

The Power of Financing Home Repairs

Buying a house is the American dream, but it is also a financial investment. Unfortunately, home repair costs often keep homeowners from protecting what is likely, their most significant asset. You may have a home improvement budget, but it isn't enough to cover major repairs. Replacing an air conditioner, for instance, could cost several thousand dollars for even the most inexpensive unit/handler.

Financing home repairs is a viable way of protecting your investment.

According to the *Joint Center for Housing Studies of Harvard University's Leading Indicator of Remodeling Activity*, "*Strongly accelerating growth in home improvement and repair spending is expected heading into 2017.*" [\[1\]](#)

Where do you fall within that statistic? Perhaps you're like many homeowners who are opting to fix up homes to increase home equity while also creating curb appeal. Don't let the lack of a home improvement budget or exorbitant home repair prices daunt you. Loans for home improvement are a practical option for homeowners short on cash but have pressing home repair needs.

Finance Options

Study your finance options to discover which is the least expensive and advantageous to pursue.

Credit Cards

Financing home repairs with a credit card is an option. However, before placing the repairs on the card, calculate the interest to weigh the end cost. If you have a low-interest credit card, even one with 0% interest for six months to a year, and you can pay off the debt within that timeframe, then using the credit card to make the repairs might make sense rather than waiting to have the cash on hand.

Home Equity Line of Credit

You can use your home as collateral to finance home repairs. A home equity line of credit is a revolving source of funds, allowing homeowners to borrow and pay back as many times as necessary within a draw period. Sometimes, interest on a home equity loan is tax deductible, often lower than most unsecured financing sources. Talk with your financial institution to determine if you qualify for a home equity line of credit.

FHA Title I Improvement Loan Program

The FHA Title I Improvement Loan Program is an option for homeowners who need significant home equity. The [Federal Housing Authority](#) (FHA) backs this loan, available through banks and other qualified lenders that make the loans possible through their funds. The loan has a few stipulations. Luxury items are excluded, and the loan cannot be

used for completed work. It is available to use for contract work and do-it-yourselfers, too. For DIY projects, often only materials are covered. Speak with the lender to find out what is and isn't covered.

An important note about the [FHA Title I Improvement Loan Program](#) is that it is available to homeowners who want to make their homes more accessible for a disabled family member: making it wheelchair accessible with wider doors, ramps, lowering cabinets and countertops, etc.

You needn't put off repairs. You can afford to protect your investment through financing, and Isley's has specific recommendations for financing your home improvement projects.

[1] http://jchs.harvard.edu/robust-remodeling-growth-anticipated-re-benchmarked-lira?_ga=1.189050411.1600567367.1464070717