

# Comparing HELOC to Fixed Rate Home Equity Loans

Home Equity Line of Credit (HELOC)	Fixed Rate Home Equity
Available with approved credit.	✓
Can be used to make home improvements, consolidate bills, pay tuition, medical expenses or other purposes.	✓
Secured by your home.	✓
Variable Interest Rate, Adjusts after six-month introductory rate and annually thereafter.	Fixed interest rate, set by SCFCU Board of Directors as published monthly at time of closing and does not adjust.
Term=minimum or 3 years (with no closing costs), maximum of 15 years.	No minimum term, maximum term = 15 years
No closing costs if minimum term of 3 years is maintained.	Closing Costs are typically 1-2% of the amount borrowed- <i>exceptions may apply.</i>
Draw period= 5 years	N/A
Repayment Period = up to 15 years. Minimum payment = \$100. Payment is principle + interest and likely to fluctuate.	Repayment period = term of the loan. Payment if fixed at the time of booking. Payment is principle + interest which will <b>not</b> change.
Maximum allowable amount = \$75,000 (if SCFCU is first position) \$50,000 (if SCFCU is second position) Based on: up to 80% of appraised value minus outstanding mortgage.	Maximum amount= up to 80% of appraised value minus outstanding mortgage. We might be able to lend up to 90% in some circumstances.
Minimum Balance during draw period = \$5,000	N/A
Must draw at least half of HELOC value at booking.	N/A
Subsequent minimum Draw(s) amount=\$500	N/A
Rates cannot increase more than 3% annually	Rates are locked in for the term of the loan.
Rate ceiling = 12% Based	Rates set by SCFCU Board of Directors and based on credit worthiness.
Rate floor = 3.99% Based on credit worthiness.	Rate floor= advised rates fixed rate home equity loan and based on credit worthiness.
Six-month introductory rate discount available 1% for a member with an active checking account as defined by and average age of 10 transactions/month Introductory rate can go below floor	N/A
Six-month rate discount without an active checking account= ½% ---Can also go below floor	N/A
HELOC access through checks, self-service such as home banking or mobile money and / or in a person at branches. All rules and limits apply regardless of the method or access.	Funds are dispensed at closing
*This Is not a disclosure. For informational purposes only. Subject to change without notice.	



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