

Rules for home equity line of credit change depending on mortgage, loan

By Ilyce Glink and Samuel J. Tamkin
Tribune Content Agency

Q: My home will be paid off in February. My bank recommended that I obtain a home equity loan now and told me that if I waited until after it was paid off I'd lose 30 percent of my equity in my house. I'm only using the cash for debt consolidation, so I don't immediately need the money. Any suggestions? Interest rates are low now, but seem to be rising.

A: First of all, you won't lose any equity in your home if you refinance now or later. We don't even understand why someone would tell you that. Perhaps you misunderstood the message the lender was trying to give you.

If your home is worth \$250,000 now and the home is worth \$250,000 in six months, your equity is what your home is worth less any debt on the home. So, your equity increases as you pay down the mortgage you have on your home. Once your loan is paid off, the entire value of the home is the equity.

However, rules relating to home equity line of credit change depending on whether a home has a mortgage (or not) and on the

type of loan you plan to apply for.

We think that the lender you were talking to will give you a home equity line of credit of a certain amount, given the value of the home when you have a mortgage, but will give you a lower amount if there is no mortgage on the home. We can't speak to why lenders make up the rules this way, but sometimes these rules can be better for a borrower when they have a mortgage than when they don't.

Let's use an example of a lender and a home valued at \$300,000 with a \$50,000 mortgage. That lender may have a rule where the bank can give a home equity line of credit of up to 70 percent of the value of the home less any mortgage. This particular lender may be willing to give a homeowner a home equity line of credit of \$160,000. The same lender may have a rule that states that the lender can only give a home equity line of credit of up to 50 percent of the value of the home if there is no mortgage. So, in this second scenario, the home equity line of credit could be at most \$150,000.

Remember, we're not using actual rules but giving you an example of how some

rules can work. Talk to the lender and see what terms they're offering you for the home equity line of credit or home equity loan now, compare those terms with other lenders, and see what works for you.

That lender may be right, and today might be a good time for you to take out the loan. But if the rules don't matter because the loan amount you'd want would be less than what they could give you today, or in the future once you are mortgage-free, it may not matter when

you take out the loan. But what should matter are the costs and fees in obtaining whatever loan you choose, and the interest rate that loan carries.

It sounds to us as though the lender is trying to get you to sign on the dotted line as quickly as possible (and maybe he'll get a bigger bonus if he makes quota by month's end). But what you should do is shop around and find a lender you can trust to give you the deal that's right for your personal situation.

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COMMERCIAL LISTINGS

\$3,800 MO LEASE
FORMER CUMMINS NORTHWEST TRUCK REPAIR. 3 drive through bays, 1 with 16' overhead door, 2 with 14' overhead doors, 1 space with 9' overhead door. Office, break room, 2 bathrooms, air, storage. Ample parking, room to drive around entire building. Potential for full service automotive/truck service. Near freeway, motel, food, Walmart. **Jeff Farley 541-969-9539cell. #17696772**

\$1,200 MO LEASE
COMMERCIAL RETAIL SPACE LOCATED IN THE HEART OF PENDLETON ON MAIN STREET. Beautifully remodeled exterior blending in perfectly with the historic downtown. Parking lot near the rear entrance. 750 sf(m²) mezzanine for office, etc. Basement area for storage. 2 bathrooms. Nice open space perfect for retail or office. Near many landmark businesses. **Jeff Farley 541-969-9539cell. #17250013**

\$995,000
THIS WAS THE HOSPITAL MEDICAL OFFICE BUILDING. 25,509 +/- sf of office building on about 1.3 acres (subject to land partition and government approval). 3 floors, lobby with elevator, modern steel construction, many bathrooms, offices, reception areas. Up to 212 additional acres available. A tremendous value at a fraction of the cost to build. Located on the East entrance to town, high traffic count and visibility. **Jeff Farley 541-969-9539cell. #17401904**

\$630,000
COMMERCIAL RETAIL LOCATION IN DOWNTOWN PENDLETON. Building for sale only, business will remain under an existing lease. 15000 Sq.ft main building on 1.47 acres with 3 outbuilding for additional storage or truck parking. This is a prime, long term established, high traffic building across from the Umatilla County Court House. Perfect for retail, commercial or storage. Please allow 24 hour notice, qualified buyers only. **Kevin Hale @ 541-969-8243. #17508571**

\$595,000
PILOT ROCK COMMUNITY PRESBYTERIAN CHURCH IN PILOT ROCK, OR. 2 buildings. Church built in 2010 with 7,488 sf(m²), zoned R1. School/class rooms built in 1954 with 7,440 sf(m²), zoned C1. Connected by breezeway. 2 tax lots. This excellent property could be used in many ways. Check with city for zoning information. Property is in excellent condition. Seller will consider selling buildings separately. **Jeff Farley 541-969-9539cell. #17261025**

\$520,000
ENTIRE CITY BLOCK in core of downtown Pendleton. 3 buildings (3 tax lots), old tri-cinema (10k sf), old D&G Gifts (4k sf), 3rd (1569 sf), 20K+ (2 tax lots) parking lot. Prime downtown location with great visibility. **Jeff Farley 541-276-0021. #16603169**

\$475,000
MAJOR PRICE REDUCTION
EASY FREEWAY ACCESS. 1.52 acres that can be subdivided, power & water at street for vacant lot. 6,000 sf(m²) commercial building includes 3 offices, kitchen, and handicap accessible

restroom w/shower. Warehouse has concrete flooring, truck door for loading, 2 man doors, and extra storage in loft. Forced air gas heat/cool. Building is metal with a metal roof for easy upkeep. Nicely landscaped. **Cari Volger 541-377-5058cell. #16273028**

\$410,000
NEW ONE TAX LOT WITH 2 BUILDINGS, nsale excludes tenants property. 1st building 1800 sf(m²), 2nd building 1500 sf(m²). Both buildings are currently leased. Lease information available to qualified buyer. **Marsha Morgan 541-377-5152cell. #17646906**

\$289,900
COMMERCIAL BUILDING next to River on high traffic street. Great for professional, retail, tourist oriented business and more. 3548 sf(m²) on main floor, plus full basement and 2nd story space. On-site parking. Attractive rock facade. Call **Vicki Dick 541-969-9441cell. #17253884**

\$199,000
REDUCED ZONED M-1, COMMERCIAL PROPERTY, APPROX. 5,000 SF. 7 units, sizes and rents vary. Rental details in file, some offices are vacant. Tenant's personal property not included in sale of property. Parking spaces in front of bldg. Newer (2005 approx.) 25 yr. rubberized roof. Tenants pay their own utilities and are responsible for any glass damage. **Marsha Morgan 541-377-5152cell. #17335668**

\$195,000
NEW/COMMERCIAL COMMERCIAL 2 STORY BRICK OFFICE BUILDING WITH BASEMENT. 2 separate sides that can be used as 1 business or 2 separate businesses. Kitchen area plus lots of space for storage. Gas heat and cool. Building is located close to downtown Pendleton with easy access, paved lot for off street parking. **Cari Volger 541-377-5058cell** for more information and to schedule a showing. **#17041466**

\$135,000
PILOT ROCK MAJESTIC, HISTORIC BRICK COMMERCIAL BUILDING LOCATED ON MAIN STREET, PILOT ROCK, OR. Restaurant on main floor, 2 bedroom 2 bath apartment upstairs. Tenants would like to stay. Potential for additional apartments. **Marsha Morgan 541-377-5152cell. #17258860**

\$132,000
UKIAH SUPPLY STORE IN UKIAH. Family owned business since 1988. Store w/office, restrooms on 100'x66' lot. All inventory, excluding liquor & pepsi and coke coolers, are included in sale of business. Purchaser must apply for their own liquor license. Certified woodstove plus electric heat. 2 freezers in store and 1 freezer in back, 8'x20' refrigerated container for wild meat. Business income information available to pre-qualified buyer. **Marsha Morgan 541-377-5152cell. #17043912**

\$109,900
PRICE REDUCED LOCATE YOUR BUSINESS with the greatest concentration of retail and business activity. High traffic counts and zoned C-1 with many business uses permitted. Corner lot with 100' frontage off of Emigrant. **Kevin Hale 541-969-8243cell. #12422421**

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LOTS & LAND

PREMIER COMMERCIAL LOTS AVAILABLE. Directly across Hwy 395 from the new hospital. SW 37th Extension is complete and the access road to the north side of these lots is also completed with SW 32nd Place. All utilities installed. Lots are ready to develop or build to your needs. Prime location for commercial and business development, take advantage of the increased traffic flow and ease of access. Lots available from 6.73 acres @ \$7.00 s.f., 1.27 acres @ \$8.50 s.f., 75 acres @ \$8.50 s.f., 45 acres @ \$8.50 s.f. with a total of 9.2 acres available, all can be adjusted to suit your needs. **Kevin Hale 541-969-8243cell. #11336593**

\$507,650
BARE GROUND ONLY, SITE OF OLD ST. ANTHONY HOSPITAL. Zoned service commercial which allows multi-family. Great visibility right on SE Court/Hwy 11 with high traffic count. East Gate to Pendleton. Lot size is negotiable. Subject to partition and governmental approval. Great commercial location perfect for apartment building, office, retail, etc. 25,509 sf(m²) office building adjacent to land for sale. **Jeff Farley 541-969-9539cell. #17199145**

\$350,000
HERMISTON 6.29 ACRES OF GROUND ZONED RSC. (Retail Service Commercial), between K&R Road and Hwy 395. Includes a 1280 sf(m²) home, 2 bed, 1 bath. Huge potential for a business location with excellent access. Ideal for storage units, RV park, retail or other commercial business. Owner willing to carry contract with 35% down and good credit. **Jerry Baker 541-969-6378cell. #16251826**

\$295,000
SOUTHCATE COMMERCIAL LOT. Be located in this premier traffic and business area. This vacant lot is adjacent to the Pediatric Clinic and offers full utilities at the curb and a ready to build site. Where else can you have access to thousands of potential clients who walk and drive by every day? Buyer to do due diligence for conforming I-1 uses. **Carolyn Rovier 541-969-8243cell. #17347319**

\$260,000
NEW/108+ ACRES
BEAUTIFUL 108 ACRE PARCEL on Weston Mountain. Very private cabin location, with foundation and outbuildings already there. Power, septic and well already there as well. Buildable with county permitting. Portions in timber and CRP. Wildhorse Creek runs through the south end of the property, north end has great views of Pine Creek. **Jerry Baker 541-969-6378cell. #17323680**

\$200,000
NEW/48+ ACRES/WESTON 48.89 ACRE PARCEL OFF HWY 204. Owned by Camp Meadowood. Buildable acreage, partially timbered with gravel and dirt access roads. Call **Jerry Baker 541-969-6378. #17350558**

\$199,000
REDUCED 17.1 ACRES ON HWY 395 SOUTH OF PENDLETON. This acreage has 5.7 acres of water rights and can be divided into two parcels. Located just to the west of the Hwy 395 bridge over McKay Creek, below McKay Dam, this offering is close to town and has direct access to Hwy 395. Seller will have some setbacks' building instructions for the north property line. **Kevin Hale 541-969-8243cell. #15607806**

\$195,000
245.89 ACRES STUNNING 246+ ACRE PARCEL. Great building site with unbelievable views overlooking the Umatilla River with wide open country for miles. Very private, power/home near home site. Property is full of wildlife and far from the hustle and bustle. Upstream from Echo, Or. One of Oregon's newest wine towns, this area is a quiet retreat to Hermiston and Pendleton. Great potential! **Jeff Farley 541-969-9539cell. #17350502**

\$136,500
REDUCED/3.31 ACRES LOOKING FOR A LOCATION TO BUILD YOUR DREAM HOME? Look no further. This 3.31 acre parcel has 2 acres of water rights and an existing barn on Jerico Lane. Overlooking the McKay Creek/McKay dam valley, this is an ideal location to enjoy a mini farm or just a little more elbow room. **Kevin Hale 541-969-8243cell. #17064763**

\$125,000
PENDING/WESTON MTN. 19.06 ACRES NEAR MEADOWOOD along Hwy 204 on Weston Mtn. Mostly timbered property, very private and beautiful. Can be sub-divided and is buildable. **Jerry Baker 541-969-6378cell. #17350579**

\$99,900
NEW PRICE 4.2 ACRE PARCEL IN THE RIVERSIDE AREA. Power available as well as city water/sewer. The entire area is fenced and is on the reservation. The south half is level, the north half is sloped. Absolutely buildable for a single family home or sub-dividable to build numerous homes, as well as a prime opportunity for a contractor to build much needed apartment complexes. Perfect land extension for homes already bordering the property. **Jerry Baker 541-969-6378cell. #17552695.**

\$99,900
RARE RESIDENTIAL LOT - 9.71 acres overlooking the Umatilla River, downtown Pendleton and the Blue Mountains. Conveniently close to town yet offers country like feel. Access on private road, utilities are nearby. This lot will make you think about building a new home. Zone R2. Priced to sell. **Jeff Farley 541-276-0021. #13112258**

\$85,000
NEW/ISLAND CITY 94 acre lot zoned Light/Industrial to build your business. Nice location, easy access and utilities are available on the property. Currently has grandfathered rights for single use type homes on half of the property. Buyer to do due diligence for conforming I-1 uses. **Carolyn Rovier 541-786-0822cell. #17347319**

\$69,900
ADAMS 2.42 ACRE LOT, 240 S. Old Highway 11, between Old Highway 11 and Wildhorse Creek Rd. Approved to build, manufactured home okay. Horses okay. **#17337155**

\$69,900
ADAMS 2.41 ACRE LOT, 220 S. Old Highway 11, between Old Highway 11 and Wildhorse Creek Rd. Approved to build, manufactured home okay. Horses okay. **#17337155**

\$60,000
REDUCED/COVE COVE/LOOKING FOR A GREAT LOCATION TO BUILD YOUR DREAM HOME? This 2.51 acre lot has lots of potential with beautiful views of the mountains and the valley below. Enjoy the amenities of the beautiful town of Cove. **Carolyn Rovier 541-786-0822cell. #16585741**

\$59,900
NEW/LINCOLN MNT. WESTON MOUNTAIN Abundant timber on road. Power at road. Abundant merchantable timber on this secluded mountain property. Year around access with area plow service and road maintenance. **Vicki Dick 541-969-9441cell. #17189491**

\$59,900
ADAMS 1.64 ACRE LOT, 140 Old Highway 11, between Old Highway 11 and Wildhorse Creek. Approved to build, manufactured home okay. Horses okay. **Jerry Baker 541-969-6378. #17048860**

\$54,900
REDUCED/ACREAGE BEAUTIFUL MOUNTAIN PROPERTY only minutes away from Pendleton. 7.32 acres along Old Emigrant Road. Great views and very private.

Buildable upon securing a conditional use permit from Tribal Planning. Zoned G-1. Call **Jerry Baker 541-969-6378cell. #16042939**

\$45,000
GREAT VIEWS/1.49 ACRES ON 2 CITY TAX LOTS. Zoned for stick built or manufactured home. City sewer and water to property. Call **Carl Volger 541-377-5058cell** for more information. **#13575330**

\$32,900
PENDLETON CITY LOTS! All one price! Let us place a brand new KIT double-wide manufactured home for you. Some lots have sold, call for availability, sizes vary. Call **Marsha Morgan** to look at floor plans & the home of your choice & colors at 541-377-5152cell.

\$32,000
ROYAL RIDGE LOT. Top quality homes in this area help to maintain the value of your home. Owner has top map for the buyer to site their home on the lot. Unobstructed views of the Blue Mountains. This is a wonderful lot to build on. **Kevin Hale 541-969-8243cell. #16526653**

\$29,900
REDUCED/PILOT ROCK/1.14 ACRES GREAT VIEW LOT perched on the hill in a nice location in Pilot Rock on 1.14 acres with the potential of dividing/developing. Sewer is available at the bottom of lot. Perfect for building your dream home with the potential of partitioning up to 3 additional lots to offset costs. Property broker owned. **Jeff Farley 541-276-0021. #16497070**

\$29,900
NEW/UKIAH MOVE TO THE MOUNTAINS and build your dream home. Enjoy watching the wildlife! 1 stop light small town living in Ukiah. Quiet and peaceful, great for retirement or vacation home. \$1500.00 City costs for water/sewer hook-up. You will be responsible for line installation to street. Columbia Power Company will give \$2000 towards new service credit installation. Call **Marsha Morgan 541-377-5152cell. #17670035**

\$29,500
BUILDABLE LOT IN RICE ADDITION. Large oversized lot, graded for a daylight basement. If you are ready to build, be sure to check this lot out. **Call Kevin Hale 541-969-8243cell. #15120074**

\$29,000
READY TO BUILD LOT. 6510 sf(m²) on a quiet cul-de-sac. This flat lot has all City services and utilities. 3520 NE King Place. Easy access to Highway 11. **Kevin Hale 541-969-8243cell. #16391568**

\$28,000
ACRES, 4 LOTS TO BE SOLD AS 1. Buyers to do their due diligence per permits to bring power, water and sewer to property. **Marsha Morgan 541-377-5152cell. #17696365**

\$15,500
REDUCED/ATHEN 14 ACRE/ HIGH STREET/ATHENA. **Jerry Baker 541-969-6378 #17285968**

\$15,000
NEW LARG CORNER LOT ON A CUL-DE-SAC FEATURING A GORGEOUS VIEW OF THE TOWN OF PENDLETON - along with magnificent sunsets! Ready to build with utilities available at the street. **Molly Webb 541-969-4188cell. #17154566**

\$12,000
REDUCED MAGNIFICENT VIEWS AND BEAUTIFUL SUNSETS AWAIT! This vacant lot at the end of a cul-de-sac is ready to build with utilities available at the street. **Molly Webb 541-969-4188cell. #17486227**

\$5,000
NEW VACANT LOT on the corner of SW Isaac Ave. and SW 10th. Lot is land locked. **Carolyn Rovier 541-786-0822cell. #17249364**