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No matter how good you are at staying on top of home maintenance, major home repairs are inevitable. Sometimes, these are necessitated by unexpected events, like a large storm. Other times, pricey repairs are required to replace components of the home that age naturally over time, such as the roof. Major home repairs can be a massive source of stress, but they don't have to overwhelm your savings. Here are some ways that homeowners cover big repairs.

Use Home Equity

Using your home equity is a good way to cover home repairs you did not anticipate. If you do this, consider cash-out refinancing. For example, this PennyMac refinance option involves taking out a new loan on your home with a higher balance than your existing mortgage. Then, you receive the difference between the two loans in cash which you can use for your home repairs. A home equity line of credit, on the other hand, functions as a second mortgage. If you go this route, you would have to make two housing payments every month.

Get a Personal Loan

You can also take out a personal loan to pay for your home repairs. This may be a good idea if you can get a loan with a low interest rate. Try to find a personal loan with a fixed term so you can budget for predictable monthly loan payments. Alternatively, you could use a credit card to pay for your repair. If you qualify for a credit card with a zero-interest introductory period and can pay off your repair before this period ends, you'll be able to finance your repair interest-free!

Start a Home Maintenance and Repair Fund

To ensure that you're prepared for major home repairs in the future, start a home maintenance and repair fund. You can use this fund to cover your regular home maintenance expenses, like yard and gardening tools or gasoline for your ride-on mower. Most importantly, this fund will save you when you're hit with an emergency repair. It's a good idea to set aside a sum of money that's equal to 10 percent of your monthly mortgage; if your mortgage payment is \$1,000, put \$100 in an emergency repair fund each month.

If you're having trouble building up an emergency repair fund, consider assessing your budget and cutting back on unnecessary monthly expenses. For example, American Home Shield suggests saving money by cutting back your home energy usage or switching to a cheaper internet and cable plan. You may also want to set up an automatic fund transfer to your home repair account each month to ensure you're setting money aside.

Take Advantage of Your Insurance

Before paying for your home repair, examine your home insurance policy carefully. Your home insurance will likely cover damage from storms, burst pipes, and fires. Unfortunately, there are several things that home insurance may not cover, including foundation repairs. According to Esurance, most insurance policies will not cover foundation damage that results from earthquakes or general wear and tear over time. However, home insurance may cover your living expenses if you cannot stay in your house while it's being repaired.

Shop Around for a Contractor

Shopping around for a contractor can help you cut the cost of your home repair. Also, finding a good contractor will ensure the job is done properly the first time, so you won't have to pay someone else to fix it later. Get recommendations from your local builders' associations and your neighbors who have recently had repair work done. Interview the contractors you're considering, and always ask them for quotes. Make sure the contractors list the costs for materials, labor, and any other expenses in their quotes so you can make a proper comparison. Also, be sure to also check their licensing and insurance.

The best way to prepare for large home repairs is to budget for these situations when you buy your home. Before buying a home, calculate the cost of future anticipated repairs based on the age and condition of various components of the home, like the roof or HVAC system. You can always contact a contractor when buying a home to give you an idea of what to expect in terms of ongoing maintenance and future repairs.