



Is a Home Equity Investment Right for You? A Self-Assessment Checklist

Answer each question honestly. The more "yes" answers you check in Section A, the stronger the case for an HEI. The more "yes" answers in Section B, the more you should consider alternatives first.

Section A: Signs an HEI could be a good fit

<input type="checkbox"/>	Question	Why it matters
<input type="checkbox"/>	Do you have at least 20-40% equity in your home?	Most HEI providers require this as a minimum to qualify.
<input type="checkbox"/>	Have you been declined for a HELOC, home equity loan, or cash-out refinance?	HEIs have more flexible credit and income requirements than traditional lenders.
<input type="checkbox"/>	Is your credit score below 620?	Some HEI companies accept scores as low as 500. Traditional lenders usually require 620+.
<input type="checkbox"/>	Are you self-employed or have non-W2 income?	HEI providers are often more flexible with income documentation than banks.
<input type="checkbox"/>	Do you want to avoid monthly payments entirely?	HEIs require no monthly payments. You settle when you sell, refinance, or the term ends.
<input type="checkbox"/>	Do you have a low-rate mortgage (under 4%) you want to keep?	An HEI lets you access equity without triggering a refinance at today's higher rates.
<input type="checkbox"/>	Do you need cash in the next 2-4 weeks?	Many HEI providers fund faster than traditional lenders.
<input type="checkbox"/>	Do you plan to stay in your home for 5+ years?	Longer timelines give you more flexibility on when to settle the agreement.



Section B: Signs you should explore alternatives first

<input type="checkbox"/>	Question	Why it matters
<input type="checkbox"/>	Do you have good credit (680+) and stable W2 income?	You likely qualify for a HELOC or home equity loan, which may cost less over time.
<input type="checkbox"/>	Is your local market appreciating rapidly (8%+ per year)?	Giving up a share of appreciation in a hot market can cost significantly more than loan interest.
<input type="checkbox"/>	Do you plan to sell your home within the next 1-3 years?	Short timelines mean you will settle the HEI soon, potentially giving up equity you need for your next purchase.
<input type="checkbox"/>	Do you need more than 30% of your home's value?	Most HEI providers cap payouts at 10-30%. A cash-out refi may unlock more.
<input type="checkbox"/>	Do you value knowing your exact total cost upfront?	HEI costs depend on future home values, which are unpredictable. Loans have fixed or calculable costs.
<input type="checkbox"/>	Are you comfortable taking on a fixed monthly payment?	If monthly payments are manageable, traditional equity products are usually cheaper long-term.

How to read your results

- **Mostly Section A:** An HEI is likely worth exploring. Start by reviewing the [top HEI companies](#) to compare offers, and check the [credit score requirements](#) for your situation.
- **Mostly Section B:** Traditional home equity products may serve you better. Compare [HELOC](#) and [home equity loan](#) options first.
- **Mixed results:** Your situation has nuances. Read our full [HEI guide](#) and consider getting quotes from both HEI providers and traditional lenders so you can compare real numbers side by side.