

Can I get a HELOC on my Rental Property?

By Isaac Benmergui, Esq

Getting a home equity loan on your rental property may be a little harder than finding a bank who is willing to lend to you based on the value of your residence. That's because rental properties are a little more expendable, so they represent a higher risk. However, once you find a bank that is willing to work with you, the process is similar to getting a HELOC on a personal residence.

First, find a few different lenders who will be willing to work with you on your rental property. Compare their processes, fees, and requirements, and decide which bank you are most comfortable with.

Next, you need to collect the information on your current loan, as well as your credit report, and proof that you will be able to pay both your first and second loan payments. You will also need to be able to show that you have at least 20 percent equity in the home already to act as a buffer against falling home prices and market fluctuations. You may also need to provide a current appraisal and inspection of the home to the lender.

If you are selling the home in the near future, you may consider interest-only or adjustable rate loans, but if not, a loan with a fixed rate will be the way to go. Remember, with a HELOC, you don't get the full amount all at once. You're given a draw period during which time you can take out what you need. You don't have to use it all if you don't need it.

Call [Miami Real Estate Lawyer Isaac Benmergui](#) at 305.397.8547 and set up a no charge, no obligation consultation to discuss your case. We have close to 10 years of experience handling Real Estate, Personal Injury, Immigration and Commercial Litigation cases throughout Miami and South Florida, and will use our expertise to help your case to the best of our abilities.