

Why HELOC and Home Equity Loan Demand Is Surging

The home equity market is thriving. HELOC and home equity loan rates haven't been this low in two years, according to [Bankrate](#). It's no surprise that nearly [30% of homeowners](#) are considering a home equity loan or HELOC in the next 12 months. [Refinance applications](#) are also surging as homeowners take advantage of these favorable conditions..

Life Stage Borrowing Is Driving Demand for Equity-Based Loans

The home equity market experienced its strongest year-over-year growth since 2022, rising 14% in Q2 2025, according to [TransUnion](#). This surge is being driven largely by [Gen Xers and Baby Boomers](#), who make up the highest shares of HELOC and home equity loan originations. These generations have built significant equity over decades of homeownership and are now leveraging it to fund life stage needs like college tuition, home renovations, retirement income and debt consolidation.

America's homeowners collectively hold \$34.5 trillion in equity, with nearly 40% of that owned by Baby Boomers, born between 1946 and 1964, according to [National Mortgage Professional](#). Decades of rising property values and long-term homeownership have positioned Boomers as a dominant force in the housing market. Meanwhile, Gen Xers, born between 1965 and 1980, own \$14.14 trillion in equity and are increasingly tapping into it for significant expenses like home renovations, debt consolidation and education costs.

National Mortgage Professional also notes that lenders have introduced the most competitive HELOC and home equity loan offers in years, with offers increasing 38.6% since early 2023 to meet growing demand. It's a clear sign that equity-based loans are becoming a go-to financial tool, driven by trends in homeownership, rising equity and the economic realities shaping how Baby Boomers and Gen Xers manage their finances.

Higher Homeownership Rates

Baby Boomers and Gen Xers have had decades to build equity compared to younger generations, benefiting from long-term appreciation in property values. As of 2025, Baby Boomers account for [42% of all home buyers](#), highlighting their dominance in the housing market.

Significant Home Equity

Over years of homeownership, Baby Boomers and Gen Xers have built substantial wealth. Many Baby Boomers have fully paid off their homes, while Gen Xers have seen their equity grow significantly due to [rising home values](#). This accumulated equity serves as a financial resource, enabling them to fund major expenses like renovations, tuition or retirement needs.

Economic Conditions

[Life stage needs](#) play a significant role in how Gen X and Baby Boomers utilize their home equity. With interest rates on a HELOC offering a more flexible and cost-effective alternative, traditional refinancing has become less attractive.

Instead, Baby Boomers and Gen Xers are turning to HELOCs and cash-out refinances to access funds without selling their homes, often weighing the benefits of a home equity loan vs line of credit to meet their financial needs. This trend highlights the importance of home equity products in today's financial landscape.

Home Equity Loan vs Line of Credit: What Borrowers Want

When comparing a home equity loan vs line of credit, both options are much more cost-effective than credit cards or personal loans for consolidating debt or funding renovations. For example, in late 2025, the average home equity loan rate was around 8%, compared to a steep 20.71% for credit cards, according to [Bankrate](#). HELOCs typically offer lower interest rates because they are secured by the borrower's home, whereas credit cards and personal loans are unsecured and often come with significantly higher rates.

HELOCs, in particular, offer flexibility during the draw period, allowing homeowners to fund unpredictable expenses like medical procedures, tuition or home renovations, especially when interest rates on a HELOC are favorable. Using home equity for remodeling projects is a smart financial move, as it not only improves the homeowner's quality of life but can also increase the property's value over time.

HELOCs are a strategic choice for consolidating high-interest debt into a single, lower-interest loan. Additionally, HELOCs allow borrowers to access funds without altering their existing mortgage terms, making them especially appealing for those with historically low mortgage rates.

Interest Rates on a HELOC: Trends and What to Watch For

Interest rates on a HELOC have a big impact on how homeowners think about borrowing, especially when deciding between a home equity loan vs line of credit. Each offers unique benefits depending on the borrower's needs and situation. While favorable rates have made these tools more appealing, HELOCs are still underused. In fact, according to [Experian](#), only 0.41% of tappable home equity was accessed in early 2025. Why? Many people still see HELOCs as complicated, risky or just not worth the hassle.

Generational habits also play a role. Younger borrowers tend to use their HELOC limits more fully, while older homeowners — who hold the majority of home equity — often leave their approved funds untouched. But with their flexibility and lower costs compared to high-interest debt, HELOCs are becoming a go-to option for homeowners looking to fund renovations, consolidate debt or cover other big expenses.

Vericast Connects You With Active Home Equity Borrowers

In today's competitive lending market, connecting with the right borrowers at the right time is critical — especially for HELOC and home equity loan opportunities. With [Shopper Alert](#) from Vericast, our trigger-based [loan acquisition and retention](#) solution, you can offer prescreened, FCRA-compliant consumer loans to shoppers within one business day of a credit inquiry via direct mail, email or phone. By focusing on qualified buyers based on your underwriting criteria, we help take the guesswork out of marketing mortgage, home equity, auto, credit card and other loans — increasing response rates and maximizing your marketing dollars.

Uncover Hidden Opportunities with Advanced Modeling

By leveraging advanced in-stream modeling, Vericast uncovers opportunities that others might miss. For example, according to Vericast client data, up to 40% of triggers initially labeled as credit card activity are actually homeowners seeking credit — a segment that responds exceptionally well to HELOC and home equity loan product offers.

Stay Ahead of Regulatory Changes

As the [Homebuyers Privacy Protection Act of 2025](#) approaches implementation in March 2026, lenders will face new restrictions on using home loan trigger data, limiting outreach to firm credit offers for current banking customers. Vericast bridges this gap with sophisticated modeling that identifies strong candidates for home equity and mortgage products based on alternative trigger types. This ensures you can continue to maximize your existing customer relationships while staying compliant with evolving regulations.

Partner with Vericast to Drive Growth

In a market where timing is everything, the end-to-end Vericast [Shopper Alert](#) solution helps financial institutions engage qualified borrowers, navigate regulatory changes and deliver timely offers that build trust and drive growth.

Get started today. Partner with Vericast to grow your loan portfolio and unlock your loan acquisition potential.