

# Employee Benefits Monthly

February 2005

- Intro
- Equity Loans
- Valued Merchants

Monthly local offering only given to you; brought to you by Robert and Brian of First Security Loan - Offered to employees of Miss Sandie's School, WBE Inc., Novato Unified School District, and the City of Novato

## Welcome to Employee Benefits Monthly....

This is **your** monthly benefits newsletter. Because you are a valued employee, your company is allowing us to offer the below special deals with local merchants. These are discounts not offered to the general public. Below you will find the merchants and their offers as well as your Employee Benefit Card. Please make sure to bring this card or the whole newsletter with you when visiting these merchants. The offers will rotate monthly. These offers are being sponsored by Robert Sundberg and Brian Dixon, Real Estate Loan Consultants with First Security Loan of Novato, along with your Employer at NO COST to you. We hope you enjoy and are able to take advantage of this benefit your employer is offering you.

## Accessing the home's Equity using a Second Mortgage.....

**A dictionary definition of "equity" is "...difference between the market value of a property and the claims held against it". Basically in the case of real estate, this is the difference between what a home is worth and what is owed on it. With the extreme increase in home values in the last couple of year, homeowners have been able to take advantage of this additional equity. Many have done this through refinancing the whole mortgage to a lower rate. Some have done a combination of a new low rate first along with a new second mortgage. Some, who already have a low first mortgage, have accessed their equity using a second, either an equity loan or a Line of Credit (HELOC).**

**There are Pro's and Con's of the equity loan versus the Line of Credit. With the Equity Loan, the rate is locked and the payments are fixed for the determined time period (generally 15, 20 or 30 years). The whole amount is drawn at the initiation of the loan. With a Line of Credit, the rate is usually variable based on Prime Rate and a margin attached to that. Payments are generally done as interest only based on the balance and the current rate. You only draw on the Line of Credit when funds are needed, and only pay on funds that have been used. Both types of loans are available as high as 100% of the property's value and many can be done at No/Low cost to the borrower.**

**If funds are all needed right away, the equity loan may be the way to go. If funds are needed over time, or just need to be available for a "rainy day", the Line of Credit may be the way to go. Rates are generally lower on the Line of Credit initially, but can go higher as the Prime Rate goes up. These loans are available for those with good and bad credit.**

**Uses of either loan include: Home improvements, college expenses, help with purchasing another home, investments, debt consolidation, purchase of an auto, etc...**

**Please feel free to call us with any questions concerning equity loans or any other Real Estate Finance scenarios.**



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**Representing many lenders and 100's of loan programs to fit your Real Estate Finance needs....**



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