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Home Equity Line of Credit or Home Equity Loan?

Yes there is a difference. the above two terms are very often used interchangeably but in fact the two are distinctly different.

A home equity line of credit or HELOC is more like a checking account in that you write a check against the line and the your payments are based on the amount that you have actually borrowed.

Payments on a HELOC are normally calculated based on an interest only payment, the drawing period is typically 10 to 15 years after which the loan amount is fixed, no more draws are allowed and the payments are converted in to fully amortized payments based on the remaining 10 to 15 years.

A home equity loan, on the other hand is a fixed amount, all of which is paid out up front and repayments are calculated based on a fully amortized period of 15 to 20 years.