

How is my home equity rate determined?

Rates are determined by LTV and credit score. Members borrowing only 80% LTV with a good credit history will receive the lowest rate.

Each individual situation varies. Your loan specialist will be happy to discuss your credit history/score and work with you to get you the lowest possible rate.

Is the interest on my home equity loan tax deductible?

Most of the time, the interest on your home equity loan is tax deductible. We cannot guarantee that your loan interest will be tax deductible. Please check with your tax advisor for deductibility.

How long does the process take?

Most loans can be closed and funds disbursed within 10 business days.

Can I get a home equity loan on my vacation or rental property?

Yes, on vacation homes and second properties that are not rentals.



Can I pay more than my scheduled payment or pay my loan off early?

Yes, you can pay more, make extra payments, or pay your loan off early with no pre-payment penalty. The only time a fee would be assessed is if you closed (lien released) a FlexPower Line of Credit Loan within the first calendar year of origination. We would then request that you reimburse the credit union for any third party fees that we paid on your behalf.

Members taking a FlexPower Line of Credit Loan can pay their loan balance down to zero at any time. Then simply advance funds when they are needed. That's convenient!

How will I know when my rate adjusts with the variable rate FlexPower Line of Credit?

Line of Credit Loans are indexed to the Prime Rate as stated in *The Wall Street Journal*. All rate adjustments will move up or down according to the change in the Prime Rate. Your home equity adjustable rate will change the tenth of the month following a Prime Rate adjustment. You will receive a rate change/payment change notice via mail.

I have more questions.

We're looking forward to answering all of your questions. Please call our home equity loan specialist at 847-496-1634.

Home Equity Loans



847.496.1634
www.mycu.org



Home Equity Loans

Premier Credit Union offers a variety of home equity programs. Each program has unique advantages and features. We encourage members to speak with a credit union lending officer to determine which program would be the best for you. We would like you to receive the program that saves you the most money. Please call us at 847-496-1634 and ask for a home equity loan specialist.



Convenient & Flexible Plans

FlexPower Line of Credit

The Line of Credit gives you the flexibility to draw out cash whenever you need it. You pay only on what you borrow at a low adjustable rate. A home equity checkbook is supplied for easy access.

Fixed Rate Loan

A fixed rate loan provides a one-time payout at a fixed interest rate. Your payment amount will stay the same until the loan is paid in full. Four, seven, and ten-year terms are available.

Balloon Note

The Balloon Home Equity gives members more cash flow with a lower payment. The loan rate is locked in at a 5-year rate with payments amortized 5-30 years.

Common Questions

What is equity?

Equity is the difference between the market value of your home and the balances and credit limits of all mortgage liens on your property. If your home is worth \$300,000 and you have a \$250,000 first mortgage and no other liens, you would have \$50,000 in equity.

Do I have to use the proceeds of my loan for home improvements?

No, you can use your loan proceeds for any purpose.

Why should I choose Premier CU for my lending needs?

Premier CU offers very attractive rates at favorable terms. Plus, you're dealing with a not-for-profit financial institution who is here to serve you. Our staff is not commissioned. You will receive honest communication and work with someone that is trying to save you money. This is a very different philosophy from other "for profit" lenders. Plus, you know us. You'll be dealing with a seasoned loan officer that will work with you personally. You can trust our service, our products, and the value you're receiving.

How do I determine which loan is right for me?

We ask that you speak to our home equity loan specialist at 847-496-1634 to discuss your individual needs and current financial situation. Many members realize that a home equity loan

may be the right answer to other financial needs.

It is important to determine the most economical way to utilize the equity in your home. It is also good to think ahead to future events that are quickly approaching such as a child going to college, a move, or a future large purchase.

Are there any property requirements?

Yes, the property must be owner occupied and cannot be an investment property.

Are there any application fees or annual fees?

FlexPower Line of Credit Loans do not have an application or annual fee. We cover all costs, including third party charges, unless the loan is paid in full (lien released) within one calendar year of the origination date.

Fixed rate loans do require that you pay the third party fees such as attorney fees, title search, appraisal, etc. which may range from \$300 – \$500. These fees can be added to your loan amount. There is no annual fee.

Will I need an appraisal?

In most cases we will complete an online appraisal. There is a possibility that we may order a more comprehensive appraisal. This simply means that an appraiser may come to view your property from outside. You would be



notified in advance if this type of appraisal will be needed. Please note, loans of \$250,000 and greater will require a full appraisal. (The appraiser will need to come inside your residence.)

It is not convenient for me to close my loan at the credit union. How can my loan documents be handled?

We can mail the required documents for your signature(s). All signatures must be notarized. Please note, we cannot disburse loan proceeds until we have all documentation returned to us in proper format and within specific time constraints.

How much can I borrow?

Members may borrow up to 100% of their property's value with a fixed rate program. FlexPower Lines of Credit and Balloon notes allow members to borrow up to 80%. This percentage is commonly referred to as LTV or Loan to Value. LTV is the ratio between the amount of the mortgages you owe (1st mortgages & home equity) and the total value of the property. Divide the total amount you owe by the value of the property.

Example:

\$150,000 owed/\$300,000 value = 50% LTV

\$240,000 owed/\$300,000 value =80% LTV

So, if you decided on a Line of Credit at 80% LTV, you can determine your available line of credit by using the equation below:

(Value of your home x .80) - current mortgage balance