

Unlock your home's potential

A Simple Guide to HELOCs & Home Improvement Loans

Learn how your home's equity can help fund renovations, repairs, and other financial goals.



Introduction

Your home can help fund your next project

Your home isn't just where you live; it can also be a powerful financial tool.

Whether you're planning renovations, consolidating debt, or covering major expenses, your home's equity may give you access to flexible, affordable financing.

This guide will help you understand:

- Home Equity Lines of Credit (HELOCs)
- Home Equity Loans
- How home equity works
- What lenders look for before approving a loan
- How to avoid common borrowing mistakes





Suzanne Milton

Mortgage Loan Originator

Suzanne joined Great Erie in 2023 and brings over 11 years of experience in the banking and financial industry. She previously spent five years at Owners Choice Funding—our trusted mortgage partner—gaining valuable expertise that now benefits our members directly. Suzanne is dedicated to guiding borrowers through the home-buying process with knowledge, care, and personalized support.



Fayda Hathaway

Vice President of Lending

With nearly a decade of leadership at Great Erie, Fayda brings vision, strategy, and heart to her role as VP of Lending. She spearheads the development of innovative lending solutions, oversees loan operations and risk management, and ensures our products truly meet members' needs. Known for her approachable style and deep industry insight, Fayda is also a passionate mentor—supporting and empowering the Lending Department team to deliver an exceptional member experience at every step of the journey.



Mike Mangino

Mangino Home Improvements

Mangino Home Improvements (MHI), founded in 2012, is a family-owned contractor serving Western New York. Led by Cullen and Caylor Mangino, the team specializes in kitchens, bathrooms, basements, additions, and full home builds. Known for integrity and personal attention, MHI delivers high-quality work and remains a trusted resource for homeowners—backed by Platinum Certifications and an A+ BBB rating.

Learn more at manginohomeimprovements.com



About Great Erie Federal Credit Union

Great Erie Federal Credit Union is a member-owned, not-for-profit financial cooperative proudly serving Western New York since 1952. We're committed to helping our members achieve their financial goals through personalized service, competitive products, and a community-focused approach.

At Great Erie, you're not just a customer, you're a member and part of a cooperative built on trust, value, and people helping people.



Why homeowners borrow

Big plans for your home?

Many homeowners use financing to improve their homes and their quality of life.

Common reasons include:

- Renovations and upgrades
- Major repairs
- Debt consolidation
- Education expenses
- Emergency costs



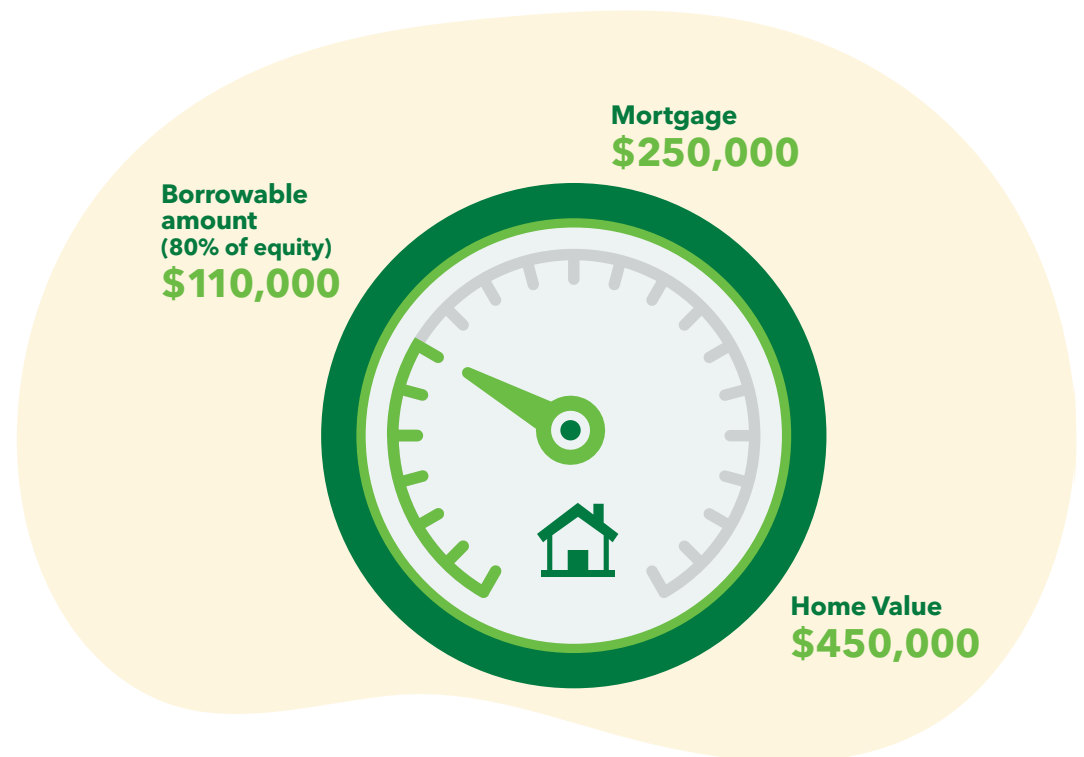
What is home equity?

Home equity is the portion of your home that you truly own.

It's the difference between your home's market value and what you still owe on your mortgage.

Home Value - Mortgage = Equity

Great Erie allow borrowers up to 80% of that equity to finance improvements or other major expenses.



What is a HELOC?

A Home Equity Line of Credit lets you borrow from your home equity when you need it.

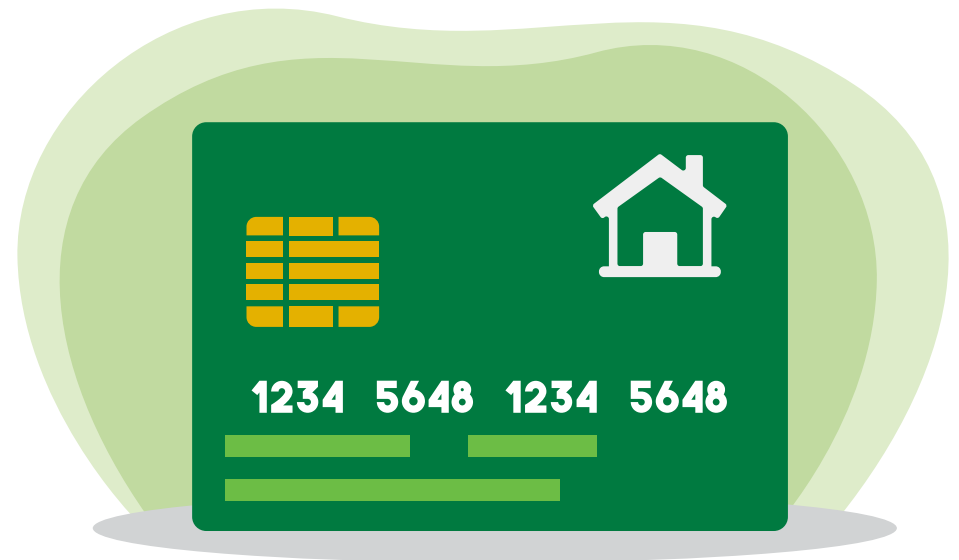
It works like a credit card secured by your home. You're approved for a credit limit based on your home equity, and you can borrow from it when needed.

Key features:

- Borrow only what you need
- Pay interest only on the amount you use
- Flexible access to funds
- Often lower rates than credit cards or personal loans
- No annual fee

Common uses:

- Home renovations
- Major repairs
- Education expenses
- Emergency expenses



What is a home equity loan?

A home equity loan is a traditional loan used specifically for renovations or repairs. It provides a lump sum for a specific project.

These loans are often used for:

- Kitchen renovations
- Bathroom upgrades
- Roof replacement
- Windows, HVAC, or energy upgrades

Unlike a HELOC:

- You receive a fixed lump sum
- You have predictable monthly payments
- Interest rates may be fixed



Comparing your options

Before borrowing, it helps to understand your options.

Loan Type	Best For
HELOC	Ongoing or flexible spending
Home Equity Loan	Specific renovation project
Cash-Out Refinance*	Large projects or debt consolidation
No Cash-Out Refinance	Lowering your interest rate
Personal Loan	Smaller home upgrades

Suzanne, Great Erie's Loan Originator, can help you determine which option makes the most financial sense.

Call Suzanne at 716.662.1311, Option 6/Lending Dept.
or email her at smilton@GreatErieFCU.com

* **Cash-out refinance** is when a homeowner replaces their current mortgage with a new, larger mortgage and receives the difference in cash based on the home's equity.

It's often used to fund major expenses such as home renovations, debt consolidation, education costs, or other large purchases—usually at a lower interest rate than credit cards or personal loans.

The process requires an application, income and credit review, a home appraisal, and closing paperwork (similar to getting a new mortgage).

The lowest interest rate isn't always the best loan

Many borrowers focus only on the rate, but Suzanne wants people to look at the full cost of borrowing.

Important factors include:

- Closing costs
- Loan fees
- Adjustable vs. fixed rates
- Length of repayment
- Payment flexibility

Sometimes a slightly higher rate with **lower fees or more flexibility** can be the better financial choice.

What lenders look at

Before approving a loan, lenders evaluate several factors.

These typically include:

- Your credit score
- Shows how reliably you've repaid debt.
- Your home equity
- How much of your home you actually own.
- Your income
- Your ability to make monthly payments.
- Debt-to-income ratio; how much debt you already have compared to income.

Preparing these ahead of time can make the application process smoother.

Small changes...

like paying down a credit card balance, can sometimes improve loan options significantly!



Common questions before applying

Know before you borrow.

Homeowners often ask:

- How much can I borrow?
- Will this affect my mortgage?
- Are interest rates fixed or variable?
- Are there closing costs?
- How long does approval take?



Common mistakes to avoid

Borrowing against your home is a big financial decision.

Avoid these common mistakes:

- **Borrowing more than you need.**
Just because you qualify doesn't mean you should take the full amount.
- **Not comparing loan options.** Different loan types can save you money depending on your project.
- **Ignoring repayment plans.** Understand what your monthly payments will be.
- **Using equity for short-term spending.**
Home equity is usually best used for long-term value or financial stability.



Smart uses for home equity

Many homeowners use equity to make improvements that increase their home's value.

Popular projects include:

- Kitchen remodels
- Bathroom upgrades
- Finished basements
- Energy-efficiency upgrades
- Outdoor living spaces

Some projects can increase resale value while improving how you enjoy your home today.



Is borrowing against your home right for you?

Ask yourself:

- Will this project improve my home's value or functionality?
- Can I comfortably afford the payments?
- Am I choosing the best loan option?

If the answer is yes, using your home equity may be a smart financial move.



A contractor's perspective on your home improvement

Every successful home improvement project starts with a clear vision for how you want your space to look and function. The most important role a contractor plays is guiding you through that vision with honesty, clarity, and trust. The right contractor listens closely, sets clear expectations through detailed proposals and contracts, and keeps communication open every step of the way, so you always feel informed and confident in the process.



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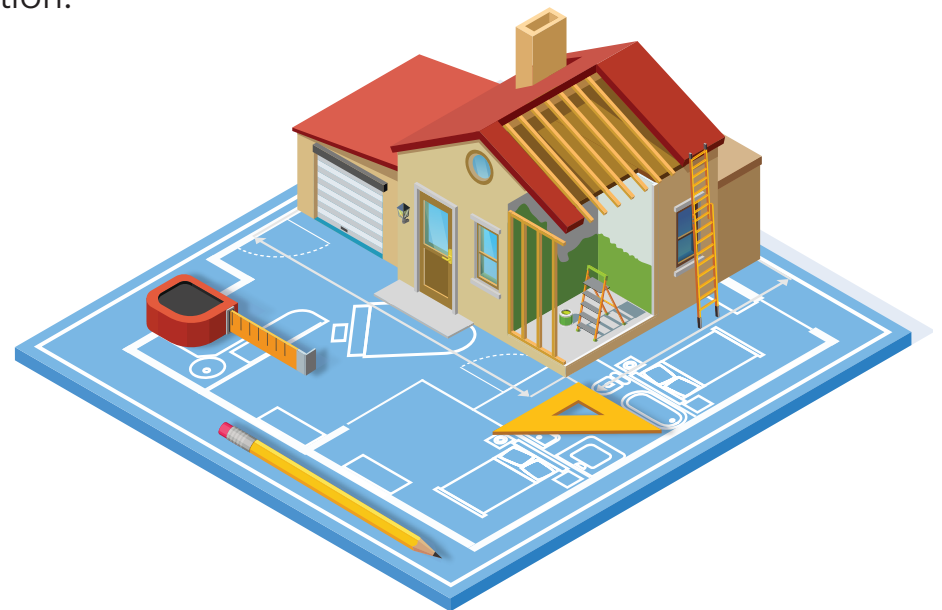
1. Understanding your project vision

Pre-Construction Consultation & Planning

Before materials are ordered and work begins, you'll sit down to discuss what you want your home to become. Mangino Home Improvement will help you define clear goals—your must haves, long-term plans, and areas where you may be flexible. This early conversation makes sure nothing gets missed and helps create a smooth, realistic plan from the start.

Focused on affordability and long-term functionality

- Review architectural plans, engineering details, and specifications.
- Provide recommendations on layout, structural elements, energy efficiency, and long-term durability.
- Assist with budgeting, allowances, cost expectations, and builder proposals.
- Educate on what to expect at each stage of construction.



2. What to look for in a contractor

Finding the right contractor means choosing someone who represents your best interests. Experience, credentials, and communication style matter. Mangino Home Improvements encourages homeowners to ask questions, compare options, and understand the value behind each estimate.

“The best price does not mean that your job will be done correctly, efficiently, or last a life-time.”



3. Contract and proposal review

Understand exactly what you are signing

- Analyze the contract line by line.
- Identify missing details, vague language, or items that could result in surprise costs.
- Review timelines, payment schedules, warranties, and change-order procedures.
- Help negotiate terms when appropriate.
- Confirm that all structural, mechanical, and finish choices are clearly documented.

Not all estimates are created equal. Mangino Home Improvement walks you through the details so you understand exactly what you're paying for—no surprises or confusing contractor jargon.

A clear estimate gives you peace of mind and helps you budget confidently with Great Erie.



4. Your contractor as your project hub

Understand exactly what you are signing

From permits to timelines, Mangino Home Improvement coordinates the many moving parts of serving as your project hub to keep everyone aligned.

- Clear communication with you from start to finish
- Coordinating subcontractors, schedules, and inspections
- Quality Control Inspections (On-Site Visits)
- Managing expectations and minimizing surprises
- Ensuring the work meets local codes and quality standards
- Final Inspection & Completion Check
- Ongoing Support After Move-In

“They make the process feel manageable—not stressful.”



5. Managing the construction rollercoaster

Home improvements bring big emotions—excitement, anticipation, impatience, and sometimes anxiety. A good contractor prepares you for the ups and downs so you feel supported through every phase.

- What to expect during demolition and construction
- Handling delays, discoveries, or changes calmly
- Staying connected through updates and walkthroughs
- Ensuring you feel confident and informed from start to finish



Why many homeowners choose Great Erie

Great Erie often offer advantages that traditional banks may not.

Great Erie members benefit from:

- Competitive interest rates
- Lower fees
- Flexible lending options
- Personalized guidance
- Local decision making

Some projects can increase resale value while improving how you enjoy your home today.

You don't need to figure this out alone.

Because credit unions are member-owned, their focus is helping members succeed financially.

Banks, by contrast, are for-profit institutions that must prioritize returns for shareholders, which can influence pricing, fees, and lending decisions.



Education helps members make better financial decisions.

Great Erie offers:

- Free financial consultations
- Loan comparison guidance
- Workshops and on-line education
- First-time borrower education

Talk with Suzanne

Every homeowner's situation is different.



Suzanne can help you:

- Understand your home equity
- Compare loan options
- Estimate payments
- Choose the right financing strategy

Start the conversation today and explore how your home can help fund your next project.

Call Suzanne at 716.662.1311, Option 6/Lending Dept., or email her at smilton@GreatErieFCU.com

