What is Home Equity Borrowing? - Transcript

So you own your home, and you've built some equity in it, and now you need some extra cash.

Whether it's for home improvements, consolidating high interest debt, paying for medical or dental bills, paying for private school or college tuition, or even paying for a wedding or adoption, home equity borrowing could be the right solution for you. Not only is it a great way to get extra cash at a low interest rate, it can be used for anything, not just big expenses related to your home.

There are two different options available: Home equity loans and home equity lines of credit. What's the difference? Let's explain.

Home equity loans give you funds in one lump sum with a fixed rate for the life of the loan. It's easier to set your budget with predictable monthly payments and interest may be tax-deductible.[1]

Home equity lines of credit offer a reusable source of credit that lets you borrow against an ongoing source of funds as you need them. The annual percentage rate is variable and follows the market. Again, interest may be tax-deductible.[1]

Whichever option you choose, you should know that there are no application fees, no bank fees at closing, and no early-payoff fees.

Interested? Speak to your personal banker to find out more about home equity borrowing and get started.

Commerce Bank: Challenge Accepted

1. Consult your tax advisor regarding deductibility of interest.