# How to Calculate *Home Equity*

Home equity is the portion of your home you truly own. It's calculated by taking the value of your home and deducting any outstanding debt on the property, usually your mortgage.



## THE FORMULA

1



### FIND YOUR HOME'S VALUE

This is the current market value of your home, usually determined by a professional appraisal or a comparative market analysis.

2



### SUBTRACT YOUR OUTSTANDING DEBT

Deduct the amount you still owe on your mortgage and any other liens on the property (such as a home equity loan or home equity line of credit).

3



### YOUR HOME EQUITY

The result is the amount of equity you have in your home.

## EXAMPLE

**HOME VALUE**

Your home is valued at

**$250,000**

**OUTSTANDING MORTGAGE**

Your remaining mortgage balance is

**$150,000**

**HOME EQUITY**

Your home equity is

**$100,000**

In this example, a home valued at $250,000 with an outstanding mortgage of $150,000 would have $100,000 in equity.

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