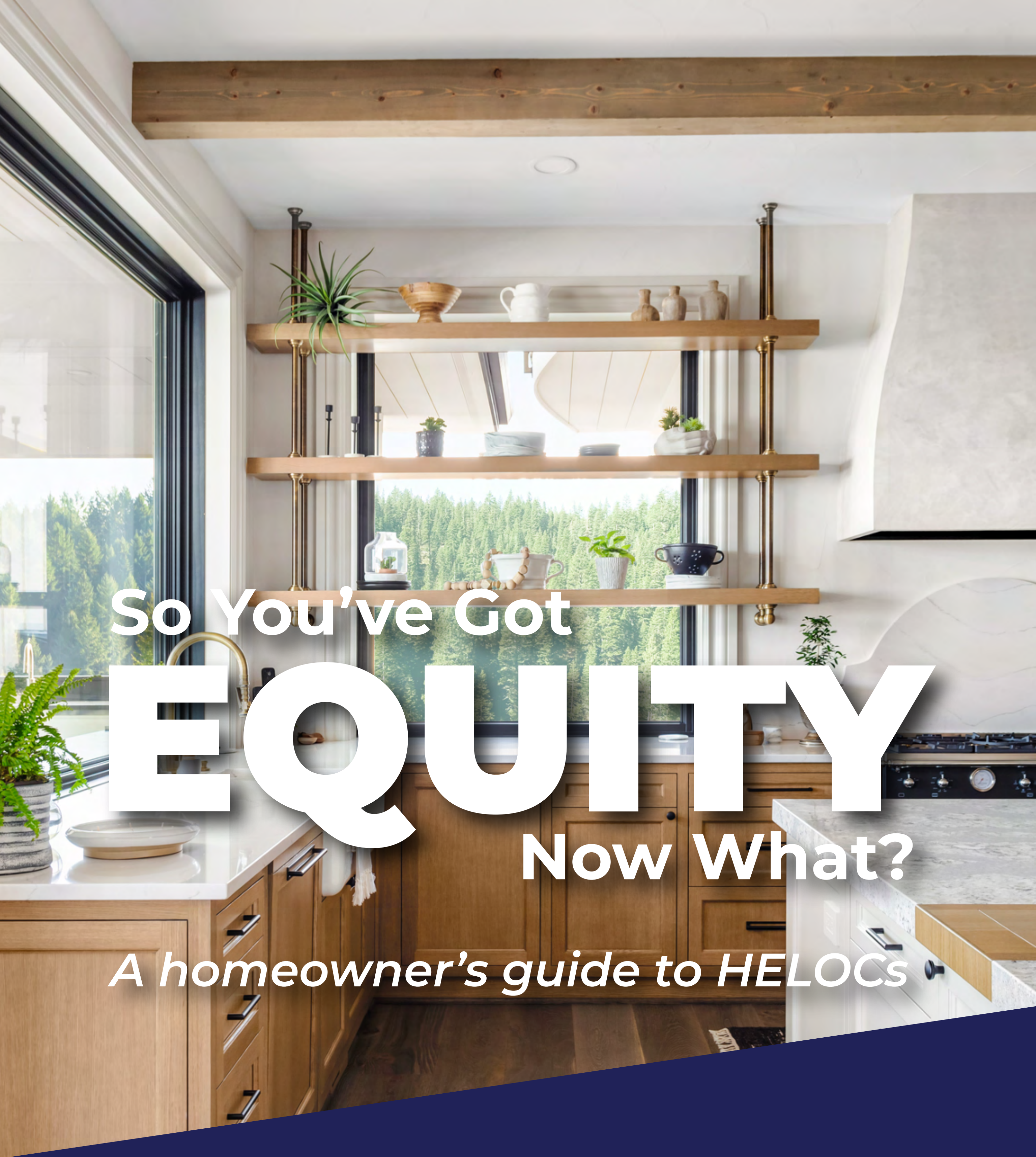


So You've Got EQUITY Now What?

A homeowner's guide to HELOCs

GERSHMAN MORTGAGE

What's a HELOC?

A Home Equity Line of Credit gives you access to the equity you've already built in your home, without changing anything about your current mortgage. Your rate, your term, your monthly payment on that loan all stay exactly the same. A HELOC just sits alongside it, as a separate line of credit you can tap when you need it.

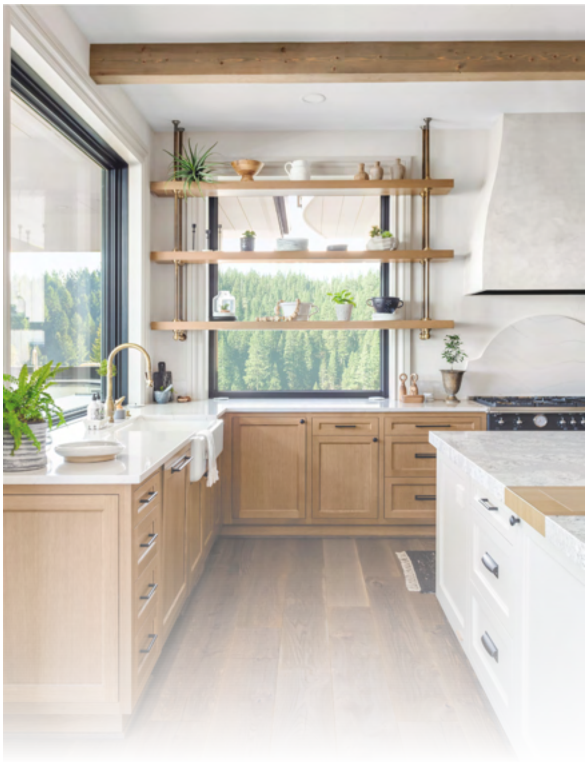
How is a HELOC different from a home equity loan?

> *"A HELOC acts as a line of credit, which is best compared to a credit card. You have a max amount you can borrow, but you can withdraw and pay back as much as you'd like, up to that max dollar amount. A home equity loan is like an installment loan. You draw your funds and repay it back over a period of time, and the payment is the same every month, like an auto loan."*
>
> \- **Justin Berger, Vice President, Branch Manager**

What's the biggest misconception people have about HELOCs?

A lot of people assume a HELOC works like refinancing, that it touches their existing mortgage or resets their rate. It doesn't. Your first mortgage stays untouched. A HELOC is a second, separate line of credit. Some homeowners also assume they have to use the full amount right away. You don't. You only pay interest on the money you actually draw.

What's Holding Homeowners Back?



The biggest fear we hear from people considering a HELOC

Most of the hesitation comes down to one thing: it's their house. People worry that borrowing against their home is riskier than other kinds of debt, or that a variable rate means an unpredictable payment. Those are fair concerns, and they're exactly why it helps to talk it through with someone before deciding, not after.

Myths that stop people from even looking into a HELOC

A common myth is thinking a HELOC is only for people who are struggling financially, or that it will tank your credit. Neither are true! Plenty of homeowners use one simply because it's a smart, low-cost way to access money they've already earned through their home's value.

On the fence? Here's what you should know

If you already know you need to finance something, whether that's a renovation, tuition, or paying off higher-interest debt, a HELOC is often some of the cheapest money you can borrow.

> *"HELOC interest rates are typically cheaper than any installment loan or revolving line of credit, like a credit card. HELOCs are perfect for this type of situation."*
>
> \- **Justin Berger, Vice President, Branch Manager**

The Money, Explained Simply

How do HELOC rates typically work?

HELOC rates are usually variable, meaning they can move up or down over time based on broader market rates. That's different from your first mortgage, which is typically fixed. The tradeoff is that HELOC rates tend to start lower than what you'd see on a credit card or a personal loan, which is a big reason of why people use them for larger expenses. Ask your loan officer to walk through current rates and how they're structured for your specific line, that's one area where it always pays to get the real numbers instead of guessing.

What most people get wrong about how the payments work

The minimum payment on a HELOC is usually interest-only. That surprises people. It means your minimum due each month covers just the interest on what you've drawn, not the balance itself. You can pay more than that minimum any time, and any extra goes straight toward lowering what you owe.

> *"A HELOC's minimum payment is interest only. You can pay as much as you want on top of that. That's how you lower the amount you owe."*
>
> \- **Justin Berger, Vice President, Branch Manager**

Interested in learning about HELOCs more in depth? Check out our website! We have a loan program page dedicated to answering our most frequently asked questions and more blog posts explaining what most people use HELOCs for!

Is a HELOC Right for You?

Who's a great fit for a HELOC?

Homeowners with a solid amount of equity who want access to it without refinancing their current loan. It also works well for someone who needs cash quickly and has a clear plan to pay it back in a reasonably short window.

> *"Anyone with a good amount of equity in their home who needs access to it without refinancing their current loan. Or someone who needs quick access to cash and plans on paying it back quickly."*
>
> - **Justin Berger, Vice President, Branch Manager**

Is there a reason you shouldn't get a HELOC right now?

A HELOC isn't the right fit for everyone. If you don't have much equity built up yet, the math often doesn't work in your favor. It's also worth pausing if your income isn't steady enough to comfortably cover payments, or if you know you'd be tempted to use the line for everyday spending rather than a specific goal.

Be cautious

Treating a HELOC like extra income instead of a loan is a major red flag. If you plan to use it for everyday expenses with no plan to pay it down, the balance can grow quietly until it's a real burden. A HELOC works best when it's tied to a specific purpose and a realistic payoff plan. Don't get wrapped up in more debt than necessary, a HELOC is designed to help you, not make your life harder.

What can you use a HELOC for?

- ✔ Renovations
- ✔ Consolidating debt
- ✔ School tuition
- ✔ Emergency medical bills

Making Your Move

Think a HELOC is the right fit for you?

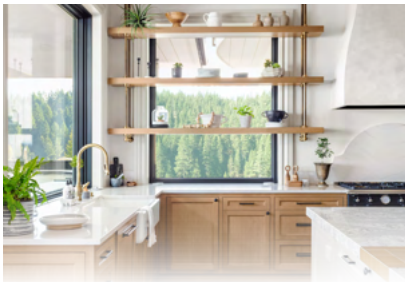
Call your loan officer. That's the first step, full stop. A quick conversation is the fastest way to find out how much equity you have to work with and whether a HELOC actually fits what you're trying to do.

How long does the process take from start to finish?

Compared to a full mortgage or refinance, it's a much faster process, since you're not restarting your entire loan, just adding a line of credit alongside it. At Gershman Mortgage, our 5-Day HELOC can close in as few as five business days once you're approved. No hard credit check to get started, and your loan officer can handle most of the paperwork for you.

Why might now be a good time to consider one?

Assuming mortgage rates have gone up since you bought or last refinanced, a HELOC allows you to use your equity without giving up your current rate. You're not touching your first mortgage at all, so if today's rates are higher than what you're already locked into, you don't have to trade a good rate for access to your equity.



> *"Our HELOC process is very streamlined and easy. I help set everything up, and most of it is automated after that point."*
>
> \- **Justin Berger, Vice President, Branch Manager**

Access Your Cash With A HELOC

Whether you're planning a home improvement project, consolidating debt, covering a major expense or simply want greater financial flexibility, a can give you access to the equity you've built in your home.

Gershman's 5-Day HELOC lets qualified homeowners borrow up to $750,000, with term options of 10, 15, 20, or 30 years. The application process is fast and straightforward. One of our loan officers will walk with you through the process and can often handle the application on your behalf. No hard credit inquiry is required to get started. Once approved, closing can follow in as few as *five* business days.

Here's how to get started:

1. Call your loan officer. Tell them what you're planning. They'll help you figure out how much you could borrow.

2. Let us handle the application. Your loan officer can usually take care of it for you. There's no hard credit check to get started.

3. Get approved and close in as few as 5 days. Once you're approved, our 5-Day HELOC can close in as few as five business days. Then your line of credit is ready to use.

Ready to Talk?

Call 800.457.2357 or scan the code to connect with a Gershman Mortgage loan officer. It's a quick conversation, and there's no pressure.

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