



ECFH

Financially Speaking

East Caribbean Financial Holding Company Limited

As we continue our focus on mortgages we present a new term for this week. This week's term may be beneficial to homeowners who may need to source funds to undertake some major activities: This week's term is: **Home equity**

Home equity is the value of ownership built up in a home or property that represents the current market value of the house less any remaining mortgage payments. This value is built up over time as the property owner pays off the mortgage and the market value of the property appreciates.

What does this mean for you?

Homeowners can then use this **Home equity** to acquire a line of credit from a financial institution. This loan normally called a home equity loan or home equity line of credit operates like a credit card because of its revolving nature. Since a home is often a consumer's most valuable asset, many homeowners use home equity credit lines for major items, such as education, home improvements, or medical bills. Taking the line of credit offers you the security of having the funds available while not having to pay any interest unless the funds are used.