



**DIVISION OF AGRICULTURE
RESEARCH & EXTENSION**

University of Arkansas System

CONSUMER ECONOMICS

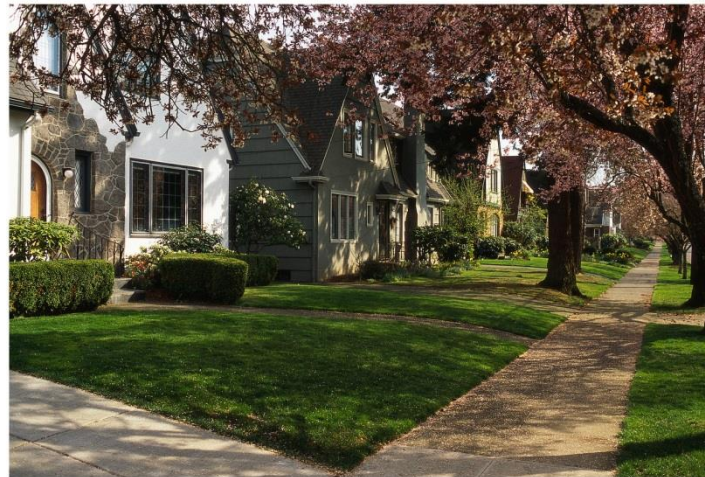
Is a Home Equity Loan Right for You?

Possible advantages:

- Lower interest rate than a credit card or some types of consumer loans
- Loan interest may be tax deductible
- More options for repayment
- Home equity lines of credit can finance more than one expense (ex. a car and college)

Possible Disadvantages:

- There may be continuing fees such as annual fees
- Up-front fees and closing costs may not outweigh tax advantages
- There is a temptation to borrow more than you need
- Using a home equity loan for debt consolidation may keep you from changing your spending habits resulting in more debt



Use home equity loans only for major, important purchases or financial needs. With a home equity loan **YOUR HOME IS ON THE LINE.**

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