

What's the Difference?



HELOC vs Home Equity Loan

Home Equity Loan

HELOC

Traditional lump sum loan

A separate account with a debit card

You owe interest based on the principal of loan, similar to a mortgage or auto loan

You're only charged interest on the money you've used from the HELOC account

Has a traditional loan term

May have a draw period separate from the loan term

Is not replenished during the life of the loan

Can be replenished by making payments during the draw period

Loan must be paid back in full (with accrued interest up to that point) if you decide to close out the loan early

Only the amount of credit used must be paid back (with interest) to close the line of credit early

Few limits on how funds can be spent

Few limits on how funds can be spent

You can get a loan for 80 to 85 percent of your home equity if you qualify

You can get a line of credit to borrow 80 to 85 percent of your home equity if you qualify

Are You Interested in a Home Equity Line of Credit?
OnPath Offers FREE Appraisals to Member
Call Us at 800-749-6193