

Characteristics of a BLOC (Banker Home Equity Line Of Credit)

Required for the Banker Line of Credit

When shopping for your home equity line of credit to be used as your “BLOC”, make sure the equity line has the following characteristics. If no, shop another lender:

- must be an open ended home equity line of credit with 5-10 year draw period
the longer the draw period, the better
- must have an interest only payment option
- must be attached to the primary residence in a second lien position
- must be a variable rate home equity credit line

- do not** have your monthly equity line payment automatically withdrawn from a designated checking account (your income deposits will be your payment, which will force the bank to adjust your daily minimum balance)

- do not** lock-in your equity line rate (this will remove the interest-only rate option)

What You Need for Check Writing

- lowest dollar amount minimum per check from the HELOC
- no fee per check from the HELOC
- no limit to the number of checks written from the HELOC each month
- shortest amount of time to clear and process checks from the HELOC

What You Need for Online Banking (if your HELOC is with your current bank)

- online transfer capabilities from bank checking to the HELOC and HELOC to checking
- no limit on the number of transfer
- no fees for online transfers
- no dollar amount limitation on transfers
- online bill pay
- no fees for online bill pay

HOME EQUITY CREDIT LINES

Lender Comparison

Use this form to compare rates and product terms among lenders. Ask the lender to provide the following information. If a particular lender you would like to work with doesn't offer a better deal, use this form to negotiate best offer.

<u>Interest Rate Features:</u>	LENDER 1	LENDER 2	LENDER 3	LENDER 4
Initial Interest Rate	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
• Points	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
• Other Bank Fees	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Variable Annual Percentage Rate	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Fixed Annual Percentage Rate	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Index Used / Current Value	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Amount of Margin	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Current Rate	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Frequency of Rate adjustments	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Interest Rate Caps	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<u>Length of Plan:</u>				
Draw Period	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Repayment Period	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<u>Initial Fees:</u>				
Appraisal Fee	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Closing Costs	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Application Fee	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<u>Repayment Terms:</u>				
During the Draw Period	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Interest and Principal Payments	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Interest-Only Payments	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Fully Amortizing Payments	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<u>When Draw Period Ends:</u>				
Balloon Payment	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Renewal Available	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Refinancing of Balance by Lender	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>