

PIGGY BACK/ HELOC LOAN

HIGHLIGHTS:

- Involves two simultaneous loans.
- First loan covers 80% of home's price.
- Second (HELOC) covers remaining 20% or acts as a line of credit.
- Avoids PMI with smaller down payment.
- HELOC rates may be variable.
- Requires good credit and home equity.

PROS OF PIGGY BACK/ HELOC LOANS

- Helps avoid private mortgage insurance (PMI).
- Can enable a smaller down payment.
- May offer lower interest rates on the first mortgage.
- Provides flexibility in accessing home equity.
- Potential for tax-deductible interest on HELOC.
- Allows for greater purchasing power without a large down payment.

CONS OF PIGGY BACK/ HELOC LOANS

- Requires good credit and home equity.
- Second loan may have variable interest rates.
- Risk of foreclosure if unable to repay HELOC.
- Additional closing costs and fees.
- Can be complex and may have higher overall costs.
- HELOC rates may increase over time.

<u>GET STARTED NOW SCAN!</u>



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