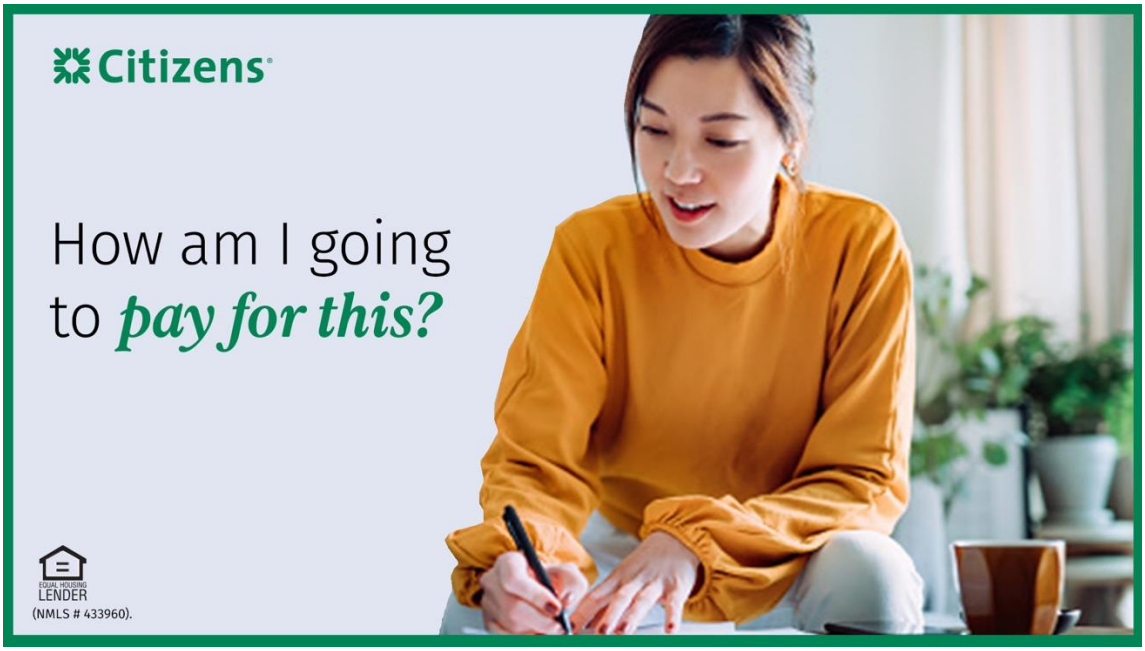
Paying for big expenses can feel totally out of reach.



Hey Reddit homeowners — you may be able to tap into your home equity to find the money you need.

So, whether you're planning a home renovation, are hoping to consolidate debt or tackle unexpected expenses, we've broken down some details like:

What is a home equity line of credit (aka a HELOC)?

A HELOC is a line of credit that uses your home as collateral. The amount you can borrow is mainly based on the value of your home minus any mortgage(s) you may have. It works similarly to a credit card and typically has a lower rate. Once you're approved, that amount of credit is available to you over the borrowing or draw period. Your interest rate is based on factors such as your credit history, the value of your home, your demonstrated ability to repay, and the amount you are borrowing, just to name a few.

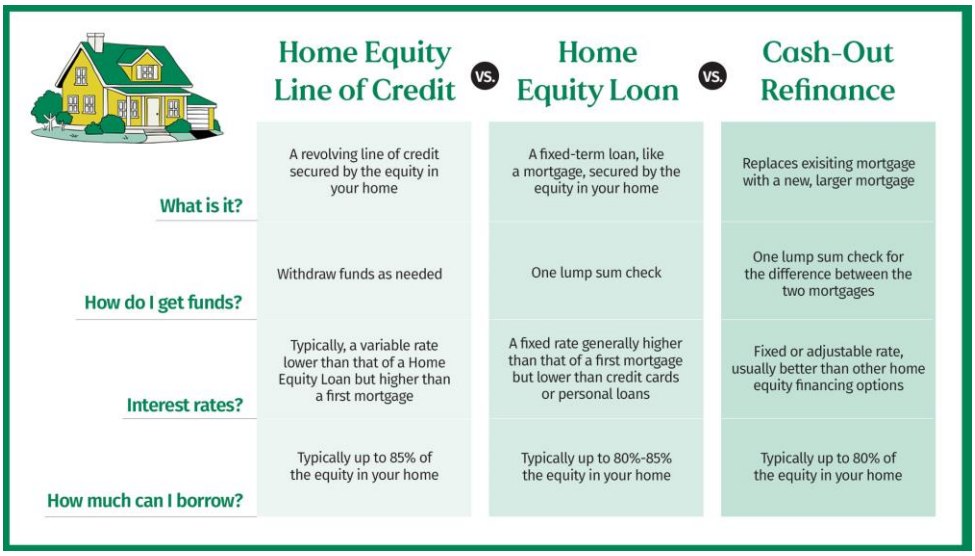
Most lenders make it easy to access the funds by transferring money into your checking account through online banking, using your mobile banking app, or even writing a check.

How is a home equity line of credit different from a home equity loan?

A HELOC is a revolving line of credit with a variable rate, which you can pay down and draw from again and again within the 10-year draw period. Whereas a fixed-rate home equity loan (HELOAN) is dispersed all at once, with no ability to pay down and re-draw funds.

Read on to see how the difference can really add up.

To help, here's a visual breakdown of 3 different ways homeowners can tap into their home equity for cash:



How much can I borrow?
It starts with how much equity you have in your home. Most lenders allow you to borrow up to 80-85% of your home's value — taking into account any mortgage balances.

HELOC line amount = (Home value × 80% LTV) − Existing mortgage balance(s)

This number can change depending on factors such as your credit score, debt-to-income ratio, and property type (to name a few).

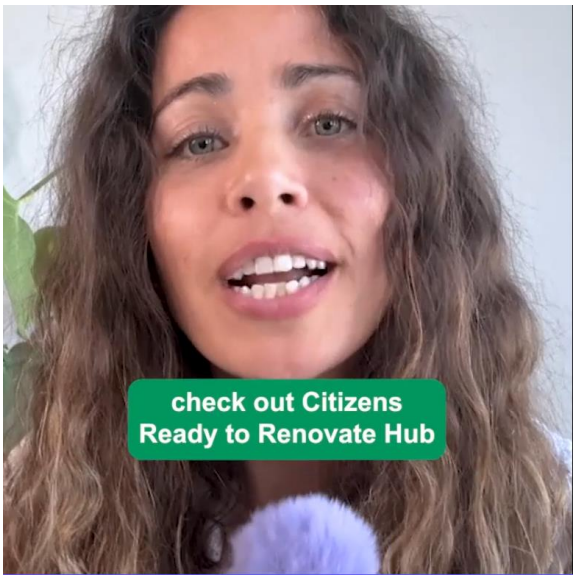
What can I do with a HELOC?

Home renovation

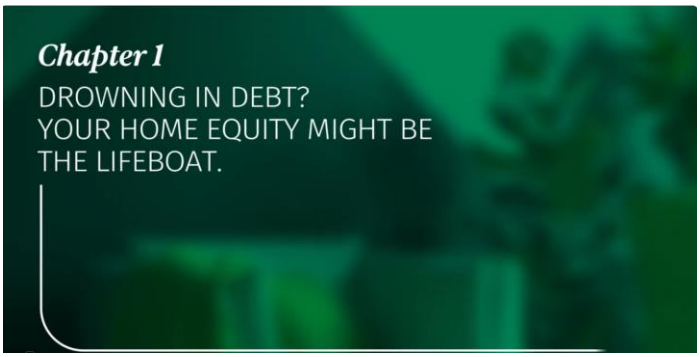
Increase your home value and quality of life with your dream renovation, like one of these big renovation projects. And like we said earlier, the nice thing about a HELOC is that

you're able to draw funds to pay for renovation costs as they come up — this way you're not stuck paying interest on unused funds.

- Bathroom
- Kitchen
- Addition
- Pool
- Home Office
- Eco-Friendly Upgrades
-



Consolidate debt. You could save money by combining debt into one lower monthly payment. Just make sure to do some number-crunching to see if it's the right solution for you. Here's a calculator to help you get started.



Eco-friendly upgrades. Solar panels, energy-efficient appliances, smart thermostats, and upgraded insulation can lower utility costs, reduce environmental impact and increase energy independence. Learn more about Eco-Friendly Upgrades and how to pay for them.

Age in place. There are many renovation options to think about when increasing the comfort of your home to accommodate specific needs for senior living. If you have untapped equity in your home, a HELOC could be a great financing solution to pay for your senior living renovations.

Establish a safety net for planned and unplanned expenses. A HELOC can help you handle both unexpected expenses and major purchases with confidence. Whether you're covering an emergency repair, managing a medical bill or building your savings cushion, you can access funds as needed and pay interest only on the amount you use.

Is a HELOC a smart investment?

A HELOC can offer financial freedom for today and tomorrow. It's important to consider the financial risks vs. the rewards of using a HELOC for any purpose. Will the money you borrow help further a personal financial goal?

How do I get a HELOC?

Many financial institutions offer home equity lines of credit, but the process at Citizens is streamlined thanks to our FastLine experience.

1. Get your rate online

With Citizens FastLine®, it only takes a few minutes to get an accurate personalized offer before you apply. There's no commitment and no impact to your credit score just to see what you qualify for.

2. View and accept your rate

Review your personalized offer, which includes your rate and line amount. If it looks good to you, you're ready to apply.

3. Close and have money to spend

Be ready to close in as few as seven days, with access to your funds in as little as two weeks.

How do monthly payments work with a HELOC?

The amount of a HELOC's monthly payment depends on how much you've borrowed against your line, your interest rate and whether you're in the draw or repayment period. With a Citizens HELOC you have the choice to make interest-only payments during the draw period, or pay towards both principal and interest. The draw period is typically 10 years, after that you enter the repayment period in which you're required to pay towards principal & interest - which can result in higher monthly payments.* Learn more about HELOC Payments in our article.

Get your rate if a HELOC sounds like the right solution for you, or dive into your deeper questions on our website.

Important Information

*Interest-only Payments Disclosure: The interest rate is variable, and the monthly payments will change over the 10 years depending on changes to the Prime Rate. At the end of your 10-year draw period, your balance will be converted to a principal and interest monthly payment with a 15-year repayment period. If you select interest-only payments, at the end of the draw period, even if the interest rate stays the same, your monthly payment

will increase, possibly significantly, because you will be required to pay both principal and interest.