

# FIGURE

MODEL CUSTOMER PROFILE

## Susan and Paul New Haven, Connecticut

SAMPLE ONLY – NOT A REAL CUSTOMER



**Susan and Paul are proud of their hard work, raising two children in this coastal city that dates back to Puritan times. They have maintained solid incomes and great credit ratings, but a recent series of events has increased the amount of debt they're carrying.**

Last winter, Susan, the office manager for a thriving dental clinic here, had to take 3 months off work after sustaining a bad leg fracture after slipping on ice. Paul has steady income at the building maintenance division at a nearby university, but with one child in high school and another in college, they need both incomes to break even.

Susan found a credit card that offered a zero percent teaser rate, and put about \$8,000 of living expenses and physical therapy on that card. The rate will reset to 21% in a few months. Paul still had about \$5,000 on another credit card, some of it related to child-care expenses, which he rolled into the zero-rate credit card.

Earlier this summer, the roof in their home began to leak during a bad rainstorm and ruined their HVAC system. Fixing the roof and replacing the HVAC equipment cost \$10,000. Paul found a 5-year personal loan at 11.5% to cover that expense.

She recently checked and their 3-story colonial has risen in value, to \$335,000. They have been making their mortgage payments for years and she and her husband now have \$145,000 of equity in the house. **Susan and Paul were approved for a 5-year \$23,200 Figure Home Equity Line at 8%.**

Now that Susan is back at work, she and Paul set up a plan to eliminate their debt.

**Here's how the numbers work:**

Susan and Paul have **\$13,200 credit card** at 21% and **\$10,000 personal loan** at 11.5%.

They will pay **\$21,471.31 in interest** paying off that debt.

Instead, using their home equity to pay off that debt, they will pay only **\$5,175.48 in interest for savings of \$16,296.**

The monthly charges for this loan (including the 3% origination fee, making the total \$23,896) are \$484.52, the exact same monthly amount they're paying for their credit card and personal loan.

Using the proceeds from that home equity loan, Susan and Paul pay off both credit cards and the personal loan. Over the life of the home equity loan, they will pay \$5,175.48 in interest.

**By leveraging their home equity, Susan and Paul will save \$16,296 in interest payments, and pay off all their debt about 5 years faster.**