Your Cozy Guide to Home Equity

Closed-End Second Mortgage vs. HELOC

A Simple, Supportive Guide to Help You Use Your Home's Equity with Confidence

Renovate your space
Consolidate debt
Create financial breathing room

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COZY HOME LOANS

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Home Equity - How to harness it.

Closed-End Second Mortgage vs. HELOC

If you've owned your home for a few years, you may be sitting on something powerful—equity.

Equity is the difference between what your home is worth and what you owe. And over time, it can become a meaningful financial tool to help you move forward in life.

Whether you're dreaming of updating your home, consolidating debt, or creating more breathing room financially, there are ways to access that equity in a way that feels supportive—not stressful.

This guide will walk you through two of the most common options:

- *Closed-End Second Mortgage*
- *Home Equity Line of Credit (HELOC)*

Let's explore which one may fit your season of life best.

Option 1:
Closed-End Second Mortgage

What is it?

A Closed-End Second Mortgage (also known as a Home Equity Loan) allows you to borrow a lump sum of money upfront, using your home's equity.

How It Works.

- You receive all funds at once
- You have a fixed interest rate
- You make consistent monthly payments
- You have a set payoff timeline

Benefits.

- Stable, predictable payments
- Protection from interest rate changes
- Clear payoff plan

Best For.

- Home renovations
- Debt consolidation
- Large, one-time expenses
- Borrowers who prefer predictability

Considerations.

- Less flexibility once funds are received
- You begin repayment immediately on full amount

Option 2: HELOC
Home Equity Line of Credit

What is it?

A HELOC is a revolving line of credit based on your home's equity, similar to a credit card.

How It Works.

- You are approved for a credit limit
- You borrow only what you need, when you need it
- Many HELOCs offer interest-only pymnts during the draw period
- Interest rates are often variable

Benefits.

- Borrow as needed (not all at once)
- Lower initial payments possible
- Flexible usage

Best For.

- Ongoing or phased home projects
- Emergency access to funds
- Borrowers who value flexibility

Considerations.

- Payments can increase over time
- Variable rates may change
- Requires discipline to manage usage

Let's take a closer look.
Side by Side Comparison

Feature	Closed-End Second Mortgage	HELOC
💰 Funds	Lump Sum	Draw as needed
📊 Rate Type	Fixed Rate	Variable (typically)
📅 Payments	Fixed Monthly	Flexible*
🔄 Flexibility	Lower	Higher
🎯 Best Use	One-Time Expense	Ongoing Expenses

Cozy Comparison.

Closed-End Second Mortgage

Think of this like brewing a full pot of tea—you prepare it all at once and enjoy it steadily over time.

HELOC

Think of this like steeping a fresh cup of tea whenever you need it—you take what you want, when you want.

Choosing What's Right For You

There's no one-size-fits-all answer—only what aligns with your goals and comfort level.

You may prefer a Closed-End Second Mortgage if:

You want stability and consistency.
You have a clear, defined expense.
You prefer a structured payoff plan.

You may prefer a HELOC if:

You want flexibility over time.
Your expenses are ongoing or uncertain.
You are comfortable with rate changes.

A Thoughtful Reminder.

Both of these options use your home as collateral. That means we want to approach this decision with clarity, intention, and care.

The goal isn't just to access equity—it's to use it in a way that supports your life and long-term financial well-being.

Let's Walk Through This Together

You don't have to figure this out on your own.

If you're wondering:

- How much equity you have
- What your monthly payment might look like
- Which option fits your goals best

I'm here to help guide you through it in a simple, cozy, no-pressure way.

Getting Started:

Apply online (no credit pull to begin)
www.CozyHomeLoans.com
Or reach out directly:

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www.CozyHomeLoans.com

Ways I Can Support You!

✨ Review your current mortgage and equity
✨ Explore payment options that fit your lifestyle
✨ Help you choose between a HELOC or Second Mortgage
✨ Create a personalized plan for your next step

Cozy Reminder

There's no pressure—just a conversation.
When you're ready, I'll be here.
— Michele Huntley
Your Home Mortgage Coach

EQUAL HOUSING LENDER

Disclaimer

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