THE TAX PICTURE

Smart Borrowing Means Lower Rates, Tax Break

(NAPSA)—When faced with an unexpected financial need, where should you turn for that extra cash? A) Credit cards B) An installment bank loan C) Dip into savings D) Rich relatives. For many financially responsible homeowners, the smart answer should come as no surprise: None of the above.

"Many people aren't aware of the money-saving and tax advantages that make a home equity line of credit the smart way to meet financial obligations," said Jerry Selitto, CEO of DeepGreen Bank, a federal savings bank conducting business nationally over the Internet at www.deepgreenbank.com. "Because so many people would benefit from the extra savings found in a home equity line, it's hard to understand why anyone would rely on credit cards or other higher-interest vehicles to finance major purchases."

In fact, many financial experts agree that the smartest way to meet an unexpected expense, pay for home improvements, or consolidate debt is through a home equity line of credit, a multi-purpose loan that allows homeowners to borrow at lower interest rates and gain valuable tax deductions. Additionally, home equity lines can be used for a wide range of purposes, and provide easy and fast access to cash when the financial need arises.

Why a Home Equity Line of Credit? While a home equity line can provide low-interest cash for major purchases, it can also be used for almost any expense, including home improvements, tuition, and even cars, boats or

vacations. Unlike higher interest credit cards or installment loans, the interest on a home equity line is usually tax deductible. A home equity line of credit also allows you to borrow only the amount you need, when you need it, unlike a loan that commits you to a monthly payment whether you use the funds or not.

Smart Borrowing Saves You Money. Let's say you need $25,000 to pay your child's college tuition and add a bathroom to your home. Compared with a credit card or installment loan, using a home equity line to pay for these expenses could save you thousands of dollars in interest payments alone. Here's how: On a $25,000 home equity line, your interest for the year would be approximately $1,112 (DeepGreen Bank's home equity line is currently 4.45 percent), and you would save even more because this interest is usually tax deductible.

However, putting this $25,000 on a credit card would likely mean paying double digit interest rates (national average on a gold card is about 15.55 percent), which translates into $3,887 a year in interest payments alone.

All Home Equity Lines Not Created Equal. While a home equity line of credit is the choice of smart homeowners, the DeepGreen Bank Home Equity Line of Credit is a better and smarter choice for more than one reason:

Better Rates: DeepGreen Bank's rates are always at least .05 percent below *The Wall Street Journal* prime rate, the rate that banks charge their most creditworthy customers.

No fees: DeepGreen Bank does not charge application fees, appraisal fees, closing costs, annual fees or prepayment penalties. Remember, though, in some states, regardless of the lender, borrowers may be required to pay state recordation taxes or other fees.

Speed and Ease: Applying for a DeepGreen Bank home equity line can take less than three minutes, and loan decisions are usually provided in less than two minutes, as opposed to days or weeks with other lenders.

Convenience: DeepGreen Bank's home equity application is entirely paperless, can be closed whenever you want, 24/7, in the comfort of your own home, and can be accessed with the bank's Platinum VISA debit card or checks.

DeepGreen Bank is an Equal Housing Lender whose accounts are insured by the FDIC. To learn more about the money-saving and tax advantages of a DeepGreen Bank Home Equity Line of Credit, homeowners should visit www.deepgreenbank.com.