Wealth Builder
First Lien HELOC
External FAQ

This document is designed to help you, our valued TLS Partner, confidently explain, position, and originate the **Wealth Builder** loan with minimal need for back-and-forth. If questions arise, please reach out to your dedicated **TLS Sr. Account Executive**.

Q: What is Wealth Builder?
A: Wealth Builder is a first-lien HELOC product that combines a mortgage and a checking account into one. It is structured as an open-ended line of credit that allows borrowers to **pay off their mortgage faster**, **reduce interest**, and **access equity** on demand.

It features:

- Nightly *sweep account* integration to apply deposits directly to principal
- 30-year term
- No amortized schedule — borrower controls the payoff timeline
- Available for purchases, rate/term, and cash-out scenarios

Q: How does Wealth Builder help borrowers save money?
A:

- **Reduces daily interest accrual** via nightly sweep of deposits
- **No mandatory amortized payment schedule** – borrowers control their payment strategy
- **Early payoff is possible** - as little as 9 years (even quicker in some situations) vs. 30 years traditionally
- **Available credit remains accessible** for future draws

Q: What are the minimum borrower requirements?
A: **FICO:** Minimum 700 (higher for larger loan amounts or LTVs)

DTI: Max 43%, with reserve requirements

- **Income:** Bank statements and VOE accepted; no tax returns required unless needed to clarify income

Q: What is the minimum draw amount?
A: $150,000

Q: What is the Maximum draw amount?
A: 99% of the line of credit amount

Q: What's the max loan amount?
A: Up to $3.5MM per borrower (aggregated exposure)

- Max LTV varies by occupancy and credit score (see Eligibility Matrix)

Q: What is the qualifying Rate?
A: Note Rate (Current Index + Margin)

Q: What types of properties are eligible?
A: Primary (1–4 Units) | Second homes (1–4 Units) | Investment properties (1–4 Units) | Condos, PUDs

Q: Maximum number of loans per borrower
A: One of each of the following property types: Primary, Secondary and Investment (3 total)

Q: Maximum aggregated loan amount per borrower?
A: $3,500,000

Q: Is the product available in Texas?
A: Texas Primary Homestead HELOCs are **COMING SOON**. Investment and second home properties in Texas are currently eligible.

Q: Where is the product available?
A: All states except for Hawaii, Illinois and New York

Q: How is the credit limit determined?
A: Based on LTV, FICO, and property type

- Once set, limit remains unchanged for 10 years
- Reduces monthly by 1/240th during years 11–30

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Q: What is the rate structure?

A: The initial rate is based on the 30-day compounded SOFR, set on the first business day of the month in which the loan closes, plus the LO-selected margin.

    - Index + Margin = Initial Rate

- Margins range from 2.50% to 4.00% and are tied to the base price before adjustments for LTV, FICO, line amount, property type, and/or occupancy.
    - Higher margin = higher base price.
- The product is 1-month adjustable. (*Fixed-rate options for 1-year and 3-year terms are expected in 2026.*)

Q: What are the characteristics of a loan that would make a Loan Officer price in a higher margin for the base price?

A: Generally, margins range from 3% to 4%. In some cases, using a lower margin may result in the borrower paying discount points in addition to the origination fee.

Lower margins are more common when the loan qualifies for LLPAs that provide favorable pricing—either through positive adjustments or by avoiding price reductions.

Factors that typically lead to higher margins include:

- Property type: Condos, second homes, and investment properties are often paired with higher margins because LLPAs reduce the base price.
- Credit and LTV: Lower FICO scores combined with higher LTVs generally result in higher margins.
- LO strategy: Some LOs choose higher margins regardless of file characteristics to earn YSP on the backend while still charging origination, given the uniqueness of this product.

Q: Is there a prepayment penalty?

A: No prepayment penalties apply. Borrowers can pay off at any time.

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Q: What are the turn times for this product?

A: The turn times for the Wealth Builder do vary from the traditional TLS Products. Please allow 24 hours for TLS to review the last conditions and an additional 48 hours for the investor to review. Once a clear to close is issued, allow 48 hours for closing documents. This cannot be rushed

Q: How is Wealth Builder disclosed?

A: As an **open-ended line of credit**

- Functions like a credit card with transparent draw terms
- Disclosures highlight the flexibility and variable repayment method

Q: What is the typical underwriting turnaround time?

A: Initial UW turn time is "Advanced" and will follow the turn times based on this definition as shown in the Welcome Tab on the TPO Portal.

Q: What should I know about closing docs and funding timelines?

A:

- Loans can **fund and record up to 5 business days into the next month** using prior month's SOFR
- Questions about docs: email your **assigned closer** as shown in the TLS TPO Portal

Q: What fees should I disclose?

A:

- $1,995 Underwriting Fee
- Any applicable broker or third-party fees

Q: Are there any other fees that I should talk to the consumer about?

A: Yes, there is a annual fee of $99.00 (some states may be less)

Q: Are there calculators or comparison tools available?

A:

Yes! Try the **Loan Comparator** on the TPO Portal > Specialty Tab > Equity Access Suite to visualize the potential savings for the consumer

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Q: Where do I find guidelines, forms, or updated matrices?
A:

- Visit the **Forms & Guides** tab in the portal
- **Download:** Product Guidelines, Eligibility Matrix, Fact Sheets, and User Guide

Q. What happens after the loan closes?

A: The consumer will receive a debit card, a checkbook, and full online access to their new account. The borrower will manage it the same way you manage any checking or savings account. They can view transactions, pay bills and move money as needed.

Q. How does the borrower use the account for their monthly expenses

A: Most borrowers set up their regular monthly debts to be auto drafted from the Wealth Builder First Lien HELOC account. This includes items like car loans, insurance, and student loans. When those payments are processed, they are drawn from the line of credit. Everything stays organized in one place.

Q. Can the borrower deposit their paycheck into the account?

A: Yes. Many borrowers set up their payroll to deposit directly into the First Lien HELOC / Wealth Builder account. This is where the benefit starts to show. When these deposits are higher than the monthly expenses, the extra amount reduces the principal balance right away. The borrower(s) money works for them as soon as it hits the account.

Q. Does the borrower have to use this First Lien HELOC for all of their monthly expenses?

A: No. They can keep their current checking account and move money into the Wealth Builder account whenever they choose. This gives them control. One month they may want to apply all leftover funds to reduce your principal. Another month they may want to apply less. They decide how aggressive they want to be.

Q. Do some borrowers use the Wealth Builder account for all expenses

A: Yes. Some borrowers choose to run every expense and deposit through the first lien HELOC. Others use a mix of both accounts. Either way works. The system gives them flexibility to manage their cash flow in a way that fits their lifestyle.

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Q. Why would a consumer consider this instead of a traditional 30 year mortgage

A traditional 30 year mortgage only applies a small part of each monthly payment to your principal. Most of the early years go toward interest. With Wealth Builder, every dollar above your monthly expenses reduces your principal immediately. This means the borrower(s) build equity faster. The borrower can shorten the time it takes to pay off their home. They stay in control of how quickly they reduce their balance. The structure helps them take advantage of their normal income and spending habits without changing their lifestyle.

Q: Who do I contact with additional questions?

A: Your **dedicated TLS Sr. Account Executive** is your go-to resource for program, scenario, or pricing questions.