

FREQUENTLY ASKED QUESTIONS

WHAT ARE THE TERMS AND BENEFITS OF EQUITY ADVANCER?

Our Equity Advancer First Lien HELOC offers a unique opportunity to boost your borrowers' home equity. It includes a checking account that automatically sweeps nightly against the principal balance of the Line of Credit. This feature helps borrowers reduce interest and pay down their mortgage much faster than a traditional amortized mortgage. Once the credit limit is set based on qualifying criteria, it remains unchanged for the first 10 years, then gradually decreases each month by 1/240th until reaching zero.

HOW DOES EQUITY ADVANCER BUILD EQUITY?

Our Equity Advancer First Lien HELOC provides several key advantages for your clients. When making regular checking account deposits it helps lower their mortgage balance, reduces overall interest, and shortens their loan payoff time.

Unlike traditional mortgages, which require refinancing to change the payment, Equity Advancer automatically reduces the borrower's scheduled (or minimum) monthly payment in proportion to any principal paydown by applying deposits to the principal balance.

It also offers available credit for home improvements and repairs, consolidates higher interest debt, and provides flexibility for unexpected financial needs.

CAN EQUITY ADVANCER BE SECURED ON FREE AND CLEAR PROPERTIES?

To qualify free-and-clear properties for our First Lien HELOC, the minimum draw requirement must be met. This will allow your clients to leverage their fully paid-off properties effectively. Refer to Cash-Out Refinance section of our guidelines as well as our prepayment schedules for additional information and requirements.

HOW FAST CAN MY BORROWER PAY OFF THEIR EQUITY ADVANCER LOAN?

Imagine offering your clients a way to pay off their mortgage in a fraction of the time! With our First Lien HELOC, there is no amortized payment schedule, allowing them to pay down the principal balance each year. The secret to this accelerated payoff is their financial habits. If they spend less than they earn each month, Equity Advancer can help them achieve financial freedom faster than ever!

HOW IS EQUITY ADVANCER DISCLOSED?

Our Equity Advancer First Lien HELOC is disclosed as an open-ended line of credit. When presenting this product to clients, it's important to highlight that it functions similarly to a credit card, allowing them to borrow and repay funds as needed, up to their credit limit. The disclosures should include details about the interest rates, fees, and repayment terms, emphasizing the flexibility and benefits of managing their finances with this type of loan. Additionally, ensure clients understand the minimum draw requirements and how the credit limit will remain unchanged for the first 10 years before gradually decreasing.

WHAT HAPPENS WHEN MY BORROWER MAKES A DEPOSIT?

When borrowers make a deposit into their account, the balance is automatically swept each night. This means the deposited money is applied to the principal balance which allows borrowers to save on monthly interest expenses, as interest is calculated on the remaining principal. Thus, enabling them to use their deposits effectively to lower their mortgage costs and pay off their loan faster!

HOW IS THE INITIAL RATE & PRICE DETERMINED FOR EQUITY ADVANCER?

Offer your clients competitive HELOC rates with confidence! The initial rate is determined at the month of closing, based on the 30-day compound SOFR, set on the first business day of the month including the note date.

Price is determined based on key qualifying characteristics such as LTV, credit score, property type, occupancy, and loan size. This ensures a personalized and fair rate for each client, making our Equity Advancer First Lien HELOC an attractive and flexible financing option.

TIMELINE FOR CLOSING DOCUMENTS, FUNDING AND RECORDING

Loans with Closing Documents drawn may fund and record up to five business days into the following month while using prior month SOFR index.