

ALL

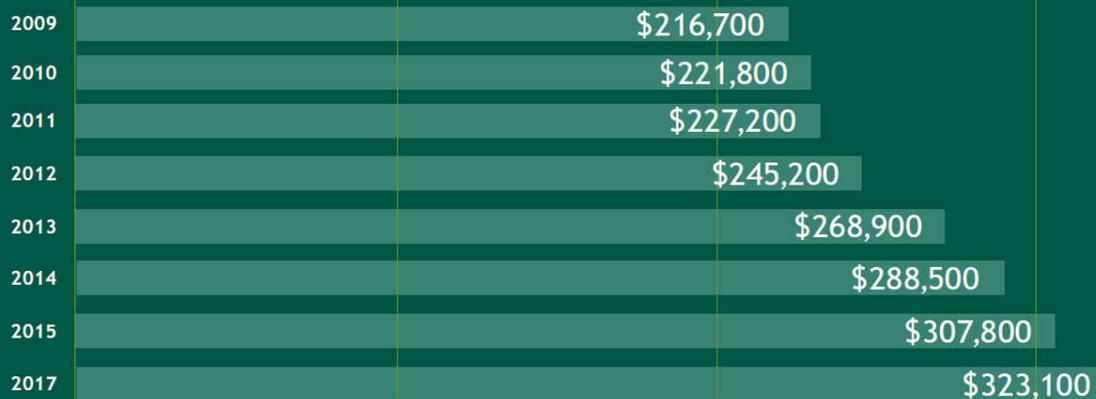
HOME
IMPROVEMENTFUNDING
EDUCATIONMANAGING
FINANCESSUPPORTING
FAMILY
Live Chat

Paid content from

 Citizens Bank®

The Home of Your Dreams May Be the One You Already Own

MEDIAN — *annual* — HOME PRICES

Source: <https://www.census.gov/construction/nrs/pdf/uspriceann.pdf>

If you've been in your house for a few years, you might be thinking that it's time to move on to something bigger and better.  

But buying and selling a home in today's heated housing market can be a stressful and competitive process. Home prices shot up 7 percent in May, and they're projected to rise another 5 percent over the next year.¹ The increases reflect a lack of available homes for sale in many markets.

For savvy homeowners, there may be a way to get the home of your dreams without the hassle and expense of moving. Rather than selling your current home and buying another one, upgrade the house you already have. If you like your neighborhood, you don't need to find a new property with an open floor plan and granite kitchen counters. Instead, put those amenities into your own house.



HOME EQUITY LINE OF
ENDLESS POSSIBILITIES

[Learn More](#)

Member FDIC.  Equal Housing Lender.

 **Citizens Bank**®

Financing such a project may be easier than you realize. Increasing property values have unlocked the equity available to many homeowners, and you may be able to borrow more money than you think for a renovation via a Home Equity Line of Credit (HELOC). A HELOC allows you to borrow against the equity you have in your home on an as-needed basis.

Homeowners collectively now have \$5.4 trillion worth of equity that they could access, the highest amount on record and 10 percent more than the 2005 peak.² (Accessible equity is the amount available to borrow without dipping below an 80 percent loan-to-value ratio on the property.)



How a HELOC could help

The flexibility of a HELOC makes it a smart way to finance home renovations because you can draw down funds as you need them, rather than having to take (and pay interest on) a lump sum loan.

That means you could make withdrawals strategically to coincide with regular payments to a contractor as a job progresses and avoid borrowing money you don't need yet at the start of a project.

Plus, as the borrowed money is used to increase the value of the asset that you're borrowing against (your home), you can potentially write off interest paid on HELOCs used to improve your home on your taxes. Please consult your tax advisor regarding deductibility of the interest on a HELOC.

A HELOC is also a good option for those who already have a mortgage rate locked in below current interest rates, since it allows them to borrow additional money

The beauty of renovating rather than moving is that you don't have to worry about recouping the investment right away.



It's a move that more homeowners seem to be making. Nearly 350,000 HELOCs were originated in the first quarter of the year, up 14 percent from the same period in 2017.³ Economists expect remodeling to hit an all-time high this year and continue growing through 2019.⁴

The beauty of renovating rather than moving is that you don't have to worry about recouping the investment right away. That's good, since few projects provide an immediate dollar-for-dollar return on the investment.⁵

Instead, you get to relax in your home and enjoy the finished project—whether it's a new deck or a renovated kitchen—designed to meet your specifications, without feeling guilty about the splurge.

[Learn more about how a Citizens Bank home equity line of credit could help you reach your goals.](#)

¹<https://www.corelogic.com/insights-download/corelogic-home-price-insights.aspx>

²<http://www.bkfs.com/CorporateInformation/NewsRoom/Pages/20180402.aspx>

³<https://www.attomdata.com/news/market-trends/mortgage-origination/q1-2018-loan-origination-trends-report/>

⁴<http://www.jchs.harvard.edu/research-areas/remodeling/lira>

⁵<http://www.remodeling.hw.net/cost-vs-value/2018/>

See more

How People Spend on Home Renovations

Rising home prices and increased home equity are sparking an increase in home renovations. [Learn more](#)



The consumers featured in this content are talking about their own experiences, and are not necessarily reflective of a Citizens Bank Home Equity Line of Credit (HELOC). Lenders offer different terms and rates.

Interest-only payments are available for the first 10 years. This interest rate is variable and the monthly payments will change over the 10 years. At the end of your 10-year draw period, your balance will be converted to a principal and interest monthly payment with a 15-year repayment period. At the end of the draw period, even if the interest rate stays the same, your monthly payment will increase, possibly significantly, because you will be required to pay both principal and interest.

Variable Annual Percentage Rate (“APR”) is based on The Wall Street Journal Prime Rate (“Prime”) published on the last business day of the month, (5.25% APR as of 9/27/2018). Maximum APR 21% (18% in NJ and PA). Minimum APR 2.5%. Obtaining the best rate requires the following criteria to be met: 1) A new home equity line of credit application, 2) A line amount of \$100,000 or more, 3) Line must be in first lien position, 4) Having a Citizens Bank consumer checking account, set up with automatic monthly payment deduction at the time of origination, 5) A loan-to-value (LTV) of 80% or less, and 6) Strong creditworthiness.

Eligible properties include owner-occupied 1- to 4-family properties, condominiums, and 2nd/vacation homes. Ineligible properties include, but are not limited to: investment property (defined as non-owner occupied property), a co-op, mobile home, or manufactured housing. Property must be located in CT, DE, IL, IN, KY, MA, ME, MI, NH, NJ, NY, OH, PA, RI or VT.

Rate and terms are subject to change and credit approval. Home equity lines of credit are available in first or second lien positions. Not available for homes currently for sale. Homes previously listed for sale must be off the market for at least ninety days prior to application. Property insurance required. Flood insurance may be required.

No annual fee for the first year, then \$50 per year thereafter. Pre-payment fee of \$350 if closed within the first 36 months. No pre-payment fee if the collateral is in NJ or PA if the lender is Citizens Bank of Pennsylvania. Citizens Bank offers Home Equity Lines of Credit as low as \$17,500, but terms may vary.

© Copyright 2018 Citizens Financial Group, Inc. All rights reserved. Home equity lines of credit are offered and originated by Citizens Bank, N.A. (NMLS ID# 433960) or Citizens Bank of Pennsylvania (NMLS ID# 522615). Citizens Bank is a brand name of Citizens Bank, N.A. and Citizens Bank of Pennsylvania. Equal Housing Lender. Member FDIC.

