



# HELOCs are expected to drive mortgage lending growth in 2025

Leverage the Mortgagebot suite to approve home equity lines of credit in minutes and close them in as few as 5 days.



// HELOCs give homeowners tremendous flexibility to borrow what they need, when they need it. They’re the single-best growth opportunity in the mortgage industry today.”

Mary Kay Theriault  
Senior Director Product Management, Finastra

14%

US homeowners using a HELOC today<sup>1</sup>

\$320K

Average amount of equity homeowners possess<sup>2</sup>

7.25%

Predicted average HELOC interest rate for 2025<sup>3</sup>



## Why are HELOCs popular with homeowners now?

Home equity lines of credit represent one of the best ways for homeowners to finance home improvements and non-real estate purchases. With record amounts of equity available to homeowners, HELOCs are attractive because of their:



### Flexibility

Use the line as much or as little as needed; borrow and repay and borrow again whenever convenient. This is an attractive option for significant periodic expenses such as college tuition, medical bills, and consolidating higher cost debt.



### Cost

HELOC interest rates are frequently lower than home equity or cash-out refi loans which are tied to longer-term market rates. And personal loans / credit card rates average well over 20%, making them much less attractive for larger purchases. But HELOC rates can jump both up and down, so borrowers must be prepared for some volatility.



### Equity impact

HELOCs are commonly used to finance home improvements which can increase the value of the home.



### Tax advantages

When used for real estate purposes such as home improvements, HELOC interest expense may be tax-deductible.

## Finastra can help you build your HELOC portfolio efficiently and profitably.

Leverage Mortgagebot’s market-leading, time-tested, fully-digital solution that delivers results fast.



Accelerate time to close with Finastra’s state of the art hand-in-glove POS LOS integration



Leverage a highly-efficient process featuring fully configurable application paths in synch with your underwriting preferences



Provide customers an elegant, intuitive POS experience that enables them to submit required documents with the ease of a mobile phone interface



Deliver instant approvals via **PowerApprove**, Finastra’s rules-based mortgage loan underwriting engine



Keep customers engaged and improve application completion rates with real-time loan status messaging

1. <https://www.experian.com/blogs/ask-experian/research/homeowners-tap-helocs-as-interest-rates-rise/>  
2. <https://www.cbsnews.com/news/heloc-interest-rate-pros-and-cons-to-know-for-2025/3>  
3. <https://www.bankrate.com/home-equity/why-more-people-are-taking-out-helocs/>