



# Data Points to HELOC Opportunity from Consumer Urgency Boom

## INTRODUCTION

U.S. homeowners now have access to an average of \$178,000 in tappable equity.<sup>1</sup> Now, though, with rising rates anticipated to curb home prices, and thereby equity, consumer urgency is building for

home equity lines of credit (HELOC). Here are the data indicators banks and credit unions can use to find and serve borrowers for whom a HELOC is an excellent fit.

1

## The HELOC Opportunity: Record Levels of Homeowner Equity<sup>2</sup>

Homeowners have witnessed year-over-year equity increase for the past 10 years.



2

## Homeowners Favor Home Equity Lines over Equity Loans<sup>3</sup>

HELOCs far more popular with consumers.

9x

more popular  
than equity  
loans

↑38%

since 2018

2%

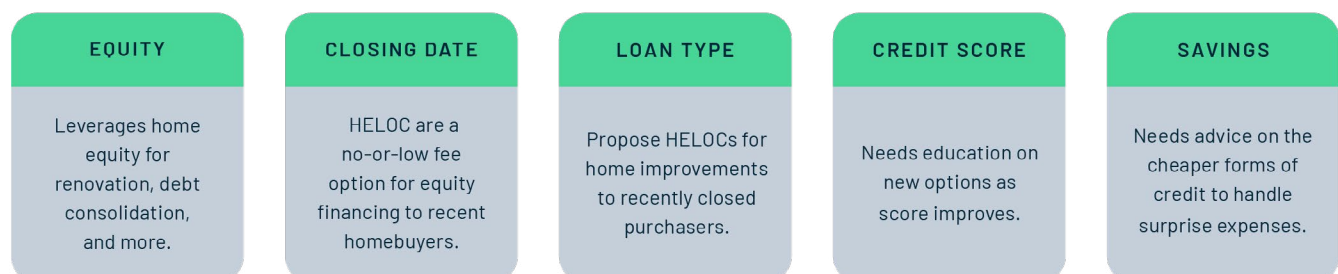
of consumers  
use equity loans,  
down from  
3% in 2020.

### 3 | How can banking organizations identify prime HELOC candidates in their data?

Consumers wanting to use equity financing can either obtain a low-or-no fee, floating-rate HELOC that can be used at any time, or obtain a cash-out mortgage refinance with a fixed rate with an origination fee. With so many homeowners so recently paying an origination fee for a new mortgage – many at historic low rates – many consumers will prefer an equity line to a new fee and higher 30-year mortgage rate. Banks and credit unions can use data to identify customers or members with the following five data sets.



### 4 | What need/motivation can lenders use to nurture HELOC candidates?



# Sources

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