



What is a HELOC Fixed Rate Option

If you plan on making improvements to your home, you may be considering a traditional Home Equity Loan or Home Equity Line of Credit (HELOC). But do you know there is another option called a HELOC Fixed Rate Option?

Unlike a typical Home Equity Line of Credit or a Home Equity Loan, this option gives you the ability to convert an existing HELOC balance to a fixed-rate and fixed payment. As an added benefit, as you pay down the principal balance of the loan, the funds become available again to borrow in your line of credit.

Here's an example:



Mr. Smith opens a HELOC that he will use to complete a home improvement project.



His HELOC has a \$50,000 limit.



He decides to use \$30,000 to complete the improvements.



His initial minimum monthly payments are based on an interest-only payment at a variable interest rate of 5.00%.

HELOC Limit	Current Balance	Availability	Monthly Payment (Interest Only)	Interest Rate
\$50,000	\$30,000	\$20,000	\$125.00	5.00V*%

Now that his project is complete, Mr. Smith would like to lock his balance in at a fixed rate to pay it off and not have to worry about changes to the interest rate. Through the HELOC fixed rate option, his balance would be carved out of his line into a separate loan but the remaining limit would continue to be available for future use.

HELOC Limit	Current Balance	Availability	Monthly Payment	Interest Rate	Repayment Term
\$20,000	\$0	\$20,000	\$0	5.00V* %	-

HELOC Fixed Rate Option	Current Balance	Availability	Monthly Payment	Interest Rate	Repayment Term
-	\$30,000	-	\$175.38	5.00V* %	180 months

This HELOC Fixed Rate Option is a product worth investigating, however not all financial institutions offer it. Nymeo is fortunate to have it available for members and currently offering an added special on the HELOC Fixed Rate Option. [Click here for details.](#)

*Owner occupied HELOCs have a 25 year term which includes an interest only draw period of 10 years, followed by a 15 year principal and interest repayment period. The payment shown is the principal and interest payment required during the repayment period, based on the current interest rate. Interest rates are variable and can change over time. Non-owner occupied HELOCs have a 15 year term which includes an interest only draw period of 10 years, followed by a 5 year principal and interest repayment period. The payment shown is the principal and interest payment required during the repayment period, based on the current interest rate. Interest rates are variable and can change over time. The interest rate shown is for primary residence Loan-to-Values up to 80%. Add 1.0% for Loan-to-Values up to 90% on a primary residence. For non-owner occupied, add 0.50% to the rates shown for Loan-to-Values up to 80%. There is no minimum loan amount. Maximum interest rate of 18%.

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