Frequently Asked Questions

All of your All In One Loan questions answered all in one place.

Q1: What is it?

A1: The All In One Loan is a 30-year, first lien home equity line of credit (HELOC) with a 30-year draw period and an integrated zero-balance sweep-checking account. It provides borrowers the opportunity to more effectively use their income dollars to drive down their principal balance faster and significantly lower their monthly and lifetime interest payment expense, while keeping their funds securely liquid for regular spending needs. It can be used to finance 1-to-4 unit residential properties through a home purchase or mortgage refinance and is available for primary residences, second homes and investment properties.

Texas Homestead Properties: For primary residences in Texas (Homestead Properties) the All In One Loan is structured slightly differently to comply with state constitutional rules, but offers the same enormous advantages. The primary differences are described below:

- 30-year term loan with a 25-year draw period
- Any remaining balance owed after year 25 is amortized and paid over 5 years
- The checking account is linked to the HELOC and not a zero-balance sweep-checking account
- Minimum advances from the HELOC are $4,000.00

Q2: How does it work?

A2: Deposits made into the integrated checking account lower loan principal through a feature known as "sweep" which credits the funds to the HELOC balance automatically. In other words, deposited money lowers the mortgage balance by the same amount. That money remains securely available 24/7 for bills and expenses, the same way all other common checking accounts do. But prior to being spent, they are used by the All In One Loan to lower monthly interest payment expense. Interest is computed nightly on the lower principal balance, then totaled once the month ends. That becomes the interest payment which is drafted automatically from the

HELOC on the 21st of the following month. If the 21st falls on a weekend or holiday, the interest payment is drafted the next business day. Through regular monthly banking activity, the principal balance and interest expense can lower much faster than a traditional mortgage.

Texas Homestead Properties: For primary residences in Texas (Homestead Properties) the All In One Loan functions slightly differently to comply with state constitutional rules:

- Deposits remain in the linked checking account and do not 'sweep' to the HELOC
- Money needed for near-term expenses can be kept in the checking account for use
- Money not needed for near-term expenses can be transferred from the linked checking account to the HELOC to lower loan principal and monthly interest payment expense
- Advances from the HELOC to the checking account can be made at any time over the 25-year draw period at a minimum of $4,000.00 per advance
- Interest payments are not drafted from the HELOC but rather remitted directly to the loan servicer by the 21st of each new month
- A checking account auto-payment set-up form is included with loan documents for borrowers to complete
- Monthly interest payments can be remitted from any other bank or financial institution of the borrower's choice
- After year 25 the payment on any remaining balance is amortized and will include both principal and interest in 60 monthly installments

Q3: What can it help borrowers achieve?

A3: The purpose of the All In One Loan is to reduce lifetime interest expense and provide borrowers greater control of their pay-off timing and use of home equity dollars, without changing their monthly budget or relying on interest rates. Cashflow positive borrowers can payoff their balance potentially decades sooner compared to a traditional mortgage and save tens of thousands of dollars in interest in the process. Many borrowers also use their All In One Loan to invest in additional properties.

Q4: What comes with the checking account?

A4: The All In One Loan checking account comes with all the same features you're accustomed to with a traditional bank account, including ATM Debit Point-Of-Sale (POS) VISA card access, checks, bill-pay, external account transfer, direct deposit, mobile banking and much more. It's a complete checking account with a team of customer service agents to rely on if ever you have questions about your account.

Q5: Why doesn't every bank or lender offer something similar?

A5: The All In One Loan has helped several thousands of borrowers advance their housing goals more flexibly and strengthen their overall financial health, every year, since its release in 2005. Unfortunately, mainstream banks may view the program as a threat to their ability to leverage customer deposits and many lenders lack the determination to market a product that requires more consumer education than traditional financing. Additionally, traditional HELOC products aren't designed to accelerate mortgage payoff. This is what makes the All In One Loan so unique.

Q6: How does the lender offering it benefit?

A6: The All In One Loan has proven to lower risk of borrower delinquency and default compared to traditional mortgages and is valuable because it develops a longer-lasting relationship with customers due to its extended draw-period. With so much built-in flexibility and savings opportunities, it is engineered to potentially be the last loan needed on the home is it used to finance and can be used to fund other major objectives, in and outside of real estate.

Q7: Can it be used to finance investment properties?

A7: Yes. It can be used to finance primary residences, second homes and investment properties. Check with your licensed Loan Officer for more details.

Q8: Does it make sense to have more than one?

A8: It depends on the situation. In most cases, having one All In One Loan in place can be very advantageous and help pay down multiple mortgages. Savings can be farmed from a property with the All In One Loan and used to lower principal on a conventional mortgage on another property more aggressively while making faster progress on both. In other cases, it may also make sense to obtain more than one All In One Loan due to the level of cash-flow a borrower has.

Q9: Is the interest rate fixed?

A9: The All In One Loan is not a fixed-rate mortgage. Instead, of offers a variety of options, including a monthly adjustable, three-year fixed-rate and five-year fixed-rate, to choose from. Term options are defined by the occupancy of the home being financed.

Q10: Aren't adjustable-rate mortgages risky?

A10: The All In One Loan isn't your typical adjustable-rate mortgage that amortizes your payments and principal reduction. For cash-flow positive borrowers it is designed to generate savings even if the rate rises. That's because the key to lowering the cost of borrowed money is lowering the amount owed (in which interest is computed) as well as reducing the time in debt. The faster loan principal is repaid the greater the savings. As an example, a 2.500% mortgage designed to pay-off in 30-years is more expensive than a 10.000% mortgage that pays-off in 5.

Q11: Which index is used?

A11: The One-Year Constant Maturity Treasury Rate (CMT) is the index used to set the interest rate. This index is a measure of yield from one-year treasury bonds recently auctioned by the U.S. Treasury and is has been a broadly used benchmark rate within the lending industry for decades.

Q12: When is the index updated on the loan?

A12: The One-Year Constant Maturity Treasury Rate (CMT) index is updated on the last business day of each month. The most recent available value published on the Board of Governors of the Federal Reserve System website (https://www.federalreserve.gov/releases/h15/) is used for the following month.

Q13: Is the index volatile?

A13: The One-Year Constant Maturity Treasury Rate (CMT) moves independently from most mortgage rates and trends similarly with the Effective Federal Funds Rate and monetary policies set by the Federal Open Market Committee (The Fed). The Fed regularly meets each year and makes critical decisions that influence the nation's economic growth and money supply. For more information about the index speak with a licensed Loan Officer and visit the All In One Loan Interactive Comparison Simulator.

Q14: What are the margins available?

A14: A variety of margin options are available with All In One Loan financing and are defined by the occupancy of the property. Speak to a licensed Loan Officer for more details.

Q15: Can the margin adjust?

A15: No. The margin is fixed over the duration of the loan's term and will not adjust.

Q16: Is there a rate cap?

A16: Yes. There is both a floor-rate and a ceiling cap. The floor-rate is determined by the occupancy of the home being financed while the ceiling-cap is 6.000% above the initial rate when the loan closes. Additionally, the five-year fixed option comes with subsequent adjustment caps of 2.000% on months 61 and 62.

Q17: What rate will I be charged?

A17: The rate used to compute daily interest on the monthly adjustable All In One Loan is the sum of the margin and the current monthly index, never to be lower than the floor rate, nor higher than the maximum rate (cap). For the three-year and five-year fixed options, the initial rate is fixed for the associated term, then becomes a monthly adjustable for the remaining of the term, never lowering below the floor-rate or higher than the maximum rate (cap).

Texas Homestead Properties: For primary residences in Texas (Homestead Properties) the All In One Loan is structured slightly differently to comply with state constitutional rules:

- After year 25, beginning on month 301, the interest rate converts becomes fixed at the same rate as month 300, for the remaining 60 months (5 years). Any balance owed is amortized and paid in equal monthly installments. Borrowers can pay ahead of schedule but cannot access home equity money.

Q18: Isn't my low-rate mortgage better?

A18: It depends on your management of your income and idle cash. If you routinely spend more than you earn and use credit to supplement expenses, then a standard traditional mortgage may be more suitable. If you are cash-flow positive and possess financial discipline, the All In One Loan may offer life changing benefits. Remember, interest rate is only one-third of the cost equation. The principal balance owed and the length of time it takes to repay are the other two-thirds and can have a much greater impact.

Q19: Is there a way to compare its benefits to a traditional mortgage?

A19: Yes. The All In One Loan Interactive Comparison Simulator is engineered to analyze total interest cost and pay-off timing results compared to a traditional mortgage. It is available online and is easy to use. Ask your licensed Loan Officer details.

Q20: Who will service my loan?

A20: The All In One Loan is serviced by a specific bank partner who provides all the account features for your use. The bank is selected during the application stage and will be outlined by your Loan Officer.

Q21: Is there a balloon payment?

A21: No. The All In One Loan has no balloon payment or pre-payment penalty.

Q22: How is the line of credit limit structured?

A22: The approved credit limit remains unchanged for the first 10 years, then reduces each month by 1/240th thereafter. This unique structure keeps money liquid and available for use for an extended period compared to traditional HELOC products and ensures a comfortable paydown.

Q23: How are interest payments made?

A23: Interest payments are the cumulative sum of each day's interest throughout the monthly billing cycle. Once the month ends and daily interest is totaled, the payment is drafted from the All In One Loan HELOC on the 21st of the new month automatically. If the 21st falls on a weekend or holiday, the draft rolls-forward to the next business day.

Texas Homestead Properties: For primary residences in Texas (Homestead Properties) the All In One Loan is structured slightly differently to comply with state constitutional rules:

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Q24: Should I put all my extra income in it?

A24: Unless you can earn more interest on your income in other accounts than you pay on your mortgage, it may make great sense to use most, if not all your extra income, to lower your principal balance. It is really up to you how you want to use and benefit with the All In One Loan.

Q25: Is the loan process similar to a traditional mortgage?

A25: Yes. The process follows industry standards and practices. Speak to your licensed Loan Officer for more details and obtain an estimate of fees.

Q26: Can multiple borrowers be on the account?

A26: Yes. Credit standards allow for multiple borrowers to apply for one loan. Non-occupying co-borrowers are not allowed when financing is being applied to a primary residence or second home. All borrowers on the loan application will receive access to the All In One Loan account and non-borrowing authorized users can be added in order to gain access.

Q27: How long does set-up take after closing?

A27: Once an All In One Loan funds, the account set-up process begins. Borrowers receive a "Congratulations and What To Expect" letter electronically delivered over secured email messaging, within about 72 hours after closing. Bank cards and information regarding accessing the account online and through the mobile App is included in a packet mailed by the Loan Servicer within about 30 days.

Q28: Can an authorized user be added to the account?

A28: Yes. Authorized users are allowed and can be added once the account set-up is completed.

Q29: What happens to the line of credit when the balance is paid-off?

A29: If the loan balance is paid to zero, the All In One Loan HELOC remains open and available for use for the remainder of the term. It does not close unless requested. If closed, the borrower will receive their Deed Of Trust.

Q30: Can one All In One Loan HELOC be used to finance more than one property?

A30: No. The All In One Loan is secured by the one property it is being used to finance.