



## University of Michigan Credit Union

### IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

This disclosure contains important information about your Home Equity Line of Credit ("HELOC"). Please read this document carefully and keep a copy for your records. "we"/ "us"/ "our" means University of Michigan Credit Union, "you" and "your" means the recipient of this disclosure, "account" means "Equity loan".

1. **Availability of Terms:** All terms disclosed below are subject to change. If any terms change (other than annual percentage rate) and you decide as a result, to not enter into an agreement with us, you are entitled to a refund of any fees that you paid in connection with your application.
2. **Security Interest:** As security for repayment of your Account obligations, we will take a security interest in your home or your rental home (collateral). You could lose your home (or your rental home) if you do not meet the obligations in your agreement with us.
3. **Possible Actions:** We may take the following actions with respect to your Account under the circumstances listed below:
  - A. **Termination and Acceleration:** We may terminate your Account and require you to pay the entire outstanding balance immediately, and charge you certain fees if any of the following occur:
    - i. You engage in any fraud or material misrepresentation in connection with your Account. For example, if there are false statements or omissions on your application or financial statements;
    - ii. You do not meet the repayment terms of your line; or
    - iii. Your action or inaction adversely affects the collateral or our rights in the collateral. For example, if you transfer title to or sell the collateral, or fail to maintain insurance, pay taxes, prevent the foreclosure of any items, or prevent waste of the collateral.
  - B. **Suspension of Credit/Reduction of Credit Limit:** We may refuse to make additional advances on your line of credit or reduce your credit limit if any of the following occur:
    - i. Any of the following listed in 3.A. above;
    - ii. The value of your dwelling securing your Account declines significantly below its appraised value for purposes of your Account;
    - iii. We reasonably believe you will not be able to meet repayment requirements of your Account due to a material change in your financial circumstances;
    - iv. Government action prevents us from imposing the annual percentage rate provided for or impairs our security interest such that the value of the interest is less than 120 percent of the credit line;
    - v. A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice; or
    - vi. The maximum annual percentage rate is reached.
4. **Minimum Payment Requirements:**
  - A. **Variable Rate Line:** For the Equity line accounts, you may obtain credit advances for the initial Ten (10) years ("draw period"). Payments will be due on a monthly basis during the draw period. Your minimum monthly payment will be the greater of 0.75% of your outstanding loan balance at statement cutoff, interest owed or \$50.00. At the end of the 10 year draw period you will no longer be able to obtain credit advances. The remaining balance of the line at the end of the draw period will be converted into a 15 year adjustable rate where the payment is re-amortized to maturity. A minimum monthly payment of \$100.00 applies. All payments are due the 27th of each month and will be applied as follows: Late Charges, interest due then principal. If you only pay the minimum payment, you may not pay off all of the outstanding balance by the end of the Repayment Period, in which case you will have to pay off the entire unpaid balance on the twenty-fifth anniversary of the opening of your line of credit in a single lump sum payment.
5. **Minimum Payment Example:**
  - A. **Primary Variable Rate Line:** If you took a single \$10,000 advance at an ANNUAL PERCENTAGE RATE of **4.25%** and made only the minimum monthly payments, it would take one hundred twenty-four (124) months to pay off your Account. During that period, you would make one hundred twenty-three (123) monthly payments of \$100.00 and a final payment of approximately \$66.75.



**6. Fees and Charges:**

- A. All closing fees and charges are waived.
- B. There is no annual fee or pre-payment penalty.
- C. If the minimum payment is not made by the 10<sup>th</sup> of the month following the payment due date, a late charge of \$30 will be assessed.
- D. Each loan check on which you stop payment is subject to a \$30.00 fee, which you agree to pay. All stop payment requests are subject to the Credit Union's current policy related to stop payments, please refer to your Membership and Account Agreement.
- E. The Credit Union will not return cancelled checks but will, upon specific request, provide you with photocopies of those checks. You agree to pay a \$2.00 fee for each photocopy, unless the request is related to an alleged billing error, and our investigation shows that the alleged error occurred.
- F. The first HELOC Credit Card is provided at no charge. You agree to pay a \$5.00 fee for each replacement card. For additional fees related to your HELOC Credit Card please refer to the current fee schedule available at [www.UMCU.org](http://www.UMCU.org).

**7. Insurance:** You must carry insurance on the property that secures this Account. Fire and Extended Coverage Insurance is required, with loss payable to the University of Michigan Credit Union from any insurance company of your choice which is acceptable to the Lender. Under some circumstances, if your property is located in a flood hazard zone and you live in a participating community, you may be required to obtain flood insurance to cover the property.

**8. Loan Amount Requirements:** In general, the minimum loan amount is \$10,000.00 and the maximum is \$750,000.00. There is a \$50,000 maximum loan amount on income-producing (that is, non-owner-occupied) properties.

**9. Property Types:** Owner-occupied homes or condominiums or non-owner-occupied (vacation, rental, or investment properties) in Michigan are eligible as security.

**10. Percentage of Property Value Allowed:** Property may be financed up to 95% of the value if the property is owner-occupied; and up to 70% if it is non-owner-occupied, subject to credit qualification.

**11. Tax Deductibility:** We suggest borrowers consult their tax advisors regarding tax deductibility of interest and charges under their Account.

**12. ANNUAL PERCENTAGE RATE:**

- A. Primary Variable Rate Line: Your account has a variable rate feature, and the annual percentage rate (corresponding to the periodic rate) and the number of payments may change as a result. The annual percentage rate includes interest and no other costs. Any increase or decrease in the ANNUAL PERCENTAGE RATE will affect the number of payments you make.

**13. Variable Rate Calculation:** The annual percentage rate is based on the value of an Index. The Index is the Wall Street Journal published Prime Rate (if published in a range, the highest rate will be used). Information on this Index is published in the Wall Street Journal. To determine the annual percentage rate that will apply to your Account, we add a Margin to the value of the Index. The amount of the Margin for your Account is based on your credit worthiness. Ask us for the current Index value, Margins, and annual percentage rate. After you open a variable rate line of credit, rate information will be provided on periodic statements sent to you. Changes in the Index will cause changes to the annual percentage rate effective the first date of each calendar quarter following an index change.

**14. Variable Rate Changes:** The annual percentage rate can change quarterly. The change will take effect on the first day of each calendar quarter. The maximum annual interest rate adjustment is 5.00% with a minimum ANNUAL PERCENTAGE RATE of **3.50%** and a maximum ANNUAL PERCENTAGE RATE of **25.00%**. Your actual rate is determined by your credit profile and loan to value of the property.



- 15. Maximum Variable Rate and Payment Examples:** If you had an outstanding balance of \$10,000 at the beginning of your draw period, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of **25.00%** would be \$205.48. If you had an outstanding balance of \$10,000 at the beginning of the repayment period, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of **25.00%** would be \$227.69. The maximum interest rate can be reached the first time your interest rate changes, unless your initial rate is equal to the maximum, in which case it would be reached immediately.
- 16. Historical Example:** The following table shows how the annual percentage rate and minimum monthly payments for a single \$10,000.00 credit advance would have changed on a Home Equity Line of Credit based on Index changes over the last 15 years. The Index values are the Wall Street Journal published prime rate from July 1<sup>st</sup> of each year. The table assumes no additional credit advances were taken, the minimum payment was made each month, and the rate remained constant during each year. The table does not necessarily indicate how the index or your payments would change in the future.

**HISTORICAL PAYMENT EXAMPLE**

Year	Index	Margin*	Annual Percentage Rate	Monthly Minimum Payment
Draw Period				
2002	4.75	0.75	5.50	\$100.00
2003	4.00	0.75	4.75	\$100.00
2004	4.25	0.75	5.00	\$100.00
2005	6.25	0.75	7.00	\$100.00
2006	8.25	0.75	9.00	\$100.00
2007	8.25	0.75	9.00	\$100.00
2008	5.00	0.75	5.75	\$100.00
2009	3.25	0.75	4.00	\$100.00
2010	3.25	0.75	4.00	\$100.00
2011	3.25	0.75	4.00	\$100.00
Repayment Period				
2012	3.25	0.75	4.00	\$100.00
2013	3.25	0.75	4.00	\$100.00
2014	3.25	0.75	4.00	\$0.00
2015	3.25	0.75	4.00	\$0.00
2016	3.5	0.75	4.25	\$0.00

\* This is a margin we have used recently for accounts with excellent credit and a combined loan-to-value below 80%. Your margin may be different. The minimum payment reflects an account minimum monthly payment restriction of \$100.00.

Rates are based on credit history and credit qualifications. This disclosure statement and the handbook entitled "What you should know about home equity lines of credit" are provided to you as required by law.



## Home Equity Line of Credit\*

<b>Property Types</b>	Owner-Occupied homes or condominiums, or non-owner occupied (vacation, rental, or investment properties) in Michigan
<b>Percentage of property value allowed</b>	Up to 95% Loan to Value for Owner- Occupied Properties Up to 70% Loan to Value for Non-owner Properties
<b>Interest Rate</b>	Adjustable rate. Changes quarterly. See <a href="#">current rate</a> sheet.
<b>Determination of Annual Percentage Rate</b>	The adjustable annual percentage rate is equal to the Wall Street Journal Published Prime (plus a margin), in effect on the last business day prior to the beginning of each calendar quarter ("index"), rounded to the nearest .125%. Changes in the Index will cause changes in the APR as of the first date of each calendar quarter following an index change. The APR will never be less than 3.5% or more than 25.00% per annum. The annual percentage rate will never increase or decrease more than 5.0% during any full year starting from the date your Plan is opened.
<b>Tax Deductible Interest</b>	We suggest members consult their tax advisors for any tax advantages.
<b>Terms</b>	25 years with advances allowed for the first 10 years followed by a 15 year repayment period.
<b>Minimum - maximum loan amount allowed</b>	\$10,000 - \$750,000**
<b>Payment Plan</b>	During the initial 10 year draw period the minimum monthly payment is the greater of \$50 or .75% of the outstanding balance. Balance at the end of the draw period is amortized over 15 years with a fixed monthly payment of no less than \$100. A single lump sum payment may be required to pay off the balance on the 25th anniversary of the opening of the loan.
<b>Funds Disbursement</b>	Borrower may access funds on the fourth business day after their loan closing date. A loan advance may then be completed by writing an equity check, by using a VISA card, by visiting any branch or online through MemberNet
<b>Pre-Payment Penalty</b>	None
<b>Closing Costs &amp; Fees</b>	None
<b>Late Charge</b>	If more than 10 days late, a late charge may be assessed. The late charge will be \$30.00 for any one late payment.
<b>When finance charges begin to accrue</b>	If the entire statement balance is not paid within 27 days of the statement date, then finance charges will accrue on each purchase separately from the date it is posted to the account. Cash advances are always subject to Finance Charges from the date they are posted to the account.
<b>Balance on which finance charge may be imposed</b>	Finance charge will be assessed on the average daily unpaid loan balance for every day the balance is outstanding during the billing cycle.
<b>Method of determining the finance charge</b>	Finance charges will not accrue on your account purchase balance if you pay the balance in full every month within 27 days of your statement closing date. Otherwise, finance charge is determined by multiplying the applicable monthly periodic rate by the average balance (your daily balance divided by the number of days in the billing cycle) of your account. The statement cycle is the period of time that expires between account statements.

\* All home lending products are subject to credit and property approval. Rates, program terms and conditions are subject to change without notice. Property insurance is required. Not valid with any other offer. APR=Annual Percentage Rate. Other restrictions and limitations may apply.

\*\* \$1000 minimum loan amount for home improvements; \$49,900 maximum loan amount on income producing properties.

WHAT YOU SHOULD KNOW ABOUT

# Home Equity Lines of Credit (HELOC)

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Borrowing from the  
value of your home



Consumer Financial  
Protection Bureau



An official publication of the U.S. government

## How to use the booklet

When you and your lender discuss home equity lines of credit, often referred to as HELOCs, you receive a copy of this booklet. It helps you explore and understand your options when borrowing against the equity in your home.

You can find more information from the Consumer Financial Protection Bureau (CFPB) about home loans at [cfpb.gov/mortgages](https://cfpb.gov/mortgages). You'll also find other mortgage-related CFPB resources, facts, and tools to help you take control of your borrowing options.

## About the CFPB

The CFPB is a 21st century agency that implements and enforces federal consumer financial law and ensures that markets for consumer financial products are fair, transparent, and competitive.

This pamphlet, titled What you should know about home equity lines of credit, was created to comply with federal law pursuant to 15 U.S.C. 1637a(e) and 12 CFR 1026.40(e).

## How can this booklet help you?

This booklet can help you decide whether home equity line of credit is the right choice for you, and help you shop for the best available option.

A home equity line of credit (HELOC) is a loan that allows you to borrow, spend, and repay as you go, using your home as collateral.

Typically, you can borrow up to a specified percentage of your equity. Equity is the value of your home minus the amount you owe on your mortgage.

**Consider a HELOC if you are confident you can keep up with the loan payments. If you fall behind or can't repay the loan on schedule, you could lose your home.**

## After you finish this booklet:

- You'll understand the effect of borrowing against your home
- You'll think through your borrowing and financing options, besides a HELOC
- You'll see how to shop for your best HELOC offer
- You'll see what to do if the economy or your situation changes

# Compare a HELOC to other money sources

Before you decide to take out a HELOC, it might make sense to consider other options that might be available to you, like the ones below.

## TIP

Renting your home out to other people may be prohibited under the terms of your line of credit.

MONEY SOURCE	HOW MUCH CAN YOU BORROW	VARIABLE OR FIXED RATE	IS YOUR HOME AT RISK?	TYPICAL ADVANTAGES	TYPICAL DISADVANTAGES
<b>HELOC</b> <i>You borrow against the equity in your home</i>	Generally a percentage of the appraised value of your home, minus the amount you owe on your mortgage	Variable, typically	Yes	Continue repaying and borrowing for several years without additional approvals or paperwork	Repayment amount varies; repayment is often required when you sell your home
<b>SECOND MORTGAGE OR HOME EQUITY LOAN</b> <i>You borrow against the equity in your home</i>	Generally a percentage of the appraised value of your home, minus the amount you owe on your mortgage	Fixed	Yes	Equal payments that pay off the entire loan	If you need more money, you need to apply for a new loan; repayment is often required when you sell your home
<b>CASH-OUT REFINANCE</b> <i>You replace your existing mortgage with a bigger mortgage and take the difference in cash</i>	Generally a percentage of the appraised value of your home; the amount of your existing loan plus the amount you want to cash out	Variable or fixed	Yes	Continue to make just one mortgage payment	Closing costs are generally higher; it may take longer to pay off your mortgage; interest rate may be higher than your current mortgage
<b>PERSONAL LINE OF CREDIT</b> <i>You borrow based on your credit, without using your home as collateral</i>	Up to your credit limit, as determined by the lender	Variable, typically	No	Continue repaying and borrowing for several years without additional approvals or paperwork	Solid credit is required; you may need to pay the entire amount due once a year; higher interest rate than a loan that uses your home as collateral

# Compare a HELOC to other money sources

MONEY SOURCE	HOW MUCH CAN YOU BORROW	VARIABLE OR FIXED RATE	IS YOUR HOME AT RISK?	TYPICAL ADVANTAGES	TYPICAL DISADVANTAGES
<p><b>RETIREMENT PLAN LOAN</b>  <i>You borrow from your retirement savings in a 401(k) or similar plan through your current employer</i></p>	<p>Generally, up to 50% of your vested balance or \$50,000, whichever is less</p>	<p>Fixed</p>	<p>No</p>	<p>Repay through paycheck deductions; paperwork required but no credit check and no impact on your credit score</p>	<p>If you leave or lose your job, repay the whole amount at that time or pay taxes and penalties; spouse may need to consent</p>
<p><b>HOME EQUITY CONVERSION MORTGAGE (HECM)</b>  <i>You must be age 62 or older, and you borrow against the equity in your home</i></p>	<p>Depends on your age, the interest rate on your loan, and the value of your home</p>	<p>Fixed or variable</p>	<p>Yes</p>	<p>You don't make monthly loan payments—instead, you typically repay the loan when you move out, or your survivors repay it after you die</p>	<p>The amount you owe grows over time; you might not have any value left in your home if you want to leave it to your heirs</p>
<p><b>CREDIT CARD</b>  <i>You borrow money from the credit card company and repay as you go</i></p>	<p>Up to the amount of your credit limit, as determined by the credit card company</p>	<p>Fixed or variable</p>	<p>No</p>	<p>No minimum purchase; consumer protections in the case of fraud or lost or stolen card</p>	<p>Higher interest rate than a loan that uses your home as collateral</p>
<p><b>FRIENDS AND FAMILY</b>  <i>You borrow money from someone you are close to</i></p>	<p>Agreed on by the borrower and lender</p>	<p>Variable, fixed or other</p>	<p>No</p>	<p>Reduced waiting time, fees, and paperwork compared to a formal loan</p>	<p>Forgiven loans and unreported or forgiven interest can complicate taxes, especially for large loans; can jeopardize important personal relationships if something goes wrong</p>



# How HELOCs work

## PREPARE FOR UP-FRONT COSTS

Some lenders waive some or all of the up-front costs for a HELOC. Others may charge fees. For example, you might get charged:

- A fee for a property **appraisal**, which is a formal estimate of the value of your home
- An application fee, which might not be refunded if you are turned down
- Closing costs, including fees for attorneys, title search, mortgage preparation and filing, property and title insurance, and taxes

## PULL MONEY FROM YOUR LINE OF CREDIT

Once approved for a HELOC, you can generally spend up to your credit limit whenever you want. When your line of credit is open for spending, you are in the you are in the **borrowing period**, also called the **draw period**. Typically, you use special checks or a credit card to draw on your line. Some plans require you to borrow a minimum amount each time (for example, \$300) or keep a minimum amount outstanding. Some plans require you to take an initial amount when the credit line is set up.

## MAKE REPAYMENTS DURING THE “DRAW PERIOD”

Some plans set a minimum monthly payment that includes a portion of the **principal** (the amount you borrow) plus accrued interest. The portion of your payment that goes toward principal typically does not repay the principal by the end of the term. Other plans may allow payment of the interest only, during the draw period, which means that you pay nothing toward the principal.

If your plan has a variable interest rate, your monthly payments may change even if you don't draw more money.

## ENTER THE “REPAYMENT PERIOD”

Whatever your payment arrangements during the draw period—whether you pay some, a little, or none of the principal amount of the loan—when the draw period ends you enter a repayment period. Your lender may set a schedule so that you repay the full amount, often over ten or 15 years.

Or, you may have to pay the entire balance owed, all at once, which might be a large amount called a **balloon payment** by refinancing it with the lender, getting a loan from another lender, or some other means. If you are unable to pay the balloon payment in full, you could lose your home.

## RENEW OR CLOSE OUT THE LINE OF CREDIT

At the end of the repayment period, your lender might encourage you to leave the line of credit open. This way you don't have to go through the cost and expense of a new loan, if you expect to borrow again. Be sure you understand if annual maintenance fees or other fees apply, even if you are not actively using the credit line.

## TIP

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If you sell your home, you are generally required to pay off your HELOC in full immediately. If you are likely to sell your home in the near future, consider whether or not to pay the up-front costs of setting up a line of credit.



### GET THREE HELOC ESTIMATES

Shopping around lets you compare costs and features, so you can feel confident you're making the best choice for your situation.

		OFFER A	OFFER B	OFFER C
Initiating the HELOC				
Credit limit	\$			
First transaction	\$			
Minimum transaction	\$			
Minimum balance	\$			
Fixed annual percentage rate	%			
Variable annual percentage rate	%			
» Index used and current value				
» Amount of margin				
» Frequency of rate adjustments				
» Amount/length of discount rate (if any)				
» Interest rate cap and floor				
Length of plan				
» Draw period				
» Repayment period				
Initial fees				
» Appraisal fee	\$			
» Application fee	\$			



### GET THREE HELOC ESTIMATES

Shopping around lets you compare costs and features, so you can feel confident you're making the best choice for your situation.

		OFFER A	OFFER B	OFFER C
» Up-front charges, including points	\$			
» Early termination fee	\$			
» Closing costs				
<b>During the draw period</b>				
» Interest and principal payments	\$			
» Interest-only payments?	\$			
» Fully amortizing payments	\$			
» Annual fee (if applicable)	\$			
» Transaction fee (if applicable)	\$			
» Inactivity fee	\$			
» Prepayment and other penalty fees	\$			
<b>During the repayment period</b>				
» Penalty for overpayments?				
» Fully amortizing payment amount?				
» Balloon repayment of full balance owed?				
» Renewal available?				
» Refinancing of balance by lender?				
» Conversion to fixed-term loan?				

## How variable interest rates work

Home equity lines of credit typically involve variable rather than fixed interest rates.

A variable interest rate generally has two parts: the index and the margin.

An **index** is a measure of interest rates generally that reflects trends in the overall economy. Different lenders use different indexes in their loans. Common indexes include the U.S. prime rate and the Constant Maturity Treasury (CMT) rate. Talk with your lender to find out more about the index they use.

The **margin** is an extra percentage that the lender adds to the index.

Lenders sometimes offer a temporarily discounted interest rate for home equity lines—an introductory or **teaser rate** that is unusually low for a short period, such as six months.

## Rights and responsibilities

Lenders are required to disclose the terms and costs of their home equity lines of credit. They need to tell you:

- Annual percentage rate (APR)
- Information about variable rates
- Payment terms
- Requirements on transactions, such as minimum draw amounts and number of draws allowed per year

- Annual fees
- Miscellaneous charges

You usually get these disclosures when you receive a loan application, and you get additional disclosures before the line of credit is opened. In general, the lender cannot charge a nonrefundable fee as part of your application until three days after you have received the disclosures.

If the lender changes the terms before the loan is made, you can decide not to go forward with it, and the lender must return all fees. There is one exception: the variable interest rate might change, and in that case if you decide not to go ahead with the loan, your fees are not refunded.

Lenders must give you a list of HUD-approved housing counselors in your area. You can talk to counselor about how HELOCs work and get free or low-cost help with budgeting and money management.

### **Right to cancel (also called right to rescind)**

If you change your mind for any reason, under federal law, you can cancel the credit line in the first three days. Notify the lender in writing within the first three days after the account was opened. The lender must then cancel the loan and return the fees you paid, including application and appraisal fees.

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### **TIP**

Some HELOCs let you convert some of your balance to a fixed interest rate. The fixed interest rate is typically higher than the variable rate, but it means more predictable payments.

## If something changes during the course of the loan

HELOCs generally permit the lender to freeze or reduce your credit line if the value of your home falls or if they see a change for the worse in your financial situation. If this happens, you can:

- **Talk with your lender.** Find out the reason for the freeze or reduction. You might need to check your credit reports for errors that might have caused a downgrade in your credit. Or, you might need to talk with your lender about a new appraisal on your home and make sure the lender agrees to accept a new appraisal as valid.
- **Shop for another line of credit.** If another lender offers you a line of credit, you may be able to use that to pay off your original line of credit. Application fees and other fees may apply for the new loan.

### WELL DONE!

For most people, a home is their most valuable asset. A HELOC can help you make the most of this asset, when you understand the ins and outs and know what to expect.

## In this booklet:

### **ASK YOURSELF**

Have I considered other sources of money and loans, besides a HELOC?

Have I shopped around for HELOC features and fees?

Am I comfortable with the worst-case scenario, where I could lose my home?

### **ONLINE TOOLS**

**CFPB website**  
[cfpb.gov](https://cfpb.gov)

**Answers to common questions**  
[cfpb.gov/askcfpb](https://cfpb.gov/askcfpb)

**Tools and resources for home buyers**  
[cfpb.gov/owning-a-home](https://cfpb.gov/owning-a-home)

**Talk to a HUD-approved housing counselor**  
[cfpb.gov/find-a-housing-counselor](https://cfpb.gov/find-a-housing-counselor)

**Submit a complaint**  
[cfpb.gov/complaint](https://cfpb.gov/complaint)

LO QUE DEBE SABER SOBRE

# Líneas de crédito garantizadas por la plusvalía (HELOC)

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Solicitar un préstamo  
garantizado por el valor  
de su vivienda



Oficina para la Protección  
Financiera del Consumidor



Una publicación oficial del Gobierno de EE.UU.

## Cómo usar el folleto

Cuando usted y su prestamista consideran las líneas de crédito garantizadas por la plusvalía, a menudo denominadas HELOC (por sus siglas en inglés), usted recibe una copia de este folleto. Le ayuda a explorar y comprender sus opciones al pedir prestado contra el capital de su vivienda.

Puede encontrar más información de la Oficina para la Protección Financiera del Consumidor (CFPB, por sus siglas en inglés) sobre préstamos [hipotecarios en cfpb.gov/mortgages](https://www.consumerfinance.gov/mortgages) (página en inglés).

También encontrará otros recursos, datos y herramientas del CFPB relacionados con hipotecas que lo ayudarán a tomar el control de sus opciones de préstamo.

## Acerca del CFPB

El CFPB es una agencia del siglo XXI que aplica y hace cumplir las leyes financieras federales del consumidor y garantiza que los mercados de productos financieros del consumidor sean justos, transparentes y competitivos.

Este folleto, titulado Lo que debe saber sobre las líneas de crédito garantizadas por la plusvalía, se creó para cumplir con la ley federal de conformidad con 15 U.S.C. 1637a(e) y 12 CFR 1026.40(e).

## ¿Cómo puede ayudarle este folleto?

Este folleto puede ayudarle a decidir si la línea de crédito garantizada por la plusvalía es la opción correcta para usted y ayudarle a buscar la mejor opción disponible.

Una línea de crédito garantizada por la plusvalía (HELOC) es un préstamo que le permite pedir prestado, gastar y pagar sobre la marcha, usando su casa como garantía.

Por lo general, puede pedir prestado hasta un porcentaje específico de su capital o valor líquido. El valor líquido es el valor de su casa menos la cantidad que debe en su hipoteca.

**Considere un HELOC si está seguro de que puede estar al día con los pagos del préstamo. Si se atrasa o no puede pagar el préstamo a tiempo, podría perder su casa.**

## Cuando termine de leer este folleto:

- Entenderá el efecto de pedir prestado contra su casa
- Pensará en sus opciones de préstamo y financiamiento, además de un HELOC
- Verá cómo buscar su mejor oferta HELOC
- Verá qué hacer si la economía o su situación cambia



# Compare un HELOC con otras fuentes de dinero

Antes de que decida sacar un HELOC, podría tener sentido considerar otras opciones que podrían estar disponibles para usted, como las siguientes.

## CONSEJO

Alquilar su casa a otras personas puede estar prohibido según los términos de su línea de crédito.

FUENTE DE DINERO	¿CUÁNTO PUEDE PEDIR PRESTADO?	TASA DE INTERÉS VARIABLE O FIJA	¿CORRE RIESGO SU CASA?	VENTAJAS TÍPICAS	DESVENTAJAS TÍPICAS
<b>HELOC</b> <i>Pida prestado contra el capital de su casa</i>	Por lo general, un porcentaje del valor de tasación de su casa, menos la cantidad que debe en su hipoteca	Variable, típicamente	Sí	Continúa pagando y pidiendo prestado durante varios años sin aprobaciones ni trámites adicionales	La cantidad del reembolso varía; a menudo se exige el reembolso cuando vende su casa
<b>SEGUNDA HIPOTECA O PRÉSTAMO SOBRE LA PLUSVALÍA</b> <i>Pida prestado en base el capital de su casa</i>	Por lo general, un porcentaje del valor de tasación de su casa, menos la cantidad que debe en su hipoteca	Fija, típicamente	Sí	Pagos iguales que pagan todo el préstamo	Si necesita más dinero, debe solicitar un nuevo préstamo; a menudo se exige el reembolso cuando vende su casa
<b>REFINANCIAMIENTO CON DESEMBOLSO DE EFECTIVO</b> <i>Reemplaza su hipoteca existente con una hipoteca más grande y toma la diferencia en efectivo</i>	Generalmente un porcentaje del valor de tasación de su casa; la cantidad de su préstamo existente más la cantidad que desea retirar	Variable o fija	Sí	Sigue haciendo un solo pago de la hipoteca	Los costos de cierre son generalmente más altos; puede tomar más tiempo pagar su hipoteca; la tasa de interés puede ser más alta que la de su hipoteca actual

# Compare un HELOC con otras fuentes de dinero

FUENTE DE DINERO	¿CUÁNTO PUEDE PEDIR PRESTADO?	TASA DE INTERÉS VARIABLE O FIJA	¿CORRE RIESGO SU CASA?	VENTAJAS TÍPICAS	DESVENTAJAS TÍPICAS
<p><b>LÍNEA DE CRÉDITO PERSONAL</b>  <i>Pide prestado en base a su crédito, sin usar su casa como garantía</i></p>	<p>Hasta el límite de su crédito, según haya determinado el prestamista</p>	<p>Variable, típicamente</p>	<p>No</p>	<p>Continúa pagando y pidiendo prestado durante varios años sin aprobaciones ni trámites adicionales</p>	<p>Se requiere crédito sólido; es posible que deba pagar la cantidad total adeudada una vez al año; tasa de interés más alta que la de un préstamo que utiliza su casa como garantía</p>
<p><b>PRÉSTAMO DEL PLAN DE JUBILACIÓN</b>  <i>Usted toma prestado de sus ahorros para la jubilación de un plan 401(k) o similar a través de su empleador actual</i></p>	<p>Generalmente lo que sea menor entre el 50% de su saldo adquirido o \$50,000</p>	<p>Fija</p>	<p>No</p>	<p>Se paga a través de deducciones de cheque de pago; se requiere papeleo, pero no hay verificación de crédito ni impacto en su puntaje de crédito</p>	<p>Si deja o pierde su trabajo, devuelve la cantidad total en ese momento o paga impuestos y multas; se puede necesitar el consentimiento del cónyuge</p>
<p><b>HIPOTECA SOBRE EL VALOR DE LA VIVIENDA</b>  <i>(HECM, por su siglas en inglés) Debe tener 62 años o más y pedir prestado contra el capital de su casa</i></p>	<p>Depende de su edad, la tasa de interés de su préstamo y el valor de su casa</p>	<p>Variable o fija</p>	<p>Yes</p>	<p>No realiza pagos mensuales del préstamo; en cambio, normalmente paga el préstamo cuando se muda o sus sobrevivientes lo pagan después de su fallecimiento</p>	<p>La cantidad que debe crece con el tiempo; es posible que no le quede ningún valor en su casa si quiere dejársela a sus herederos</p>

## CONSEJO

Si vende su casa, generalmente se le exige que pague su HELOC en su totalidad de inmediato. Si es probable que venda su casa en un futuro cercano, considere si pagar o no los costos iniciales de establecer una línea de crédito.

## Compare un HELOC con otras fuentes de dinero

FUENTE DE DINERO	¿CUÁNTO PUEDE PEDIR PRESTADO?	TASA DE INTERÉS VARIABLE O FIJA	¿CORRE RIESGO SU CASA?	VENTAJAS TÍPICAS	DESVENTAJAS TÍPICAS
<b>TARJETA DE CRÉDITO</b> <i>Usted pide dinero prestado a la compañía de tarjetas de crédito y lo paga sobre la marcha</i>	Hasta la cantidad de su límite de crédito, según lo determine la compañía de la tarjeta de crédito	Variable o fija	No	Sin compra mínima; protecciones al consumidor en caso de fraude o pérdida o robo de la tarjeta	Tasa de interés más alta que un préstamo que usa su casa como garantía
<b>AMIGOS Y FAMILIA</b> <i>Pide dinero prestado a alguien cercano a usted</i>	Acordado por el prestatario y el prestamista	Variable, fija u otra	No	Tiempo de espera, tarifas y trámites reducidos en comparación con un préstamo formal	Los préstamos perdonados y los intereses no declarados o perdonados pueden complicar los impuestos, especialmente para grandes préstamos; pueden poner en peligro relaciones personales importantes si algo sale mal

# Cómo funcionan los HELOC

## PREPÁRESE PARA LOS COSTOS INICIALES

Algunos prestamistas no cobran algunos o todos los costos iniciales de un HELOC. Otros pueden cobrar cargos. Por ejemplo, es posible que le cobren:

- Un cargo por una **tasación**, de la vivienda, que es una estimación formal del valor de su casa
- Una cuota de inscripción, que podría no ser reembolsada si es rechazado
- Costos de cierre, incluidos los honorarios de abogados, estudio de títulos, preparación y presentación de hipotecas, seguro de propiedad y título e impuestos

## SAQUE DINERO DE SU LÍNEA DE CRÉDITO

Una vez aprobado para un HELOC, generalmente puede gastar hasta su límite de crédito cuando lo desee. Cuando su línea de crédito está abierta para gastar, usted está en el **período de préstamo**, también llamado el **período de retiro**. Por lo general, usará cheques especiales o una tarjeta de crédito para retirar dinero de su línea. Algunos planes requieren que usted pida prestado una cantidad mínima cada vez (por ejemplo, \$300) o mantenga una cantidad mínima pendiente. Algunos planes requieren que tome una cantidad inicial cuando se abre la línea de crédito.

## REALICE REEMBOLSOS DURANTE EL “PERÍODO DE RETIRO”

Algunos planes establecen un pago mínimo mensual que incluye una parte del **capital** (la cantidad que pide prestada) más los intereses devengados. La parte de su pago que se destina al capital normalmente no paga el capital al final

del plazo. Otros planes pueden permitir el pago de los intereses únicamente durante el período de retiro, lo que significa que no paga nada por el capital.

Si su plan tiene una tasa de interés variable, sus pagos mensuales pueden cambiar incluso si no retira más dinero.

## COMIENZA EL “PERÍODO DE REEMBOLSO”

Independientemente de sus arreglos de pago durante el período de retiro, ya sea que pague una parte, un poco o nada de la cantidad del capital del préstamo, cuando finaliza el período de retiro, ingresa en un período de reembolso. Su prestamista puede establecer un cronograma para que pague la cantidad total, a menudo durante diez o 15 años.

O bien, es posible que deba pagar todo el saldo adeudado de una sola vez, lo que podría ser una gran cantidad denominada **pago global**. Debe estar preparado para hacer este pago global refinanciando con el prestamista, obteniendo un préstamo de otro prestamista o de algún otro modo. Si no puede efectuar el pago global en su totalidad, podría perder su casa.

## RENUEVE O CANCELE LA LÍNEA DE CRÉDITO

Al final del período de pago, su prestamista podría alentarle a que deje abierta la línea de crédito. De esta manera, no tiene que pagar el costo y los gastos de un nuevo préstamo, si espera volver a pedir un préstamo. Asegúrese de entender si se aplican cuotas de mantenimiento anual u otras cuotas, incluso si no está utilizando activamente la línea de crédito.



## OBTENGA TRES ESTIMADOS DE HELOC

Comparar precios le permite comparar costos y características, para que pueda sentirse seguro de que está eligiendo la mejor opción para su situación.

		OFERTA A	OFERTA B	OFERTA C
<b>Inicio del HELOC</b>				
Límite de crédito	\$			
Primera transacción	\$			
Transacción mínima	\$			
Saldo mínimo	\$			
Tasa de porcentaje anual fijo	%			
Tasa de porcentaje anual variable	%			
» Índice utilizado y valor actual				
» Cantidad de margen				
» Frecuencia de los ajustes de las tasas de interés				
» Cantidad/duración de la tasa de descuento (si corresponde)				
» Tasa de interés máxima y mínima				
<b>Duración del plan</b>				
» Período de retiro				
» Período de reembolso				
<b>Cuotas iniciales</b>				
» Cuota de tasación	\$			
» Cuota de inscripción	\$			

USE SU ESTIMACIÓN DE PRÉSTAMO PARA ENTENDER SU HIPOTECA CON TASA DE INTERÉS AJUSTABLE (ARM, POR SUS SIGLAS EN INGLÉS)



## OBTENGA TRES ESTIMADOS DE HELOC

Comparar precios le permite comparar costos y características, para que pueda sentirse seguro de que está eligiendo la mejor opción para su situación.

		OFERTA A	OFERTA B	OFERTA C
» Cargos iniciales, incluidos los puntos	\$			
» Cargo por terminación anticipada	\$			
» Costos de cierre	\$			
<b>Durante el período de retiro</b>				
» Pagos de intereses y capital	\$			
» Pagos de amortización total	\$			
» Costo anual (si corresponde)	\$			
» Cargo de transacción (si corresponde)	\$			
» Cargo por inactividad	\$			
» Pago por adelantado y otras multas	\$			
<b>Durante el período de pago</b>				
» ¿Penalización por sobrepago?				
» ¿Amortización completa del monto del pago?				
» ¿Pago global del saldo total adeudado?				
» ¿Renovación disponible?				
» ¿Refinanciación del saldo por parte del prestamista?				
» ¿Conversión a préstamo a plazo fijo?				

## Cómo funcionan las tasas de interés variable

Las líneas de crédito garantizadas por la plusvalía generalmente usan tasas de interés variable en lugar de fijo.

Una tasa de interés variable generalmente tiene dos partes: el índice y el margen.

Un **índice** es una medida de las tasas de interés que refleja las tendencias en la economía en general. Diferentes prestamistas usan diferentes índices en sus préstamos. Los índices comunes incluyen la tasa preferencial de EE. UU. y la tasa del Tesoro de vencimiento constante (CMT, por sus siglas en inglés). Hable con su prestamista para obtener más información sobre el índice que utilizan.

El **margen** es un porcentaje adicional que el prestamista agrega al índice.

Los prestamistas a veces ofrecen una tasa de interés con descuento temporal para las líneas de crédito sobre el valor neto de la vivienda: una tasa introductoria o **tasa promocional** que es inusualmente baja para un período corto, como seis meses.

## Derechos y responsabilidades

Los prestamistas están obligados a revelar los términos y costos de sus líneas de crédito garantizadas por la plusvalía. Tienen que comunicarle:

- Tasa de porcentaje anual (APR, por sus siglas en inglés)
- Información sobre tasas variables

- Términos de pago
- Requisitos sobre las transacciones, como cantidades mínimas de retiro y número de retiros permitidos por año
- Cuotas anuales
- Cargos misceláneos

Por lo general, obtiene esta divulgación cuando recibe una solicitud de préstamo, y obtiene

divulgaciones adicionales antes de que se abra la línea de crédito. En general, el prestamista no puede cobrar una cuota no reembolsable como parte de su solicitud hasta tres días después de haber recibido las divulgaciones.

Si el prestamista cambia los términos antes de que se haga el préstamo, puede decidir no seguir adelante y el prestamista debe devolver todas las cuotas. Hay una excepción: la tasa de interés variable puede cambiar y, en ese caso, si decide no seguir adelante con el préstamo, no se le reembolsarán las cuotas.

Los prestamistas deben darle una lista de asesores de vivienda aprobados por el Departamento de la Vivienda y Desarrollo Urbano (HUD, por sus siglas en inglés) en su área. Puede hablar con un asesor sobre cómo funcionan los HELOC y obtener

ayuda gratuita o de bajo costo con la elaboración de presupuestos y la administración del dinero.

### **Derecho a cancelar (también llamado derecho a rescindir)**

Si cambia de opinión por cualquier motivo, según la ley federal, puede cancelar la línea de

crédito en los primeros tres días. Notifique al prestamista por escrito dentro de los primeros tres días después de la apertura de la cuenta. A continuación, el prestamista debe cancelar el préstamo y devolver las cuotas que pagó, incluidas las cuotas de inscripción y tasación.

## Si algo cambia durante el curso del préstamo

Los HELOC generalmente permiten que el prestamista congele o reduzca su línea de crédito si el valor de su casa cae o si ven un cambio a peor en su situación financiera. Si esto sucede, usted puede:

- **Hablar con su prestamista.** Averigüe el motivo de la congelación o reducción. Es posible que deba verificar sus informes de crédito en busca de errores que puedan haber causado una reducción en su crédito. O bien, es posible que deba hablar con su prestamista sobre una nueva tasación de su casa y asegurarse de que el prestamista esté de acuerdo en aceptar una nueva tasación como válida.
- **Buscar otra línea de crédito.** Si otro prestamista le ofrece una línea de crédito, es posible que pueda usarla para pagar su línea de crédito original. Se pueden aplicar cuotas de inscripción y otros cargos para el nuevo préstamo.

### ¡BIEN HECHO!

Para la mayoría de las personas, una casa es su activo más valioso. Un HELOC puede ayudarlo a aprovechar al máximo este activo, cuando entiende los entresijos y sabe qué esperar.

### CONSEJO

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Algunos HELOC le permiten convertir parte de su saldo a una tasa de interés fija. La tasa de interés fija suele ser más alta que la tasa variable, pero se traduce en pagos más predecibles.



## En este folleto:

### PREGÚNTESE

¿He considerado otras fuentes de dinero y préstamos, además de un HELOC?

¿He comparado características y cuotas de HELOC?

¿Me siento cómodo con el peor de los casos, donde podría perder mi casa?

### ONLINE TOOLS

**Sitio web del CFPB**  
[cfpb.gov](https://cfpb.gov)

**Respuestas a preguntas comunes**  
[cfpb.gov/askcfpb](https://cfpb.gov/askcfpb)

**Herramientas y recursos para compradores de vivienda**  
[cfpb.gov/owning-a-home](https://cfpb.gov/owning-a-home)

**Hable con un asesor de vivienda aprobado por HUD**  
[cfpb.gov/find-a-housing-counselor](https://cfpb.gov/find-a-housing-counselor)

**Presente una queja**  
[cfpb.gov/complaint](https://cfpb.gov/complaint)