



Home Equity Loan or Line of Credit?

Home Equity Loans (HELOANS) and Home Equity Lines of Credit (HELOC) are two popular financing options that allow you to borrow against the appraised value of your home and provide you with cash when you need it.

Home Equity Loan (HELOAN)

Need to borrow a specific amount for a repair and want to consolidate debt into one, simple payment? Like your original home mortgage, a HELOAN allows you to borrow exactly what you need and then make regular payments during a fixed repayment period.

HomeTrust can now offer you a HELOAN that:

- You apply for the exact amount you need
- Offers a competitive, fixed interest rate that doesn't change during the life of your loan
- Each payment, the same every month, includes interest charges and a portion of the loan principal

The Simple Explanation

When deciding between a HELOAN or HELOC it's important to answer these three questions:

1. How much money you need?
2. When do you need it?
3. Do you want fixed or variable monthly payments?

Both solutions allow you to manage planned and unplanned expenses with one simple solution.

- Renovate or repair your home
- Consolidate debt into one, easy monthly payment
- Finance education or health expenses



**HomeTrust
Bank**



Home Equity Line of Credit (HELOC)

Ideal for those who need cash over a longer period-of-time and would like to take advantage of a flexible line of credit available when you need it. Borrow only what you need from the available equity in your home.

HomeTrust offers competitive home equity rates, plus:

- **Fast closings**
apply online with our state-of-the-art application system
- **No closing costs¹**
be confident your money is working for you with no closing costs and competitive rates
- **Interest-only payments for 10 years²**
pay only the interest amount on the loan each month for the first 10 years

HELOAN and HELOC Comparison

	HELOAN	HELOC
Variable Interest Rate		X
Fixed Interest Rate	X	
Lump Sum	X	
Draw Money as You Need It		X
Interest Only Payments ²		X

All loans and lines of credit are subject to credit approval. Talk to a HomeTrust Bank Loan Officer for more program information.

1. No fees must be paid to the bank to open and maintain a line of credit. However, you may have to pay certain fees to third parties. If we cannot determine your home's value by an automated valuation model, you may have to pay for the cost of an appraisal, normally no more than \$450. **If your property is in VA or TN, a recordation tax is payable to the Commonwealth. This tax varies based on location; however, it approximates \$0.25 on every \$100 borrowed. HomeTrust Bank will pay up to a maximum of \$400 towards VA or TN recordation fees for qualified borrowers.**

If applicable, the total of all fees payable by you ranges between \$450 and \$3,500. If you terminate your line of credit within the first 36 months of account opening, you will have to reimburse HomeTrust Bank for any fees paid to third parties by HomeTrust Bank on your behalf at the time of account opening.

This is a 25-year Home Equity Line of Credit (HELOC) with a 10-year, interest only draw period followed by a 15-year, amortized repayment period. The ANNUAL PERCENTAGE RATE (APR) on future balances will be based on the Wall Street Journal Prime Rate, plus a margin. Your APR and margin will depend on your creditworthiness and the property used as collateral. This is a variable interest rate, and the rate is subject to change daily. As of 12/08/2022 the APR is 7.00%. Ask us for current rates, as rates are subject to change. The maximum APR is 16.00% or the maximum permitted by law, whichever is less. A floor rate may be associated with your HELOC. See disclosures provided at application to determine if this applies.

HELOCs are limited to 1st and 2nd lien financing on owner occupied primary residence, single family dwellings in the HomeTrust Bank market and are not valid for investment properties, manufactured homes, residential lots or homes listed for sale. Hazard insurance and flood insurance, if applicable, are required. The minimum credit limit is \$13,000. Higher credit limits, up to a maximum of \$1,000,000, may be available for those who meet our credit standards.

2. Payment amount is interest-only during the 10-year draw period. After the draw period ends, you must repay any outstanding balance over a 15-year repayment period. During the repayment period, your minimum monthly payment of principal and interest (P&I) will be sufficient to amortize the outstanding principal balance over the term of the repayment period at the current rate of interest. This payment will change monthly as your balance, interest rate, and the remaining number of months in the repayment period change. You must pay the entire account balance owed under this agreement on or before the maturity date.