

# Options for Financing Your Home Improvements

Which loan is right for you?

To finance renovations to your home, you have several options to choose from if you own a home in the US.

Consider a Home Equity Line of Credit (HELOC) or a Home Equity Loan to leverage the equity in your home in the US. You can borrow an amount relative to the value of your home, which you can use to finance renovations to any property in the world.

If you do not own a home in the US, or if you want to fund home renovations without using the equity in your home, consider our unsecured Home Improvement Loan.

Below are the key features of each loan.

Home Improvement Loan	Home Equity Line of Credit	Home Equity Loan
<b>Purpose/uses</b>		
Home improvement projects	Any initiative	Any initiative
<b>Access to funds</b>		
Paid out in lump sum	Line of credit offering access as needed over a 10-year period	Paid out in a lump sum
<b>Financing limit</b>		
\$150,000 <sup>1</sup>	Up to \$500,000, depending on the value of your home in the US	Up to \$500,000, depending on the value of your home in the US
<b>Required collateral</b>		
No collateral is required	Current value of your home in the US	Current value of your home in the US
<b>Interest rate options</b>		
Fixed and variable rates available	Variable rate loan	Fixed rate loan
<b>Fees</b>		
None	No fees on loans of \$50,000 or less	No fees on loans of \$50,000 or less
<b>Pre-payment penalties</b>		
None	None for lines open for more than three years	None for loans that you have had for a period of three or more years
<b>For more information</b>		
<a href="https://unfcu.org/HIL">unfcu.org/HIL</a>	<a href="https://unfcu.org/EquityLine">unfcu.org/EquityLine</a>	<a href="https://unfcu.org/EquityLoan">unfcu.org/EquityLoan</a>

Visit [unfcu.org](https://unfcu.org) to view the rates for each loan.

# Financing Options

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## Home Improvement Loan

This is a great option if you do not want to use your home as collateral to secure the loan.

Qualified members can borrow up to \$150,000<sup>1</sup> for renovation projects ranging from remodeling a kitchen or bathroom to upgrading appliances. Up to \$50,000 of the loan is paid directly to you with minimal paperwork. If you borrow more than \$50,000, the full loan amount will be paid to your contractor or service provider, and will require additional documentation as proof of work.

When applying for a Home Improvement Loan, you can choose a fixed or variable interest rate. A fixed rate remains the same for the duration of the loan. A variable rate remains the same for an introductory period of six months. It is then subject to increase or decrease based on the prime rate published in the *Wall Street Journal*, plus the margin indicated on the rates page of [unfcu.org](http://unfcu.org).

## Benefits

The Home Improvement Loan benefits include:

- No fees to apply for the loan
- No pre-payment penalties if you want to pay off your loan early
- Free Credit Life Protection that will automatically cover up to \$55,000 of your loan balance in the unfortunate event of your passing

## Who Can Apply

Qualified UNFCU members can apply for a Home Improvement loan if they are:

- Located in a country eligible for this loan (see [unfcu.org/EligibleCountries](http://unfcu.org/EligibleCountries) for full list)
- Earning income or pension in a currency listed on [unfcu.org/EligibleCountries](http://unfcu.org/EligibleCountries)

Protecting your finances is a top priority at UNFCU. Our goal is to minimize exposing our members to hardships in repaying loans that are in US dollars, such as the Home Improvement Loan. We continuously evaluate and update our list of loan eligible countries based on factors such as local economic and political conditions that can impact the currency rate.

If you are a UN consultant, you must also show proof of continuous UN contracts or related employment of six or more months.

## How to Apply

Use our intuitive online loan application accessible from [unfcu.org/apply](https://unfcu.org/apply) to:

- Complete your application online.
- Securely upload and submit documents required for your loan application.
- Monitor the status of your loan application.

## Home Equity Loans

If you own a home in the US, our home equity loans allow you to borrow up to \$500,000 depending on the value of your home. Your home is therefore used as collateral to borrow funds. Securing a loan with collateral protects a lender in the event that a borrower defaults on their loan payments.

UNFCU offers both a Home Equity Loan and a Home Equity Line of Credit. You can use the funds you borrow to finance any initiative. This can include home renovations or the purchase of another home anywhere in the world.

## Available Options

### Home Equity Line of Credit (HELOC)

A HELOC is a variable rate credit line that you can borrow funds from at any time over a 10-year period. It gives you a revolving line of credit that you can borrow against as needed. You can borrow from your line of credit in increments of at least \$500. The minimum monthly payment is \$100.

- As you pay off the balance, your credit line is replenished so that you can continue to borrow from it.
- You will only pay interest and principal on the amount you borrow.
- You have 20 years to repay any amount you borrow from your credit line.
- There are no application fees, no points, no appraisal fees, and no closing costs on loans of \$50,000 or less.

## HELOC Rates

We offer an introductory fixed rate that applies to the funds you borrow in the first 12 months of establishing your home equity line of credit. After the initial 12 months, the rate will increase or decrease based on the loan-to-value ratio (LTV) of your home. This is the ratio of the loan amount compared to the value of the home that the funds are being borrowed against.

See the table below to better understand how LTV affects the rate of a HELOC:

Loan-To-Value (LTV)	Annual Percentage Rate (APR)* After the First 12 Months
Up to 80%	The rate will be adjusted quarterly based on the prime rate, as published in the <i>Wall Street Journal</i> .
80.1-90%	The rate will be adjusted quarterly based on the prime rate, as published in the <i>Wall Street Journal</i> , and 0.05% will be added to the prime rate.
90.1% or greater	The rate will be adjusted quarterly based on the prime rate, as published in the <i>Wall Street Journal</i> , and 1.00% will be added to the prime rate.

\* To help with your budgeting, there is a 2.00% cap on the rate so it will not increase or decrease by more than 2.00% in a given quarter.

A HELOC is a good option if you want the freedom to borrow against the credit line whenever you need funds.

## Home Equity Loan

A home equity loan is a second mortgage loan that you receive in a lump sum. This loan is ideal for large, one-time expenses:

- Borrow a lump sum with repayment terms ranging from five to 20 years, available in five-year increments.
- Because the interest rate on the loan is fixed, your payments remain the same through the life of the loan.
- There are no application fees, no points, no appraisal fees, and no closing costs on loans of \$50,000 or less.

## How to Apply for a HELOC or Home Equity Loan

Apply using our online mortgage application accessible at [unfcu.org](https://unfcu.org) or contact a US mortgage representative. Please see the Contact Us section below for details.

If you are applying for a Home Equity Loan or HELOC of \$125,000 or else, take advantage of our reduced documentation program to close your loan more quickly. Please note that additional documentation may be requested by UNFCU if necessary.

### For all properties, you must provide:

- One pay stub including year-to-date (YTD) income
- An Automated Valuation Model (AVM) Report which shows the current value of your property and can be obtained from a professional appraiser
- If you are self-employed, you will also need to provide the first two pages of your most recent tax return

For a multi-family home, you may also be asked to provide a Schedule E form. This is a form obtained from the IRS that reports income or loss of funds from rental real estate, royalties, partnerships, S corporations, estates, trusts, and residual interests in real estate mortgage investment conduits.

### For condominiums (condos) and cooperatives (co-ops), you must also provide:

- Proof of insurance
- Questionnaire provided by UNFCU that will need to be completed by the building's management agent

Loan amounts that exceed \$125,000 will require full documentation including complete bank statements, pay statements from the past year, and additional tax forms.

1. UN consultants who have continuous UN contracts or related employment of six or more months and who are located in an eligible country can apply for unsecured consumer loan amounts totaling \$10,000 to \$30,000, subject to credit approval and length of their continuous contract. For all other eligible members, UNFCU lending policy permits a combined individual maximum amount of unsecured credit extended to be no greater than \$150,000 or \$225,000 including unused lines of credit, if the applicant has or is applying for an International Home Loan. Your approved loan amount could be less than the amount you requested due to other loan obligations you have with UNFCU. Other factors including, but not limited to, credit quality and debt-to-income ratio may also impact your final loan terms.



## Financial Education Resources

We strive to constantly create new educational materials so that our members have access to the information they need.

Visit [www.unfcu.com/learn](http://www.unfcu.com/learn) to view all of our educational resources.

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## Join UNFCU

To become a UNFCU member, complete our online membership application available from [www.unfcu.org/membership](http://www.unfcu.org/membership).

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## Contact us

If you have additional questions about these loan options, contact a representative today.

### Telephone

**General inquiries:** speak with a member service representative at +1 347-686-6000 (toll-free numbers listed on [www.unfcu.org/tollfree](http://www.unfcu.org/tollfree))

**Home equity loans:** speak with a [mortgage representative](#) at +1 212-338-0290

### Email

[email@unfcu.com](mailto:email@unfcu.com)

### Skype

unfcu.Skype

### In Person

Addresses and hours of operation posted on [www.unfcu.org/locations](http://www.unfcu.org/locations)



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