



NEWS RELEASE

Nearly 30% of Homeowners Considering Home Equity Loans Amid High Interest Rates and Economic Uncertainty

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New MeridianLink survey reveals affordability concerns and knowledge gaps as top barriers to home equity lending

COSTA MESA, Calif.--(BUSINESS WIRE)-- According to new survey data from **MeridianLink, Inc.** (NYSE: MLNK), a leading provider of modern software platforms for financial institutions and consumer reporting agencies, nearly three in 10 (28%) American homeowners are considering taking out a home equity loan or HELOC in the next 12 months. This marks a notable 7% increase compared to 2022, reflecting a shift in consumer sentiment despite lingering concerns about affordability, repayment risks, and knowledge gaps.

This nationwide survey of roughly 1,500 homeowners builds on MeridianLink's **2022 home equity trends survey**, providing a comparative view of how homeowner sentiment has shifted over time. In 2022, just 21% of respondents were likely to take out a home equity loan, showing consumers are growing increasingly likely to leverage these products. Affordability, however, is a major concern for the 54% of homeowners that remain hesitant to home equity lending, with high interest rates (63%), worries about risking homeownership (22%), and uncertainty about repayment terms (18%) deterring potential borrowers.

"Homeowners recognize the potential of home equity lending, but many are still on the sidelines due to financial uncertainty and lack of education about their options," said JP Kelly, SVP of Mortgage at MeridianLink. "This presents an opportunity for financial institutions to bridge the gap by simplifying the lending application process, improving education on home equity products, and offering more competitive, flexible options."

Other key findings include:

- Convenience and personalization are critical to borrowers. While affordability remains key, 41% of respondents emphasized the importance of a seamless, tailored experience. Speed of approval, digital tools, and personalized service ranked among the top factors borrowers consider when choosing a lender.
- Home improvement remains the top motivator. Among those likely to borrow, 45% cited home renovations as their primary reason, followed by investing in new properties (16%) and debt consolidation (16%).
- A lender's reputation plays a crucial role in borrower decision-making. While interest rates remain important, 43% of homeowners cited trust and reputation as key factors in choosing a lender. Borrowers are looking for institutions that not only offer competitive rates but also provide a seamless, transparent, and reliable lending experience.
- Understanding of home equity lending is improving, but gaps remain. More than half (53%) of homeowners rated their understanding of home equity lending as strong, an improvement from 43% in 2022. However, 23% admitted to an incomplete understanding of these products, indicative of the need for continued education.
- Financial institutions can look to boost adoption by simplifying the process and offering flexibility. Lower interest rates (68%), more flexible repayment options (36%), and an easier application process (18%) were identified as the top factors that would increase the likelihood to borrow.

The findings highlight the critical role financial institutions can play in demystifying home equity borrowing and removing barriers to access. Through digital lending innovations, enhanced educational resources, and a focus on borrower-friendly experiences, lenders can look to drive higher engagement and adoption of home equity products.

MeridianLink enables financial institutions to streamline the home equity lending processes and improve consumer engagement and education through its cloud-based platforms, **MeridianLink® Mortgage** and **MeridianLink® Engage**. For additional insights from the survey, and to learn more about the benefits of MeridianLink solutions, download the full report [here](#).

ABOUT MERIDIANLINK

MeridianLink® (NYSE: MLNK) empowers financial institutions and consumer reporting agencies to drive efficient growth. MeridianLink's cloud-based digital lending, account opening, background screening, and data verification solutions leverage shared intelligence from a unified data platform, MeridianLink® One, to enable customers of all sizes to identify growth opportunities, effectively scale up, and support compliance efforts, all while powering an enhanced experience for staff and consumers alike.

For more than 25 years, MeridianLink has prioritized the democratization of lending for consumers, businesses, and communities. Learn more at www.meridianlink.com.

PRESS CONTACT

Sydney Wishnow

meridianlinkPR@clyde.us

508-808-9060

Source: MeridianLink, Inc.