properties, businesses, or other wealth-building opportunities.

HOW HOME EQUITY WORKS

Home equity is flexibility for your economic future because it involves property, something that has potential to be bought or sold. That property value will vary over time, so the amount of money involved will always shift.

There are two key factors used to decide your equity:

(continued on page 2)

Market value: The market value is the estimated worth of your home based on factors like location, size, and recent sales of similar properties. Appraisals or comparable sales data can help determine this value.

Mortgage balance: This is the amount you still owe on your home loan. Every payment you make, especially towards the principal, reduces your balance and increases your equity.

BUILDING HOME EQUITY

Building your home equity is like growing your financial nest egg. Home equity can increase in two ways: through paying off your mortgage, and through appreciation of your property's value. As you make mortgage payments, you are reducing the amount you owe and increasing your equity.

There are a few ways to build equity as quickly as possible:

- **Make consistent mortgage payments.** This is the cornerstone of equity growth, as each principal payment chips away at your loan balance.
- **Consider making bi-weekly payments.** Splitting your monthly payment into two halves, paid every two weeks, can significantly reduce your loan term and boost equity faster.
- **Make extra payments toward the mortgage.** If you have extra cash, putting it towards your principal can also help lower your balance and accelerate equity growth.
- **Wait for (responsible) appreciation in the local real estate market.** While not guaranteed, rising market values can increase your home's value and, as a result, also your equity.

RAISE YOUR HOME'S VALUE

The money that you put into your home should always add to the equity, even if it doesn't go toward the mortgage directly. When the value of your home increases, your equity will also increase. The easiest way to preserve your home value is to make sure that you take care of it, inside and out.

- **Keep Up with the Maintenance.** By keeping your home in good condition, you can prevent any potential decreases in equity. Regular maintenance and upkeep of your home will allow you to maintain or increase its value. This includes updates to the landscaping, painting, and promptly repairing any damages. Your goal is to reduce the look and effect of wear and tear on the home.
- **Renovate Your Home.** Strategic renovations to your home can add to your home equity, even when you borrow against

it to get the work done. This can include updating outdated features, adding square footage, or improving the overall aesthetic of your property. Even updating the curb appeal of your home can increase the value of your home and therefore increase your equity.

HOW TO USE YOUR HOME EQUITY

It is possible you've already paid down some of your principal and built up some equity. Like many people in that situation, you may find yourself wondering: what can you do with your home equity? This is the part where homeownership can get exciting. You can tap into your equity through various financial products, each with its own advantages.

- **Home Equity Loan** - A home equity loan is a fixed-rate loan that provides a lump sum of cash based on your available equity. These loans are ideal for larger expenses, like renovations or sending the kids to college.
- **HELOC (Home Equity Line of Credit)** - A Home Equity Line of Credit acts like a credit card secured by your home, offering a flexible line of credit you can draw on as needed. A HELOC is perfect for ongoing expenses, like the weekend-warrior's home improvement projects, or paying down credit cards.
- **Cash-Out Refinance** - This involves replacing your current mortgage with a new one for a larger amount, pocketing the difference as cash. You can leverage lower interest rates while accessing your equity.

ALWAYS DO YOUR HOMEWORK

Home equity is an important concept for homeowners to understand. It can provide financial security, opportunities for investments, and lower interest rates. By understanding how to increase and use your home equity, you can make the most of your property and build wealth for the future.

Remember, home equity is a valuable asset, but it's not a free pass. Do your research, understand the risks and rewards, and use it strategically to unlock your financial potential. Numerous online resources and calculators can help you estimate your equity and explore different options.

QUESTIONS OR CONCERNS?

To learn more about any of these options, contact a Springs Valley Mortgage Lending Officer.



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If you would like to join the SVBT team and participate in the mentorship program click here for available career opportunities.

Visit [svbt.bank](https://www.svbt.bank) to apply. Don't see the job you are looking for? You can submit a resume for future consideration by eMailing careers@svbt.bank.

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Tina Qualkenbush

“ I have been with Springs Valley Bank for 25 years. I started as a loan department assistant and then progressed to a loan officer. I am very fortunate to work at SVB&T because they are adept at promoting from within, providing opportunities for advancement. I love assisting customers in navigating the process of purchasing their dream home. It's always a pleasure to greet customers in the lobby, saying good morning, good afternoon, or asking how their day is. Over the last 25 years, I have developed close relationships with many wonderful people. They are not just my customers or coworkers; they feel like family. ”

Tina

Congrats Tina!



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SAFECENTS: MONTHLY CYBER FINTIPS

Card Management

Keeping your financial information is crucial. Springs Valley's new Mobile Banking App enhancements offer tools to help you protect your cards and manage your finances more effectively.

Key Features:

- Lock/Unlock Your Cards:** Instantly lock your cards if misplaced and unlock them when found.
- Real-Time Alerts:** Stay informed about your transactions with immediate notifications.
- Transaction Limits:** Set limits by location, merchant, transaction type, or amount to prevent unauthorized use.
- Fraud Detection:** Quickly identify and report fraudulent transactions.

Message and data rates may apply. Check with your mobile phone carrier for details.

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with Springs Valley! A Year of Financial Fun!

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Willow Thompson & Madison Ramsey receive Springs Valley's 2024 Community Reinvestment Act (CRA) Scholarships

Springs Valley Bank & Trust Company is pleased to announce the 2024 winners of two (2) Community Reinvestment Act (CRA) Scholarships! The \$1,000.00 CRA Scholarship recipients are Willow Thompson of Barr-Reeve High School and Madison Ramsey of Loogootee High School. Willow plans to major in

Marketing at The University of Southern Indiana.

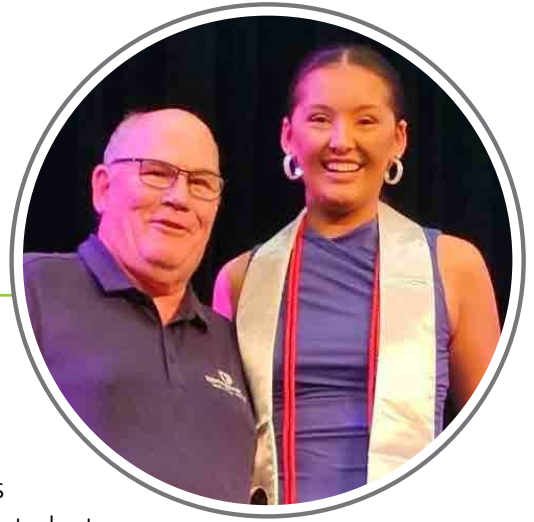
Madison plans to pursue a degree in Pharmacy at Sullivan University.



"Springs Valley is honored to celebrate

these exceptional students for their dedication and accomplishments. Their leadership and active participation in school and community activities exemplify their potential to positively impact the future," said Melody Ginder, CRA Officer. "Community service and making a difference are integral to Springs Valley's values. We believe that quality education is a vital investment in the betterment of our communities. Through Springs Valley's CRA Scholarship Program, we are proud to support local students as they invest in their futures."

This is the third year for Springs Valley's annual CRA Scholarship Program which is awarded to area students based on financial need, scholastic achievement, and a record of volunteer service in their communities. The scholarship can be used for any post-secondary education program, including four-year universities, community colleges, and vocational training schools.



Pictured to the left: Willow Thompson and Jordan Briggeman, Springs Valley. Pictured to the right: Michael E. Arvin, Springs Valley, and Madison Ramsey.



Congrats on your promotions!



*Congrats
on your
Promotion!*



Brian Schwartz

*Vice President &
Loan Operations Manager*



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Chelsey Bell

Vice President & Deposit Manager



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Christopher M. Manship

*Assistant Vice President &
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Darek Turpin

Vice President & Portfolio Manager



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Kabrea Buschkoetter

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Kimberly Ann Seger

*Vice President & Mortgage
Loan Officer NMLS# 1707457*



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Nicole Ford
Vice President & Operations Manager



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Nikita Brown
Vice President & eServices Manager

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REPAIR YOUR HOME

WITH THE NEIGHBORHOOD IMPACT PROGRAM (NIP)

NIP IN ACTION

"We had an older roof that began to leak last year. We are retired and living on a fixed income, and we didn't have any idea how we would be able to afford the high cost of a new roof. We contacted them [local NIP partner] to see if they could help, and we are so grateful that we did."

—DAN VANHOUTEN, 2019 NIP USER



2024 GRANT INFORMATION

Homeowners that meet the program requirements can receive up to \$15,000 in funding through the Neighborhood Impact Program (NIP) to make eligible repairs and accessibility modifications to their homes.

ELIGIBLE REPAIRS

Please see the addendum on Page 3 for a complete list of eligible repairs and accessibility modifications.

**START A CONVERSATION ABOUT REPAIRING YOUR HOME
BY CONTACTING YOUR LOCAL FHL BANK INDIANAPOLIS MEMBER:**

ARE YOU A QUALIFIED HOMEOWNER?

TO QUALIFY FOR A NIP GRANT, YOU MUST MEET THE FOLLOWING REQUIREMENTS:

INCOME REQUIREMENTS:

- Your gross household income must be at or below 80% Area Median Income (AMI).

PROPERTY REQUIREMENTS:

- Your mortgage and property taxes must be paid as agreed and current.
- Your home is a single-family home, condominium, duplex, or manufactured home with certain restrictions.

HOMEOWNER REQUIREMENTS:

- You must obtain a bid from two (2) independent contractors
- You must provide all requested income and other documentation

HOW TO APPLY

To start a NIP application, please contact:

Susan Richardson

*VP & Senior Mortgage Loan Underwriter
NMLS# 451137*

srichardson@svbt.bank
800.843.4947

This document is not an application for the program. You must supply all required documentation for the program as directed by the contact above. Additional documentation may be required after your application is submitted.



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**ADDENDUM: NEIGHBORHOOD IMPACT PROGRAM (NIP)
ELIGIBLE HOME REPAIRS AND MODIFICATIONS**

Eligible Deferred Maintenance Repairs	
HVAC systems and ductwork	Siding
Well or septic systems	Roof and/or chimney
Water Heater	Gutters and downspouts
Windows	Exterior doors (including overhead garage)
Soffit and Fascia	Insulation or weatherization
Electrical	Ceiling and drywall repair (due to roof failure)
Structural repairs – foundations and floor joists	Plumbing
Sump-pump systems	Basement/Crawlspace Waterproofing
Eligible Accessibility & Safety Repairs	
Entry Ramps	Entry Steps/Stairs
Mold and/or mildew remediation	Levered door handles
Interior/Exterior handrails	Widened doorways
Internal Chair or Wheelchair lifts	
Relocation of washer/dryer from basement to main level of the home	
Eligible Bathroom Accessibility Modifications/Repairs	
Installation of walk-in shower	ADA height toilets and fixtures
Grab bars	
The following repairs must be supported by an assessment by a certified professional demonstrating need to support access.	
Universal Design Flooring	Kitchen Accessibility Modifications
Conversion of lower level ½ bath to full bath (eliminate the need to go upstairs)	
<i>*Up to \$250 may be used to cover the expense of a Certified Professional to do a home accessibility/modification assessment*</i>	

*Only certified professionals such as Certified Aging-in-Place Specialist (CAPS), Certified Environmental Access Consultant (CEAC) or those with similar designations. Certification must be provided with the submission.

If work is being performed by a related party to the homeowner, the Member must ensure that all repairs included in the original bid are being completed and funds are being used for said repairs.