Mortgage Equity - A Case Study

Wells Fargo is one of the leading firms that offer home equity loans with no closing fees; however, whether or not you pay closing fees will depend on the amount of loan borrowed and the state in which the property is seated. The "no closing" package also depends on the level of credit the borrower has established.

Some lenders offer a 7.00% APR variable rate on the loans and these rates are active on a set timeframe, but again, it depends on the amount of loan borrowed. The bank states if the borrower accepts the repayments; thus, direct deposit relations then the rates will remain in effect, but if the borrower opts to close his accounts and selects to pay by check, money order, or other method outside of a active direct deposit payment, then the rates will increase on the loan.

Furthermore, the bank states that the rates are "subject to change daily," thus posing threats to the borrower. In addition, there are fees on a set time if the borrower elects to pay outside of direct deposit arrangements. Additionally, the bank stipulates that the borrower must pay "flood and hazard" insurance during the term of the loan. Other lenders offer similar but slightly different equity loans, which is why you should weigh out the terms between lenders to avoid significant loss.

We pointed out the terms in this article to help you to see that the advertisement for equity loans offering no closing fees or other upfront costs has stipulations in the loans. Therefore, read the terms and fine print to better understand what you are actually getting into when taking out home equity loans. In addition to this, you may also want to get quotes online, which can help you compare companies.

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About the Author

Emanuele Allenti is the owner of http://www.incredible-equity-loans-are-here.info and http://www.incredible-equity-loans-for-all.info websites.