

HOME EQUITY PROTECTION

Your home is one of the biggest investments you'll ever make. Learn how you can protect its value no matter what shape the housing market is in. CONTACT US TODAY: Tel: (703) 739-9300

What Protection Does it Offer?

The purchase of a home represents a substantial investment. Unfortunately, like many other investments, its value is contingent on outside factors. Your home's value is directly affected by the health of the housing market. To help safeguard your investment, home equity protection takes the value of your home at the start of your policy and, when it comes time to sell, will cover the difference if market factors cause your home to lose value.

Why Do I Need Protection?

In recent history, the housing market has taken a significant hit, with no guarantee that the worst is over. While the market goes up and down naturally, you may not always have the option to wait for improved market conditions before selling. In situations like this, a down market can translate to a significant loss on the sale of your home. With home equity protection you can make sure your investment will hold its value even if you have to sell during the worst of times.

How Does It Work?

Home equity protection takes the current value of your house at the time when your policy starts and establishes it as the protected value. When you sell your house, if market factors cause its value to decline, you are eligible to file a claim under your home equity protection coverage.

When filing a claim, two requirements commonly apply:

1. Your home must sell for less than its protected value
2. The average market value of local homes must have declined as reported by an independent home price index

The final amount that you can recoup from a home equity protection claim is based on the difference between the protected value of your home and the percentage that the local home price index has declined.

Home equity protection coverage is meant to guard against market value fluctuations only. The insurance does not cover loss of value resulting from anything other than current market conditions. Additionally, there may be some exceptions that you need to be aware of. As always, to review your policy with your broker to make sure you are getting the coverage that you need.

Is Home Equity Protection Right For Me?

While home equity protection can provide peace of mind to any worried homeowner, it is especially helpful for those who foresee the possibility for a move in the near future.

New Opportunities - Life can change rapidly—if you need to move for a new job or other opportunity, you can do so without concern for your home's value.

Life Changes - Home equity protection allows you to make an investment in your future without feeling trapped. When you're ready to start the next chapter of your life with a new home you should be able to, without worrying if the market is right to sell.

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