

SAN DIEGO, Oct. 26, 2013 /PRNewswire-iReach/ -- LoanLove.com is a borrower advice website that provides detailed insights into the mortgage industry in a fun and entertaining way. The team at LoanLove.com is devoted to help empower both first time and experienced homeowners with valuable resources, first-class knowledge and connections to top-rated industry professionals and has the mission of helping consumers and borrowers to obtain the latest information on mortgage lending trends, the real estate market and the U.S. financial landscape in order to help them obtain a home loan that they will love. Loan Love's many guide videos and articles are catered to the needs and inquiries readers may have regarding the mortgage world. One of these articles is now featured on the Loan Love website, titled "Cash Out Refinance vs Home Equity Loan (Key Differences)." In this article, Loan Love assesses the [cash out refi vs heloc](#) debate while helping loan borrowers understand the benefits (and drawbacks) associated with both loans.

First, how a cash out refinance loan distinguishes itself from a home equity line of credit can be seen in few ways. Loan Love gets straight to the point in explaining the differences between the two with the following statement from their article: "First thing to know: While both a refinance loan and a home equity loan will let you access your [home's equity](#) , they differ in the way they "attach" themselves to your property. A refi loan is simply a brand-new mortgage that replaces your old mortgage, while a home equity loan is a loan in addition to your existing mortgage. That means that with a home equity loan, you'll still be paying your regular mortgage and you'll also need to pay the monthly payment for your home equity loan."

How this can benefit loan borrowers is further explained in the article: A home equity line of credit for instance, is generally preferred over a cash out refinance loan for the lack of closing costs attached to them. Loan Love says: "Home equity loans have no closing costs, and that can mean a savings of hundreds – even thousands – of dollars compared to a cash-out refinance loan, which typically comes with all the same closing costs as a purchase mortgage."

Meanwhile, a [cash out refi loan](#) supports lower interest rates as a loan. Being a first-position

loan, or in other words the primary loan of a borrower's home, shopping for a cash out refinance loan is the same as shopping for any other mortgage loan. This gives loan borrowers access to the same low interest rates as well.

Before loan borrowers get too hasty with shopping for the first loan product they can find however, Loan Love advises readers to examine a few things such as budget limitations. There is no point in taking a [home equity loan](#) if a loan borrower will be weighed down with additional payments added alongside previous mortgage loans that are too much to handle. In addition, a cash out refinance loan may not be for everyone. The article reads:

"Likewise, if you don't have plans to stay in your home for several years, paying all those closing costs that are associated with a refi loan may not make sense either. And if you've been paying on your home for a long time – say, 20 years of a 30-year mortgage – it may not make sense to refinance either, since you'd be at the point where your payments are being applied mostly to the principal (in plain English, you'd be building equity more quickly)."

What's important to remember is that researching each loan while shopping and crunching in numbers with a mortgage calculator can help loan borrowers immensely. Taking time to do these steps can often help save a lot of money for loan borrowers in the end. For more information, please visit LoanLove.com for the full [cash out refi vs. heloc](#) article.

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