

## Understanding Home Equity Products Interactive Training

### WHY AND WHEN TO SELL A SECOND

Getting up to speed with second mortgages is easy as 1, 2, 3!

1. Become familiar with Chase product lines.
2. Check owner and property eligibility.
3. Use worksheets to calculate the numbers.

Then, process the application and reap the rewards!

### WHY? Benefits of Home Equity

#### Chase Second Mortgages

A home equity second may provide the simplest and best solution for your customer. It's quick, it's flexible, and it's accessible. A cash-out refinance does not offer the flexibility of a second. So, before engaging in a total refinance, explore and discuss the benefits of adding a second mortgage with your customers. Don't overlook what may be the perfect solution.

What makes a second mortgage a better choice? The answer is simple. A second mortgage provides:

- A revolving financial resource to your customer.
- Quick and easy access to cash.
- A low rate tax deduction.

## **Benefits to Your Customer**

Take a moment to consider the reasons why your customer might want a Chase home equity second.

“I was able to consolidate my credit card debts and gain a tax deduction at the same time.”

“I wanted to fix up my house and this was so quick and easy.”

“My line of credit on my home gives me a sense of financial security I need in these uncertain times.”

“My existing Home Equity Line of Credit saved me from financial ruin when I lost my job and just needed some money for a few months.”

Look at all the customer benefits a second mortgage can provide:

- Easy access to cash
- Quick to close
- Tax deductible interest (in most cases)
- Flexible to use as needed
- Take advantage of low interest rates
- Keeps first mortgage in tact
- Avoids mortgage insurance required
- Use for debt consolidation, home renovation, secondary education, major purchase, investment
- Security against loss of employment or medical expense

## **Benefits to You**

Your proficiency in second mortgages makes you more competitive among other lenders.

- You can offer a service others may not even mention, and help your customer with a quick close.
- Your happy customers will talk and your professionalism will mean new business with new and existing clients.
- Your success means more sales commissions!

For a little extra effort, your expertise in second mortgages can mean great rewards!

## When to Sell a Second

**Putting It All Together:** You will be most effective if you understand when to offer your customer a second mortgage and can tell them why they will benefit. Select a scenario to see the solution and the benefits for your customer.

### High LTV Purchase/Refinance

If the loan-to-value ratio is high ... offer a way to reduce monthly interest premiums to keep monthly payments lower and increase buying power.

<p><b>Solution: EASYCLOSE</b> Simultaneous application and closing of first mortgage and home equity second line or loan</p>	<p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>○ avoids high PMI premiums</li> <li>○ lower monthly payments</li> <li>○ increases buying power</li> </ul>
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### Low LTV Purchase/Refinance

If the loan-to-value ratio is low ... offer a way to access the equity in their home without closing costs.

<p><b>Solution: EASYCLOSE</b> Simultaneous closing of first mortgage and Chase HELOC</p>	<p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>○ access to equity in home</li> <li>○ no closing costs</li> </ul>
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### Jumbo Purchase/Refinance

For a jumbo customer ... offer confirming pricing with minimal or no additional costs.

<p><b>Solution: EASYCLOSE</b> Simultaneous closing of a conforming first mortgage and home equity second line or loan</p>	<p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>○ conforming pricing for your jumbo customer</li> <li>○ minimal to no additional costs for the second mortgage</li> </ul>
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### Low Rate Existing Mortgage

For an existing mortgage ... offer access to equity with a low interest rate, minimal or no closing costs, and a potential tax deduction.

<p><b>Solution: Standalone</b> Home equity line or loan independent of first mortgage transaction</p>	<p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>○ low rate</li> <li>○ minimal/no costs</li> <li>○ potential tax deductible source of funds</li> </ul>
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