

Home Equity Loans

The power of equity

There are more than just memories under the roof of your home. There's equity. That equity can help you pay for a lot of things: home improvements, vacation, debt consolidation or college costs. And the beauty is that for many people, it's an untapped reserve.

Why borrow against your home?

If used properly, home equity loans are a prudent way to borrow money. It is a sensible income source when considering the higher interest rates on other lines of credit like credit cards and unsecured loans.

Another great feature of a home equity loan is that often the interest you pay is tax deductible. You'll need to consult with a tax advisor regarding the deductibility of interest.

How much do I need to have invested in my home to take out a home equity loan?

A good rule of thumb is that you'll need to have at least 10 percent of your home's value paid for. This formula gives you a good idea of how Greater Iowa determines the amount you're eligible to borrow.

Value of your home	\$100,000
Up to 90 percent	X .90
Subtotal	\$90,000
Remaining mortgage balance	-\$40,000

Equity available	\$50,000

What can I purchase with money from a home equity loan?

That's completely up to you. Debt consolidation, education costs, vacation, home improvements are among the things you can pay for with a home equity loan.

What will I need to apply for a home equity loan?

Here's how applying for a home equity loan works.

We happen to think it's rather easy.

You'll be asked to fill out an application for the loan. You'll also need the following information:

- A copy of your deed or title opinion
- Current income verification (W2, tax return statement or recent pay stubs)
- Proof of current homeowner's insurance
- Your current tax assessment or an appraisal

A loan officer will check your credit, determine your borrowing capacity and quote a rate and payment plan. Once the loan is approved, the money can be deposited directly into your account after three business days. If you prefer, Greater Iowa also can provide you with a paper check.

Equity is a beautiful thing. Use the value that you've built in your home to tackle a home improvement project, purchase major appliances, take a dream vacation or save for a child's education. Plus, the equity in your home can be tax deductible and the repayment rate is usually lower than most credit cards.



Contact Information

Main Office: 801 Lincoln Way • P.O. Box 665 • Ames, IA 50010
Phone: 515.956.3000 (in Ames) • 800.296.9064 (Toll-Free)
TellerPhone: 515.232.8400 (in Ames) • 800.765.3595 (Toll-Free)
Online: www.gicu.org

