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These charts show how more people are pulling cash out of their homes

Story by Terell Wright, Veronica Dagher 2026-11-18

American homeowners are sitting on nearly $36 trillion in home equity—and an increasing number are tapping in to it.

It is among the biggest pools of consumers' wealth, and people are increasingly using it to pay down credit cards and buy cars. That marks a reversal from prior years, where, scarred by foreclosures during the housing crisis of 2008, owners became hesitant to treat their homes like ATMs.

These days, thanks to surging home values in recent years, and the relatively stable amount of outstanding mortgage debt, about 72% of America's nearly $50 trillion housing market is made up of equity held by homeowners, according to an Urban Institute analysis.

Among mortgaged homes in the Los Angeles, San Francisco and New York metropolitan areas, some 23%, 28% and 12%, respectively, have more than $1 million in equity, according to Intercontinental Exchange.

To access that equity, people are increasingly turning to home equity lines of credit, or Helocs, a form of revolving credit secured by the home. Balances are up 50% since 2022, at the highest level in over a decade.

Balances on Helocs rose by $23 billion in the third quarter of this year from the second, the largest quarterly increase since 2005. Outstanding Heloc balances now total $481 billion, according to the New York Federal Reserve.

The total available credit on Helocs has been rising as well, and now collectively totals $1.1 trillion.

Helocs are often associated with the risky borrowing practices before the 2008 housing crisis. But housing market observers say that borrowers today are more sensibly using their credit. They also have higher credit scores, Federal Reserve Bank of New York researchers said.

Helocs have come back into fashion because high rates are locking people into their primary mortgages. Homeowners with low mortgage rates are layering on these second-lien Helocs while keeping their low-rate primary mortgages.

Borrowers can also refinance their primary mortgage to pull cash out of their homes, but Helocs are often preferable to trading a 3% rate for a 7% cash-out refinance, said Andy Walden, head of mortgage and housing market research at Intercontinental Exchange.

Among homeowners who took out their primary mortgages during the low-rate period between 2020 and 2021, some 80% of borrowers who later needed to pull cash out chose a second-lien loan like a Heloc. Just 20% gave up their low-rate loan to refinance, according to Intercontinental Exchange.

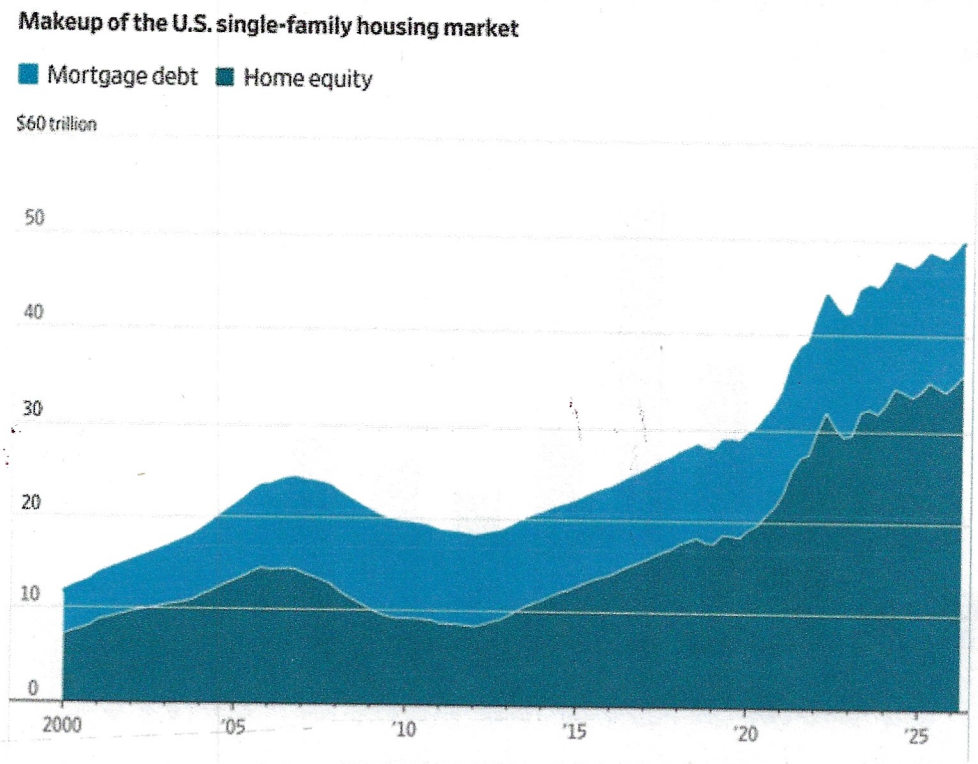
However, people with higher-rate primary mortgages were more likely to do a cash-out refinance when pulling equity out of their homes.

Heloc rates tend to be higher than a 30-year fixed mortgage, but in recent weeks they have actually been slightly lower, according to Bankrate data. That indicates borrowing against home equity is becoming more competitive than taking out a new mortgage.

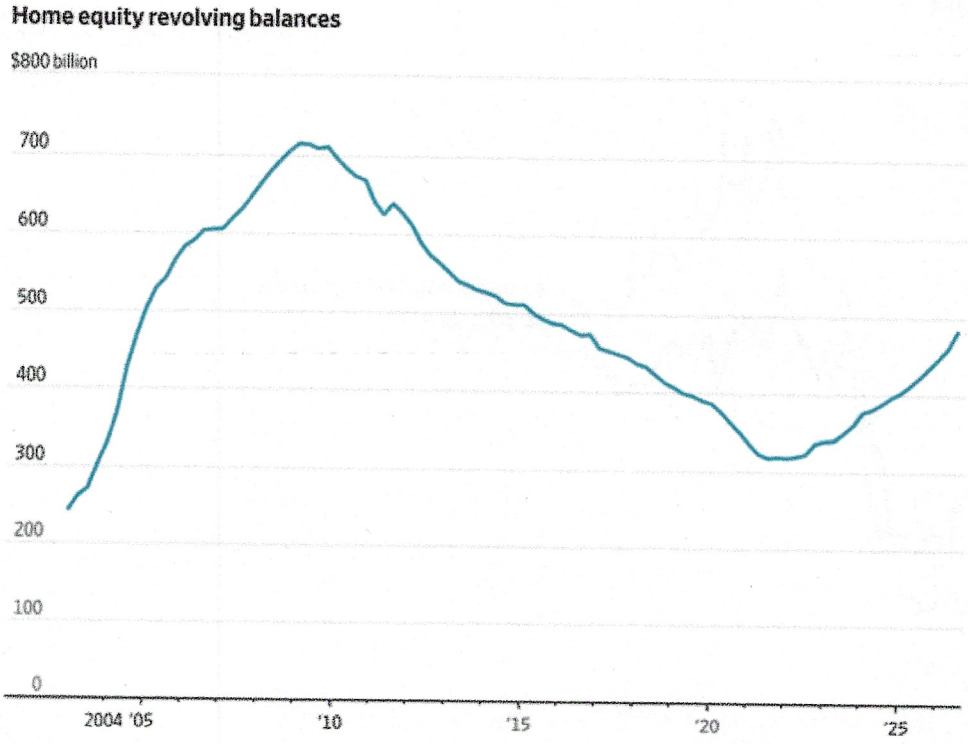
Heloc rates have recently averaged around 7.5%. That is around the same rate as a 30-year fixed mortgage.

When borrowers pull money out of their homes via cash-out refinances, they are often using the money to pay off other bills such as credit cards, said Rick Palacios, director of research at John Burns Research and Consulting. Mounting affordability pressures have meant many owners are pushing aside home repairs.

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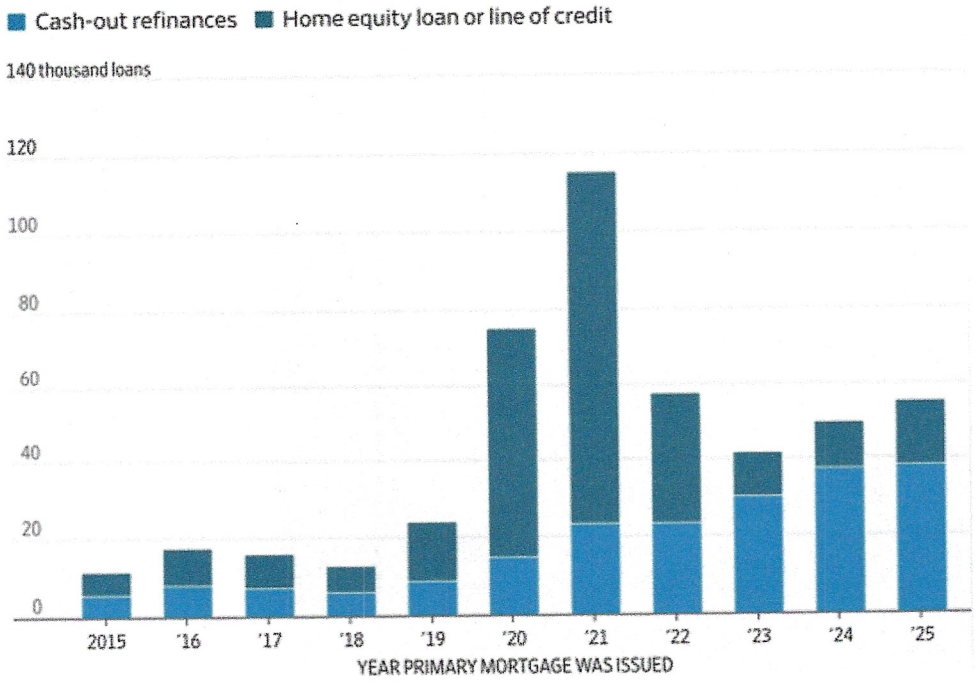


Makeup of the U.S. single-family housing market



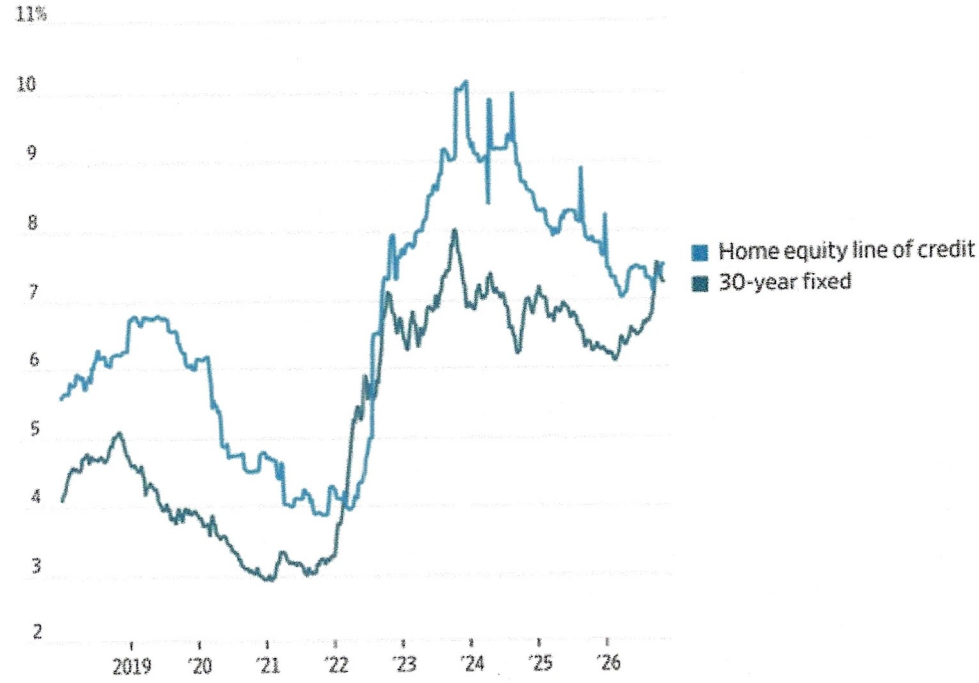
Home equity revolving balances

How people pull cash from their homes depends when they got their original mortgages

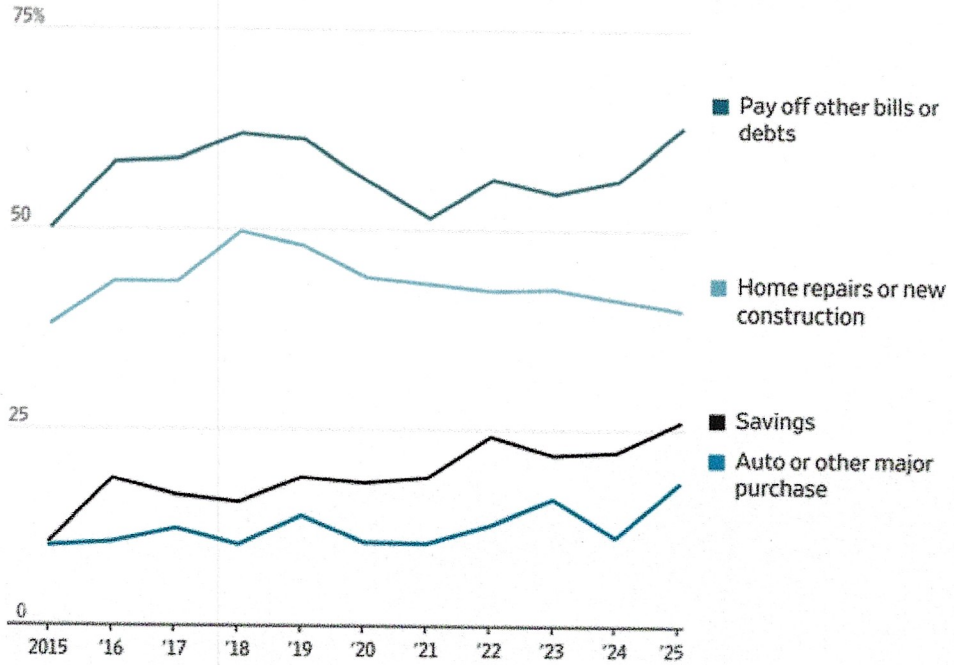


└ How people pull cash from their homes depends when they got their original mortgages

Mortgage rates by loan type



Share of cash-out refinance borrowers who used the money for these select purposes



Note: Data goes through third quarter of 2025. Respondents could say yes to multiple options.

Share of cash-out refinance borrowers who used the money for these select purposes