

HOMEOWNERSHIP NEWS

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Where you can find more information on buying a home:

- Willamette Neighborhood Housing Services
257 SW Madison Suite 113
Corvallis, Oregon 97333
(541) 752-7220
<http://corvallisnhs.org>
- For Oregon in general, **Oregon Homeownership Partners**
Visit <http://www.orhp.org> on the internet
- Throughout the United States, **NeighborWorks America**
Visit <http://nw.org> on the internet
- For Linn, Benton & Lincoln Counties, **Regional Housing Center**
Visit <http://www.csc.gen.or.us/blrhc.htm> on the internet

NEW TO BUYING A HOME? WHAT YOU SHOULD KNOW

Many people don't even consider buying a home because they're afraid they can't afford it. But for most people, homeownership IS within reach—especially with special first time home buyer programs. In fact, for many, homeownership is as affordable as renting and in some cases even more affordable.

Are you a first time homebuyer? There are many different variables you are going to want to consider. Did you know that you could have owned a home before and still qualify as a first time homebuyer? That is true; anyone who has not owned a home for three years is considered a first time homebuyer by most lenders.

The number one, top-of-the-list step is to enroll yourself in a Homebuyer course from a local college or not-for-profit organization that specializes in helping people with homeownership. Locally, you can take a Homebuyers Education course from the Willamette Neighborhood Housing Services at a very reasonable fee.



Sometimes the search for the new home is the hardest part of buying a house. Remember to use a “New Home Checklist” to make your best choice. A new home is not something you can return for something different, it is a “long-term” investment.

Being educated in buying a home can be priceless. To most, purchasing a home is the biggest purchase they will ever make. Taking a homebuyers course can help you answer some of the following questions: *Am I ready to buy a home? How much can I afford?*

What should I look for in a home? How do I find a lender? Do I qualify for any special grants, loans, and interest rates? How do I avoid the common pitfalls in home buying? Buying a home is a great experience, make it the best that you can by being prepared.

FINDING THE PERFECT HOME

By Ed Chapparro - writer for ezinearticles.com

Searching for a home for yourself and your family can be an exciting proposition. Buying a residential home is more than a cold hard financial calculation, emotions are involved. This is perfectly understandable. You're not just buying an asset; you're buying a home which will be

central to your life and the lives of your loved ones. Consequently, buying a home is a serious undertaking. However, from time to time buyers, particularly first-time buyers, lose perspective and find it difficult to find a home because they set the bar so high that no home

seems to meet their needs. This is a disease known as perfectitis. Fortunately, there is a cure. Why can looking for a “perfect” house be harmful and is it actually possible to find one? Let me answer the second part of the question first. The definition of a perfect home is subjective and

FINDING THE PERFECT HOME

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Knowing the difference between wants and needs are essential when looking for that "perfect" home.

Have a Clear and Realistic understanding of your needs and a positive attitude to look for a home that can meet those needs.

personal. So, finding a perfect home is certainly possible depending on what you're looking for and as long as your ideal home is in line with your budget. However, if you set too high a standard you begin to overlook opportunities. Perfecta-litis blinds you and causes you to skip great homes at great prices because they don't meet an overly lofty standard.

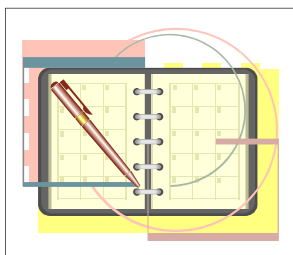
The first step to curing perfecta-litis is distinguishing between wants and needs. **If you're not able to tell the difference between a "want" and a "need" you are going to have a difficult time evaluating the suitability of a home for yourself and your family.** Once you have a handle on your minimum requirements make sure they are in line with your budget. As you visit homes in your price range you will get an education on how much house your money can buy. Be realistic. If you can't get everything you want within your purchase budget be prepared to make some trade-offs in either home features or location. Another important ingredient to the perfecta-litis cure is understanding characteristics of a home that are changeable ver-

sus characteristics that are not changeable. Carpets, color, wall paper are all examples of aspects of a home that are very changeable. Yes, it does cost money to change these things. But, if you find a home that is suitable in every other respect consider it carefully before scratching it off your list, especially if you have been having difficulty finding a home, or the home can be purchased at an attractive price.

Life is not always predictable. Some buyers assume that they will live in their home for the next thirty years. In and of itself, there's nothing wrong with this expectation. However, statistically people move out of their homes much more often, about every 5 to 7 years. Things happen, families grow, incomes rise, and people relocate for personal or business reasons. We live in a mobile society. Consequently, a more practical outlook may be to assume that you're not going to live in your next home forever. With this outlook homes that may be rejected because the toddler's room isn't big enough for their teenage years suddenly seems viable.

How long it takes to find a home is a function of your needs, your budget and market conditions. Some clients have very esoteric needs, such as a home that must have an eastern or southern view due to personal beliefs or preferences. It may take a while to find a suitable home when the feature sets being sought by a buyer are difficult to come by. Other clients have much more conventional needs that are easier to locate. But the point of this article isn't to suggest that a buyer should be able to find a home quickly. The real point is that **finding a home requires a buyer to have a clear and realistic understanding of their needs coupled with a positive attitude that tries to look for how a home can meet those needs**, rather than a negative outlook that seeks to reject a home. Adjusting your outlook will enable you to suddenly see many more opportunities that perfecta-litis blinds you to. The end result will be a happier house hunting experience and enjoying the long lasting rewards of home ownership.

MAKE A LIST AND CHECK IT TWICE, MAYBE THREE TIMES!



The secret with your wish list - Keep it clear and organized.

Just like a great recipe for that favorite mouthwatering dish you make, you must have a list of ingredients. Even if you forget just one of those ingredients it could spell disaster and it isn't any different when buying a home. A very small detail could mean the difference between loving your new home or wishing you had never seen it in the first place.

There are some preliminary

decisions to make before you even step out of the door to look at that possible new home.

First, are you ready to buy that new home? You can find out by asking yourself some questions:

- Do I have a steady source of income (usually a job)? Have I been employed on a regular basis for the last 2-3 years? Is my current income reliable?

- Do I have a good record of paying my bills?
- Do I have few outstanding long-term debts, like car payments?
- Do I have money saved for a down payment?
- Do I have the ability to pay a mortgage every month, plus additional costs?

If you can answer "yes" to these questions, you are probably ready to buy your own home.

CHECK YOUR LIST

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Second, how do I begin the process of buying a home?

Hopefully you've already completed a Homebuyers course and you already know who and where to go, so this isn't even an issue. If NOT, then you should definitely take a course in purchasing a home.

Third, How will purchasing a home compare with renting?

The two don't really compare at all. The one advantage of renting is being generally free of most maintenance responsibilities. But by renting, you lose the chance to build equity, take advantage of tax benefits, and protect yourself against rent increases. Also, you may not be free to decorate without permission and may be at the mercy of the landlord for housing.

Owning a home has many benefits. When you make a mortgage payment, you are building equity. And that's an investment. Owning a home also qualifies you for tax breaks that assist you in dealing with your new financial responsibilities - like insurance, real estate taxes, and upkeep - which can be substantial. But given the freedom, stability, and security of owning your own home, they are worth it.

Forth, how does the lender determine the maximum loan amount that you can afford?

The lender considers your debt-to-income ratio, which is a comparison of your gross (pre-tax) income to housing and non-housing expenses. Non-housing expenses include such long-term debts as car or student loan payments, alimony, or child support. According to the FHA, monthly mortgage payments should be no more than 29% of gross income, while the mortgage payment, combined with non-housing expenses, should total no more than 41% of income. The lender also considers cash available for down payment and closing costs, credit history, etc. when determining your maximum loan amount.

Fifth, how do you select the right real estate agent?

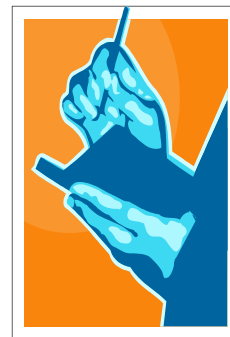
Start by asking family and friends if they can recommend an agent. Compile a list of several agents and talk to each before choosing one. Look for an agent who listens well and understands your needs, and whose judgment you trust. The ideal agent knows the local area well and has resources and contacts to help you in your search. Overall, you want to choose an agent that makes

you feel comfortable and can provide all the knowledge and services you need.

Sixth, how can I determine my housing needs before I begin my search?

Alright, now we're getting to the BIG question! Your home should fit the way you live, with spaces and features that appeal to the whole family. Before you begin looking at homes, make a list of your priorities - things like location and size. Should the house be close to certain schools? your job? to public transportation? How large should the house be? What type of lot do you prefer? What kinds of amenities are you looking for? Establish a set of minimum requirements and a 'wish list.' Minimum requirements are things that a house must have for you to consider it, while a "wish list" covers things that you'd like to have but aren't essential.

Now you are ready to start building that Wish List for buying your new home.



Keep your list with you at all times, you never know when the "perfect" home will show up.

Your home should fit the way you live, with spaces and features that appeal to the whole family.

GETTING READY TO CREATE A WISH LIST FOR BUYING YOUR NEW HOME

Finding your new home can be exciting, sometimes frustrating, and then rewarding when you find the right house. The search should not be painful or upsetting if you have the right ingredients, remember those essential ingredients, and a great real estate agent is one of those special ingredients that can make it a joy. They should know exactly what your looking for and then find homes that fit

your needs and desires. Even if you have the very best real estate agent in the whole country you still want to have a wish list reminding you of what your needs and desires are. Here are some of the key ingredients to a wish list:

1. **The Community** - Select a community that will allow you to best live your daily life. Many people choose communities based on

schools. Do you want access to shopping and public transportation? Is access to local facilities like libraries and museums important to you? Or do you prefer the peace and quiet of a rural community? When you find places that you like, talk to people that live there. They know the most about the area and will be your future neighbors. More than anything, you



Making the whole process an enjoyable event is key to making a house become a home, sheltering a loving family.

Linn-Benton Housing Authority

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We're on the Web!
<http://www.l-bha.org>

*Improving the quality of life in
Linn & Benton Counties through
affordable housing*



In our Next Issue >>>

- Resources You May NOT be Aware Of!
- The Wishlist In REAL life
- Real Stories of Bad experiences

More...

Homeownership News is a Quarterly Publication affiliated with the Family Self Sufficiency Program at Linn-Benton Housing Authority.

If you have any questions or concerns regarding this publication please contact **Paul Deatherage** (541) 918-7317 direct line or email paul@l-bha.org

Please contact me if you are not interested in this publication and would prefer to have your name taken off the mailing list.

Thanks!

GETTING READY TO CREATE YOUR WISH LIST

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- want a neighborhood where you feel comfortable in.
- What Should you do if you are feeling excluded from a community? Immediately contact the [U.S. Department of Housing and Urban Development \(HUD\)](#) if you ever feel excluded from a neighborhood or particular house. Also, contact HUD if you believe you are being discriminated against on the basis of race, color, religion, sex, nationality, familial status, or disability. [HUD's Office of Fair Housing](#) has a hotline for reporting incidents of discrimination: **1-800-669-9777** (and **1-800-927-9275** for the hearing impaired).
 - 2. Find out about local Schools - You can get information about school systems by contacting the city or county school board or the local schools. Your real estate agent may also be knowledgeable about schools in the area.
 - 3. Learn what Resources are available in the community - Contact the local chamber of commerce for promotional literature or talk to your real estate agent about welcome kits, maps, and other information. You may also want to visit the local library. It can be an excellent source for information on local events and resources, and the librarians will probably be able to answer many of the questions you have.
 - 4. Determining the market value of the homes in a particular community - Your real estate agent can give you a ballpark figure by showing you comparable listings. If you are working with a REALTOR, they may have access to comparable sales maintained on a database. You can also review listings in the local newspaper or at various on-line Realtors.
 - 5. Find out what your Tax liabilities might be. The total amount of the previous year's property taxes is usually included in the listing information. If it's not, ask the seller for a tax receipt or contact the local assessor's office. Tax rates can change from year to year, so these figures may be approximate.
 - 6. Are there any other Tax issues that I should be aware of? Keep in mind that your mortgage interest and real estate taxes will be deductible. A qualified real estate professional can give you more details on other tax benefits and liabilities.
 - 7. Is a New home better than an Old one? There isn't a definitive answer to this question. You should look at each home for its individual characteristics. Generally, older homes may be in more established neighborhoods, offer more ambiance, and have lower property tax rates. People who buy older homes, however, shouldn't mind maintaining their home and making some repairs. Newer homes tend to use more modern architecture and systems, are usually easier to maintain, and may be more energy-efficient. People who buy new homes often don't want to worry initially about upkeep and repairs.

THE WALKTHROUGH

What should I look for when Walking through a Home?

Of course you will probably have an inspector do the technical part of checking out that new home you're thinking about, but you will want to keep your eyes open for some of the following as well:

- Is there enough room for both the present and the future?
- Are there enough bedrooms and bathrooms?
- Is the house structurally sound?
- Do the mechanical systems and appliances work?
- Is the yard big enough?
- Do you like the floor plan?
- Will your furniture fit in the space? Is there enough storage space? (Bring a tape measure to better answer these questions.)
- Does anything need to be repaired or replaced? Will the seller repair or replace the items?
- Imagine the house in good weather and bad, and in each season. Will you be happy with it year-round?

Take your time and think carefully about each house you see. Ask your real estate agent to point out the pros and cons of each home from a professional standpoint.