HELPFUL RESOURCE · YOUR OPTIONS

EQUITY STRATEGY RESOURCES

Practical information for using home equity toward debt consolidation, renovations, investments, or other financial goals.

FIRST PRINCIPLE

Equity is not savings — it is borrowing capacity

Equity looks like money you already have. It is not. Accessing it means taking on debt secured by the roof over your head, and that is true whether it comes as a line, a second lien, or a cash-out refinance. That does not make it a bad move. It makes it a decision that deserves real scrutiny.

PROPERTY VALUE − WHAT YOU OWE = EQUITY

How much of it you can actually access, and on what terms, varies by lender and program.

COMMON USES

And the trade-off attached to each

Debt consolidation

Moves balances into one payment, and converts unsecured debt into debt secured by your home. Read that twice before proceeding.

Renovation

Improvements may support value, though not every project returns what it costs. Scope and resale impact vary widely.

Investment property funds

Some investors use equity toward a purchase. This adds leverage on both properties, which cuts in both directions.

Education or major expense

Compare against purpose-built financing for the same need before assuming equity is the cheaper route.

Reserves

A line left undrawn can function as standing access. Terms, availability, and whether it can be reduced vary by lender.

Business use

Business-purpose borrowing follows a different track than consumer lending. Say so up front so it is structured correctly.

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QUESTIONS WORTH ANSWERING FIRST

BEFORE YOU ACCESS EQUITY

Five questions

01 What problem is this solving?
Name it specifically. Vague reasons produce loans that do not fit.

02 Is the debt structure actually better?
A longer term at a smaller payment can still increase total cost.

03 What changes so it does not recur?
Consolidation without a change in habit tends to rebuild the same balances.

04 Can you carry the payment if it moves?
Variable structures can change. Stress-test the payment, not just today's.

05 What happens if the property value drops?
Leverage works both directions. Plan for the version where it does not go up.

WORTH SAYING PLAINLY

Consolidating unsecured debt into your home changes what is at risk.

A credit card is unsecured. Moving that balance into a mortgage or a line secured by your property means the debt is now attached to your home. Sometimes that trade is worth it and sometimes it is not — but it should be a decision you made deliberately, with the trade-off stated out loud, not a detail you discover later.

LANGUAGE YOU WILL HEAR

Equity
Property value less what is owed against it.

Secured Debt
Debt attached to an asset the lender can pursue.

Unsecured Debt
Debt not tied to a specific asset.

CLTV
Combined loan-to-value across all liens.

Leverage
Using borrowed funds, which magnifies both gains and losses.

Lien Position
The order in which loans are repaid against the property.

BEFORE OUR CALL

- ☐ What you owe and on what terms
- ☐ The specific goal for the funds
- ☐ Balances and terms of any debt you would consolidate
- ☐ Your timeline for the property
- ☐ Whether a changing payment is workable
- ☐ Questions for your tax professional

READY FOR THE NEXT STEP?

Let's pressure-test the plan before we structure anything.

I will tell you when leaving your equity alone is the better call.

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