

# HOMEOWNERSHIP NEWS

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## CREATING A HAPPY HOME

Have you ever gone to someone's house and immediately felt warm and cozy when you entered it? What was the secret to its appeal?

Maybe it was your grandmother's house, maybe that special place in the woods, or the tiny apartment your best friend lived in right out of college, but most of us have been to at least one place that was so cozy, comfortable, and inviting you just instantly felt at home.

The answer to creating a cozy and comfortable home lies in pleasing the senses.

Our bodies' senses are hands-down our best guides when it comes to feeling cozy and at home.

### Scent

1. Most of us are sensitive to chemicals (certain artificial fragrances fall into that category) and the toxic effects of many home furnishings, building materials, and

cleaning products. One secret to a cozy and comfortable home lies in sticking to as many all-natural products as you can. Which house would you rather walk into, one filled with gases from fiberboard cabinets and new synthetic carpeting, plug-in chemical air "fresheners" and chlorine-based cleaning products, or a home scented subtly with beeswax and lemon furniture polish, and the earthy smell of all-natural sisal rugs?

2. Rather than relying on chemical air freshener products, we can use potpourris and simmering spiced cider to give our homes a welcoming homey scent. Try [Spicy Harvest Simmering Cider Air Freshener](#) or [Three Potpourris](#).

### Sight

1. Nothing says "home" like the sight of soft warm light from beeswax candles, firelight, or lamps. If you don't have a working fireplace, the glow of beeswax candles will do

beautifully to create that fiery soft light our ancestors associated with the safety of home. And most overhead lighting tends to be harsh, so lamps set invitingly on tables are often a better choice for room lighting.

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Some times it is the small things that make a home cozy.

## RESOURCES

- **Willamette Neighborhood Housing Services**  
257 SW Madison Ave  
Corvallis, OR 97333  
(541) 752-7220  
<http://w-nhs.org>
- **Oregon Homeownership Partners**  
<http://www.orhp.org>
- **NeighborWorks America**  
<http://www.nw.org>
- **Regional Housing Center**  
for Linn, Benton and Lincoln Counties  
<http://www.csc.gen.or.us/lblrhc.htm>

## PREPARING TO BUY YOUR NEW HOME—THE DOWN PAYMENT

One of the toughest things to do when you're a young family getting started in buying a home is the down payment. How do you keep up with the current bills and save enough to set aside for your home purchase? Some say it's a lot harder these days to get into a home, but I think it's always been hard, we just have more

digits in the figures these days. Some thing you do have today that we didn't have back in the "good old days" is match savings programs to help folks save money to buy that first home. Match programs like VIDA (Valley Individual Development Accounts) are designed to give an incentive to saving money. With the VIDA program

you save \$1334 and they will match it 3 to 1, so they give you \$4000 to save \$1334 and you end up with \$5334... that is a deal in any language. To find out more visit >>> <http://www.vidaoregon.org/> or call 541-918-7317 or 541-918-7313 to talk to a VIDA Specialist.

## CREATING A HAPPY HOME—CONTINUED

2. Colors that are pleasing to you are a vital element in the cozy home. Warm colors in the cooler months and cool colors in the warmer months tend to make our bodies feel more balanced, but your favorite colors—whatever they are—will always be pleasing to you.

3. Items of interest, like paintings, art objects, artifacts, and things from nature—can make a home feel cozy and special.

**Beauty** is a very subjective thing, but our eyes enjoy resting on things we consider beautiful; it makes us feel at peace.

### Touch

1. No matter how good a house smells or looks, if the surfaces you sit or lie down on are hard and unpleasing, it just won't feel cozy. Soft, natural fabrics, seating with plenty of cushiony "give" and comfort, **mattresses** with just the right blend of firmness and softness—these are essential to a cozy home.

2. Textures that are interesting and intriguing invite us to explore, and we feel at home in the delights of discovery. Try bringing

in different natural textures—stone, marble, wood, leaves, shells—that invite touch.

3. Surfaces that feel dusty, dirty, greasy, or sticky won't lend themselves to coziness. The degree of cleanliness needed for coziness is a personal matter, but most of us agree: too much dirt and grime doesn't feel very good to anybody.

### Hearing

1. Try just sitting still with your eyes closed and notice what sounds you hear. Is there a lot of noise pollution in your home? Such as a refrigerator that rattles loudly, a television or radio blaring, the noise of construction or traffic or lawnmowers or leaf blowers outside? A white noise maker can help to filter outside noise if you live on a busy street; a wind chime placed where you will hear it indoors, or a tabletop fountain might help to give a serene note to the sounds in your home. Do what you can to reduce the noise pollution in your home: switch to alarm clocks that are not as jarring and keep volumes turned down whenever possible.

### Taste

Sometimes the way to coziness is through the taste buds! The delicious meals you have cooked and eaten in your home are all an important part of the picture. If you get in a food rut, try a new recipe (especially if it will smell wonderful as it cooks) to increase the coziness factor in your home. If you're not already a subscriber, sign up for our free food newsletters, *Eat Well Naturally* and *Green Cuisine*.

### Sixth Sense

1. Then there is that intangible "something" that can really add or detract from a home's cozy-rating. Call it vibe or energy or atmosphere—if the people in your home are tense and unhappy, chances are the house won't feel all that cozy. It is truly a circular thing: the more of an effort you make to keep a cozy home that pleases all the senses, the happier its inhabitants will be—and the cozier your home will become.

2. If the energy in your home feels weird, feng shui can offer ways to fix it.



Candles can usually set a pleasant mood, try fresh flowers and a candle in an arrangement.

**Changing the wall colors can make a dramatic impact to the senses. Take a sample of the primary color, such as the couch or bedding, and find a paint color to compliment it.**

## HOME BUYER GUIDE—PART 2

This may be looking into the future a bit, yet on the other hand it is good to know the bottom line right from the beginning, and in a sense, this is the bottom line.

### What to Expect at Closing

The last step in a real estate transactions is the closing. To help you better understand the process, the following is a summary of what happens during and after a closing, a description of all the closing

costs, and an explanation of some of the documents presented at the closing.

### The Closing Procedure

The closing meeting is where ownership of the home is officially transferred from the seller to the buyer. The buyer chooses the closing agent who they want to represent the closing. The buyer's closing agent coordinates all of the document signing and the collection and disbursement of funds. Your main role

at the closing is to review and sign the numerous documents related to the mortgage loan and to pay the closing costs.

The closing is a formal meeting typically attended by the buyer(s) and the seller(s) (and their attorneys if they have them), both real estate sales professionals, a representative of the lender, and, of course, the closing agent. - continued on page 3 -



Take care to be prepared. The hard work is worth every bit of it once you have those keys in your hand.

## HOME BUYER GUIDE—PART 2

### WHAT TO EXPECT AT CLOSING— CONTINUED

The meeting takes about one hour and usually is held at the closing agent's office.

The steps below explain what happens during and after the closing meeting:

- First, the closing agent reviews the settlement sheet with the buyer and the seller and answers any questions. Both the buyer and the seller sign the settlement sheet.
- Then, the closing agent asks the buyer to sign the other loan documents, such as the mortgage note and the Truth-in-Lending statement. Evidence of required insurance and inspections is also presented (if it wasn't previously given to the lender).
- After that, if everyone agrees that the papers are in order, the buyer and the seller submit a certified or cashier's check to cover the closing costs and the balance of funds due (if applicable). Then the check from the lender covering the mortgage amount is submitted to the closing agent.
- Next, if the lender will be paying the new owner's annual property taxes and homeowner's insurance, a new escrow account (or reserve) is established at this point.
- After the meeting, the closing agent officially records the mortgage and deed at your local government clerk's office or registry of deeds. This legal transfer of the property may take a few days after closing. The closing agent usually will not disburse the funds to every-

one who is owed money from the sale (including the seller, real estate professionals, and the lender) until the transaction has been recorded. It is at the point of deed recordation the buyer becomes the official owner of the home.

#### Documents You Will Receive

You will receive a number of important documents at the closing meeting. Review this list of documents before you go, so that you'll know what to expect when you're there.

#### HUD-1 Settlement Sheet Buyer & Seller

The settlement sheet itemizes the services provided and lists the charges to the buyer and the seller. It is filled out by the closing agent and must be signed by both the buyer and the seller. You should have been allowed to review this form on the business day before your closing meeting so that you will be able to know your closing costs in advance.

#### Truth-in-Lending (TIL) Statement

**Buyer (if borrowing)**  
Within three business days of applying for a loan to purchase a home, the buyer's lender should have given the buyer this document, which outlines the costs of the new loan. It is provided to compare the loan costs with percentage rate (APR). The APR is the cost of your mortgage as an annual percentage rate. This rate may be higher than the interest rate stated in the mortgage because the APR includes any points, and certain other costs of credit. The TIL statement also discloses the other terms of the loan, including the finance charge, the amount financed, the payment amount, and the

total payments required.

It is possible that the APR calculated at the loan application will change at closing. That is why the lender is required to provide the final version of the TIL statement at or prior to the closing meeting.

#### The Note

**Buyer (if borrowing)**

The mortgage (or promissory) note is a legal "IOU." The note represents the borrower's promise to pay the lender according to the agreed terms of the loan, including the dates the mortgage payments must be made and the location to which they must be sent.

The note also details the penalties that will be assessed for failure to make the monthly mortgage payments. It also warns that the lender can "call" the loan (require full repayment before the end of the loan term) if the terms of the note or mortgage are violated.

#### The Mortgage

**Buyer (if borrowing)**

The mortgage is the legal document that secures the note and gives the lender a legal claim against the house if the borrower defaults on the note's terms. In effect, the buyer has possession of the property, but the lender has an ownership interest (called an "encumbrance") until the loan has been fully repaid.

The mortgage restates the basic information found in the note. - continued on page 4



Don't gamble when it comes to buying a home, be prepared and do your homework when it comes to finding a lender.

**Pay careful attention to the details. Ensure you understand any penalties that may be written into your Note to the lender.**



Once the sale is made it's just a matter of knowing what to expect to make the experience a great one.

**LINN-BENTON HOUSING  
AUTHORITY**

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Albany, OR 97322  
Phone: (541) 926-4497  
Fax: (541) 926-3589  
E-mail: paul@l-bha.org

**We're on the Web!**

**Visit us at [www.L-bha.org](http://www.L-bha.org)**

**Coming in our next Home-  
ownership Newsletter**

- How do I Estimate my Mortgage Loan Payment?
- What Type of Insurance Should I Consider?

**IMPROVING THE QUALITY OF LIFE IN LINN & BENTON  
COUNTIES THROUGH AFFORDABLE HOUSING**

**HOMEBUYER GUIDE—PART 2****WHAT TO EXPECT AT CLOSING— CONTINUED**

It also states your responsibilities to pay principal and interest, taxes, and insurance on time; to maintain hazard insurance on the property; and to adequately maintain the property and not allow it to deteriorate. Failure to meet these requirements means the lender can demand full payment of the loan balance or foreclose on the property, sell it, and use the proceeds to pay off the outstanding loan and the foreclosure costs.

In some states, a "deed of trust" is used instead of a mortgage. By signing a deed

of trust, the borrower receives title to the property but conveys title to a neutral third party (called a trustee) until the loan balance is paid.

**Affidavits****Buyer & Seller**

You may be asked to sign numerous affidavits. For example, the buyer may be required to sign an affidavit of occupancy, which states they will use the property as a principal residence. The buyer and the seller may need to sign an affidavit that states all of the improvements to the property that were required in the sales

contract were completed before closing.

**The Deed****Buyer & Seller**

Only the seller signs the deed at closing. It is the document that transfers ownership from the seller to the buyer. The buyer's name and the names of any other buyers appear on the deed. The buyer receives a copy of the deed at the closing. The closing agent then records the deed with the buyer listed as the new property owner. The deed will be sent to the buyer after it is recorded.



Buying your home is an investment, are you making wise decisions and are you looking towards the future.