



## MyChoice Line HELOC

### Frequently Asked Questions

#### 1. How do I apply for a MyChoice Line of Credit?

- a. There are a few ways you can apply for a MyChoice Line of Credit. Applications may be completed in person at any of our branch locations or online. You can find the application [here](#).

#### 2. How does a MyChoice Line of Credit work?

- a. A MyChoice Line of Credit loan is a revolving form of credit secured by your primary or investment property. You can borrow as little or as much as you need, up to your approved credit line. MyChoice Line provides much flexibility as you can pay interest only on the amount that you borrow which is a variable rate line of credit or you can utilize a fixed term at a fixed rate. MyChoice Line of Credit is a 20-year term loan that you can draw on for the first 10 years. After the first 10 years, it is followed by a repayment period.

#### 3. How do I qualify for a MyChoice Line of Credit?

- a. To qualify for a MyChoice Line of Credit, you must have equity in your home and qualify based on your credit history and the ability to make the payment based on your verified income and your current expenses.
- b. The amount you can borrow with a MyChoice Line of Credit depends on the amount of equity you have available and your personal qualifications.
- c. If you don't qualify for a MyChoice Line of Credit or think it's not the right product, there are many other loan options that we can discuss with you.

#### 4. How do I access funds from a MyChoice Line of Credit?

- a. You can request a box of checks at the time of funding, complete an internal transfer online to your CUR account, contact us at 303-273-5200, or visit any branch location and speak with one of our wonderful representatives.

#### 5. Do I receive the loan amount over time or all at once with a MyChoice Line of Credit?

- a. It is your choice whether you'd like to receive the loan amount over time or all at once, which is why MyChoice Line of Credit is such a great product. If you need the funds right away you can advance the funds all at one time but by opening a MyChoice Line, you'll have the freedom and convenience of keeping your remaining balance as a line of credit with a variable rate and advance the line as items come up like home improvements, or if you prefer, you can use up to two fixed-rate advances to get a set interest rate with a defined term to finance the cost of an auto loan, student loan expense, or that much-needed vacation.

## **6. What can I use a MyChoice Line of Credit for?**

- a. You can use a MyChoice Line of Credit for almost any purpose. Common uses include:
  - i. Home improvements
  - ii. Unexpected expenses or emergencies
  - iii. Education expenses
  - iv. Medical bills
  - v. Consolidating debt
  - vi. Weddings

## **7. What is the draw period and what happens at the end of the draw?**

- a. The draw period (or borrow period) for this product is the 10-year borrowing period during which you can access funds using your home equity line of credit. After that, the repayment period begins for 10 years, and you will no longer be able to access additional funds unless you refinance.
- b. If you only have a line of credit your monthly minimum payment will be calculated with a re-amortized payment based on the variable rate to pay the loan off in the 10-year period.
- c. If you have any outstanding fixed segments the loan will go through the term of the loan until the loan is paid off.

## **8. Can I extend the draw period on a MyChoice Line of Credit?**

- a. No, if you would like to extend the draw period, you would have to reapply for a new MyChoice Line of Credit.

## **9. If I am at the end of my draw period, can I do a fixed segment for the final 10 years instead of a variable?**

- a. Yes, you can do a fixed segment for the final 10 years on your MyChoice Line of Credit before the end of your draw period. This will create a fixed payment for the remaining 10 years.

**10. How much time will I have to repay the MyChoice Line of Credit?**

- a. The draw period for this product is 10 years and the repayment period is 10 years for a total of a 20-year loan.

**11. Can I make a principal payment to my MyChoice Line of Credit?**

- a. The full MyChoice Line payment must be made first. Once the payment has been satisfied, you can go back into the loan and pay specific segments.

**12. What if I would like a fixed interest rate on only part of my MyChoice Line of Credit?**

- a. With the fixed rate option, you can lock in a fixed rate on all or any portion of your variable balance at any time.
  - i. Any portion of the balance that is not converted into a fixed rate option will continue to have a variable rate and minimum payment in addition to the fixed rate payment.
  - ii. You can have up to 2 fixed rate options in place at any time.
- b. Please contact the credit union directly at 303.273.5200 or visit any branch location and a representative will assist you with this request.

**13. Can I switch from a fixed-rate loan option to a variable rate on my MyChoice Line of Credit to reduce my interest rate or payment?**

- a. Yes, if you have enough of your variable rate to pay off your fixed rate. For example, if you have a fixed amount of \$10,000 and \$25,000 available, you can use a portion of your line to pay off the fixed amount.

**14. Can I convert my current HELOC to a MyChoice Line of Credit?**

- a. Yes, by reapplying and qualifying for a MyChoice Line of Credit. The current HELOC would be paid off and closed with an advancement of your MyChoice Line of Credit.

**15. Will my interest rate change over time?**

- a. This product is a variable rate product based on Wall Street Journal Prime rate unless the member has it in a fixed segment. Loan rates and terms are dependent

on credit qualifications at the time of originating the loan, loan to value, and the type of property you have.

**16. Will I have to pay an annual fee?**

- a. No, we do not charge an annual fee for this product.

**17. Is there a fixed segment fee involved with a MyChoice Line of Credit?**

- a. No, there is no fee involved with having a fixed segment for this loan.

**18. Can you transfer a HELOC from another institution?**

- a. Yes, you would need to apply for a new loan and if approved for a MyChoice Line of Credit, the loan would be advanced utilizing your new credit limit to pay off your current HELOC (refinancing previous HELOC).

**19. Can I get a MyChoice Line of Credit for an investment or non-owner-occupied property?**

- a. Yes, this product is available for investment or non-owner-occupied properties.

**20. Do I need an appraisal for a MyChoice Line of Credit?**

- a. Appraisal requirement will be determined by the requested LTV and loan amount. Please contact the credit union for assistance.

**21. Are there any closing costs?**

- a. There are no closing costs on this product for a loan up to \$150,000 if an appraisal is not required.

**22. Is the interest of MyChoice Line of Credit tax deductible?**

- a. Tax benefits differ from person to person depending on your financial situation, how you are using the funds, and your tax status. Consult your tax advisor before beginning a project so you fully understand any tax benefits.