**[xxx] If You Hated Math in School... (Email #5)**

{FIRST NAME}, meet Equity.

As you might already know, Equity is the dollar-value difference between what you owe on your mortgage and the current value of your property.

In simple terms: if you have bought your home for $100,000 and have paid 50% of your mortgage off, then your debt on that home is circa $50,000.

Vastly oversimplified? Yes, but bare with me for just one second here.

Now imagine that, now, your home gets valued at $200,000… great investment - now you’re in business!

So if you take your outstanding $50,000 debt off of the current valuation you’re left with $150,000 in home equity.

Sweet.

You have several options now, one of them is refinance for an amount greater than what you owe on your home currently.

This way, you can receive the difference in a cash payment. This is how the cash-out refinancing works...

Now you can take some of that equity out and put it to good use!

For example: you could make your home worth even more by investing your money in a new kitchen, or maybe even a swimming pool…

Cheers,

{REAL NAME FROM CLIENT COMPANY}

**P.S.**

Continuing on the four Cs theme.

First of all… Credit.

Well, this one’s the more simple one of the bunch.

But… just because you have excellent credit of 800 doesn’t mean that you can skip ahead with no paperwork.

You still have to prove how much you earn and where your assets come from.

Tomorrow I’ll give the next “C”, or, Capacity (DTI).

I’ll also explain both ends of DTI…

Both ends?

You’ll see.