**The Advantages of a Home Equity Loan**

**When getting a home equity loan it is important to find one that has the best terms that will work to your best advantage.**

1. **A home equity loan is like having a second mortgage. For this reason, the interest rates are generally better than with many other types of loans. You are borrowing against the equity you have in your home when you get a home equity loan.**
2. **A common purpose for having a home equity loan is to consolidate existing debts, which may be furniture debts, clothing debts, or all kinds of credit card debts or to get money to make home improvements. Other reasons include having money for taking a vacation, buying a car, helping with college tuition and paying medical expenses.**
3. **A very important reason to get a home equity loan is that the interest may be written off on federal income taxes. This write-off cannot be done with many other kinds of loans. To find out your own tax situation, be sure to consult with your accountant or tax adviser. Do not wait until you are filing your federal income taxes to find out as then it will be too late.**
4. **A home equity loan has a fairly low interest rate. Contact a number of lenders in your area to see what kind of rate you can get, how long will the home equity loan last and what will the interest rates be? Weigh this information carefully. Both the length of the loan and the interest rate will have a major impact on how much the loan will ultimately cost you.**
5. **Any home equity loan that you get will place you in danger of losing your home if you should fall behind in the payments. Be sure that you can make the payments before you sign the loan papers. One of the greatest mistakes is to get a home equity loan to pay off your delinquent credit card debt. If you can't make your credit card payments, you may not be able to make your home equity payments. This could put your house in jeopardy.**
6. **Your home loan could possibly cover all your debts--as long as it doesn't go down in value and you are forced to move. You need to remain aware of the fact that it is possible to get into serious problems with a home equity loan. Your home equity loan should meet your specific needs and have terms that work to your best advantage.**

**You can call Citadel Realty at 719-266-6003 to discuss what options would work best for your situation.**