Homeownership

Housing

There are many home finance programs available through financial institutions and government agencies. It is important for potential homebuyers to learn about available financial assistance, loan types and all the steps in the home-buying process.

Homeowners should also learn about the importance of their home equity and its different uses. For example, reverse mortgages and home equity loans can be helpful resources for homeowners needing cash for investments, retirement or other purposes.

Home maintenance and house services are just as important for responsible homeowners who want to protect their investments. Reviewing home maintenance tasks and the services that homeowners may need can help them better understand the responsibilities of homeownership.
Home Finance

There are many choices when it comes to financing a home or refinancing a home mortgage.

Whether buying your first home or attempting to better understand the home equity you have on your current home, it is important to review your options and make the best financial choice for you and your family.

Refinancing
If the current loan you carry on your home has become too expensive or seems too risky, you may be able to refinance. When you refinance your home loan, your current loan is sold to a different loan provider and you are given a new loan with different terms. These updated loan terms can sometimes include a lower interest rate or reduced loan duration depending on loan negotiation.

You can also refinance your home through government programs if you qualify, or through private lenders and financial institutions.
Before refinancing your home, it is important to ensure your new loan option is beneficial and an improvement over your current loan terms.

The U.S. Department of Housing and Urban Development (HUD) offers several refinancing programs that you may qualify for, including:

1. **Home Affordable Modification Program (HAMP).** This program works to reduce your monthly mortgage payment to 31 percent of your monthly pre-tax income in an effort to lower your mortgage.

2. **Principal Reduction Alternative (PRA).** If your home is worth less than it was at the initial purchase date, HUD representatives may be able to help you work with lenders and investors to lower the loan amount you are currently required to pay.

3. **Second Lien Modification Program (2MP).** If you have a second loan on your property and meet this program’s guidelines, you may be able to lower the
loan amount due or modify your current loan terms.

4. **Home Affordable Refinance Program (HARP).** You may qualify for this refinance program if you are current with your mortgage payments but cannot refinance because your home value has declined drastically.

In addition to refinancing through a HUD program, there are many private financial companies that offer home loan refinancing. Some of these refinancing options include:

1. **Rate-and-term refinancing.** This is the most common type of refinancing and involves replacing your current loan with a new one that offers improved terms.

2. **Cash-out refinancing.** You are only eligible for a cash-out refinance if you have built equity you can pull out for cash to obtain a higher loan amount.
3. **Cash-in refinancing.** With this option, you can pay down your loan with smaller, more affordable monthly payments.

4. **Consolidation refinancing.** To utilize this refinance option, you must be able to pay off your current loan and apply for a new loan with a lower rate.

Some of the private lending companies best known for helpful refinancing options include the following:

- Rocket Mortgage
- Veterans United Home Loans
- Chase Bank
- Suntrust Bank
- Bank of America

These financial institutions may require you to meet specific eligibility requirements relating to your loan payment history, credit score and loan balance before offering you refinancing options.
Purchasing a Home

If you are in the market for a new home purchase, it is important to understand the steps you must follow before buying a home. This includes:

- Getting financially pre-qualified for a home loan.
- Finding the home that meets your needs.
- Obtaining an inspection.
- Completing the closing process.

You must first contact a lender to better understand the home purchase price you can afford. To determine the best price for your budget, you will be asked to provide:

- Your credit report.
- Bank account balances.
- Down payment availability.
- Income.

Once you know what price is within budget, you can begin shopping for a home.
HUD offers several home-buying programs you may qualify for, including:

- **HUD homes for sale**.
- **The Good Neighbor Next Door program**.
- **Homeownership for public housing residents**.
- **Indian Home Loan Guarantee**.

Depending on your eligibility, you may have a few options when obtaining your home loan. You must choose between a fixed-rate or adjustable rate mortgage.

With a fixed-rate mortgage, your interest rate stays the same over the life of the loan. An adjustable rate mortgage allows the interest rate to fluctuate over time with the changing market.

Depending on your qualifications, you may be eligible to apply for a(n):

- FHA loan.
• Conventional loan.
• USDA loan.
• VA loan.
• Conforming or jumbo loan (if using Freddie Mac or Fannie Mae).

The loan types you are eligible for are chosen by your lender based on your credit score, homeownership history, down payment, budget and the location, type and condition of the home you are purchasing.

Depending on your budget and needs, you may also consider homes that are in foreclosure, short sales or are a fixer upper.

However, it is important to discuss the home you are interested in with your lender to ensure it meets the qualifications of the provider and the loan type you are applying for.

Once you have found a home that is within budget and meets the needs of you and your
family, you can make an offer on it with the assistance of a real estate professional.

If your offer is accepted, you must hire a home inspector to complete a thorough interior and exterior home inspection. He or she will determine the age and condition of many important home features, including the:

- Roof.
- Air conditioning and heating units.
- Electrical wiring system.
- Pipes and plumbing.

If you are satisfied with the home’s condition, a closing date is set for your home purchase.

If you have a home loan, you may also be required to obtain acceptable home insurance coverage on your new purchase before closing.
Building Equity

As you make payments on your home loan, you are building a valuable asset called home equity, which is the interest you have in the property. The longer you make your loan payments, the more home equity you build. This equity is the part of your home that you truly own, so it is important to protect it and use it wisely.

However, your home equity is part of your net worth, so you can take withdrawals from it, if needed.

Your home equity can help you to:

1. Buy another property or investment.

2. Take out another loan for a new purchase.

3. Fund your retirement.

If you want to take a loan out against your home equity, you can ask for all of the equity in a lump sum and pay it back. This is called a “lump-sum home equity loan.”
You can also choose to apply for a home equity line of credit (HELOC), which allows you to withdraw payments from your equity as needed. With this type of home equity loan, you are responsible for paying interest on what you borrowed.

Reverse Mortgage

Using your home equity for cash is also sometimes referred to as a reverse mortgage. A reverse mortgage is essentially a loan, but the terms usually include less flexibility and lower rates than other home loan types.

You are only eligible to obtain a reverse mortgage if you:

✔ Have built up substantial home equity on your current home.

✔ Are not delinquent on any payments you owe to the government.

✔ Can prove to the potential lender that you are able to keep up with your home’s ongoing expenses.
Attend a “consumer information session” with a HUD-approved counselor.

A reverse mortgage is only a smart financial decision if you plan to stay in your home for the length of the loan. Otherwise, you will be required to pay the loan back and you will lose your equity.

You may decide to obtain a reverse mortgage on your home if you need cash for another investment or purchase, such as:

- Completing a large home improvement project.
- Establishing a retirement vehicle.
- Buying a new property.
- Paying off another loan with higher interest.

A reverse mortgage can also include many fees and costs, like the following:

- Home appraisal costs
- Closing costs
• Loan origination fees
• An insurance premium to the FHA

The monthly payment you are responsible for will include interest and servicing fees. If you relinquish ownership of your home through sale or death, the balance of the loan becomes due. This can also happen if you fail to meet the loan’s terms at any time, such as not paying property taxes for a year.

A reverse mortgage can be helpful if you have a financially profitable use for the home equity you are taking out. However, it is important to review the reverse mortgage loan terms before agreeing to give up your valuable home equity.

**Home Services**

Home maintenance and services can sometimes be just as big of an investment as the home itself. As a homeowner, it is important to identify the services your home needs and the maintenance tasks that must be performed to keep your investment in good condition.
Shopping around for reputable companies to perform these tasks and provide these services is also important to ensure your home is receiving the best care.

Additionally, looking into several local maintenance and service companies can ensure you are choosing an affordable professional with experience.

**Cable TV**

To hookup cable to your home, you must contact a local provider and register for service. You may be required to pay an equipment installation fee, as well as monthly service fees.

When shopping around for a cable TV company, you may have a limited number of services available. Not every cable TV company serves all areas, so you must first identify the specific companies providing service in your area.
Some of the most well-known cable companies that may service your area include the following:

- Dish Network
- DirectTV
- Xfinity
- Verizon

Once you have narrowed down the companies, you must decide what type of cable you want in your home. Again, your choices may be limited, depending on what is available in locally, but they may include:

- Satellite.
- Cable.
- Fiber optic.
- Digital streaming.

In addition to cable, you may also be able to request internet or phone service through the company. In many cases, cable companies offer bundles of services for discounted monthly payments to help you save on multiple services.
Depending on what the company offers, you may also qualify for discounts on service through:

- Military discounts.
- College student discounts.
- Senior citizen discounts.
- Employee discounts.
- Loyalty discounts.
- Membership discounts.

You may be able to obtain additional discounts by purchasing equipment, such as cable boxes or modems, instead of renting it.

**Home Repairs**

When buying a home, it is important to understand how to keep your home maintained and in good condition. By addressing issues and completing repairs when needed, you can better protect your investment.
Avoiding costly repairs is essential to staying within your monthly budget. Some of the most expensive and common home repairs include the following:

- Foundation repair
- Roof replacement
- Water heater replacement
- Repairing termite damage
- Fixing water damage from a broken pipe
- Buying a new air conditioning or heating unit
- Mold removal
- Rewiring electrical components
- Repairing the septic system

While you may not be able to avoid these home repair costs forever, ensuring your home is properly maintained can keep your costs down and allow expensive utilities to last longer.
Some of the most important maintenance tasks you can perform regularly to avoid these large repairs include:

- Cleaning out your gutters twice a year.
- Checking appliances for leaks once a year.
- Looking for termite infestations on the exterior once a year.
- Obtaining a professional roof inspection at least twice a year.
- Testing your smoke alarms every month.
- Visually inspecting your home’s exterior for cracks once a year.
- Inspecting your pipes and plumbing once a year.
- Draining your water heater once a year.

You can generally complete these inspections and cleanings on your own.

You may also decide to complete other improvement projects, such as installing new flooring or fencing.
However, before starting these projects, you may be required to pull permits for these changes to your property. You can contact your county’s zoning and code enforcement division to inquire about obtaining these permits before you begin work.

In cases where you cannot perform a home improvement task on your own, you may need to hire a reputable professional.

There may be numerous home repair and service professionals in your area, so it can be hard to choose the right one to assist you.

Before you hire a professional for your home repairs, you should look into the company’s:

- Licensure and insurance policy.
- Years of experience and education.
- Past client reviews and testimonials.
- Estimates for time until project completion.
- Estimates for budget and products needed.
Quality of products used for repair and replacement.

Additionally, before choosing a professional or company to assist with home repairs, you can consult the Better Business Bureau for reputable ratings.

Investing in Solar Energy

It is important to identify home improvement projects that can eventually save you money. The installation of solar panels on your home can be helpful in lowering your energy bills, so it may be a viable home improvement project to consider investing in.

By harnessing solar energy from the sun’s rays using a solar panel system, you can:

- Provide your home with limited power.
- Heat or cool the inside of your home.
- Heat your swimming pool.

Before deciding you want to install solar panels to reduce your energy bill, it is important to consult with your county’s zoning compliance
and code enforcement department. In some counties, there are strict restrictions on the number of solar panels that can be installed, if any are permitted at all.

Keep in mind, you will only be able to efficiently use solar energy in your home if your home has direct sun exposure. This is why panels are usually installed on the roof of your home.

Once you have identified this area, consult a professional solar panel installation company to better understand the number and size of panels you need for your home’s energy usage and expectations.

You may need to contact the company again for periodic maintenance and repairs of the panels. However, most solar panel systems last for more than 25 years before replacement is needed.

The installation of a solar panel system on your home can be expensive. However, keep in mind that you can claim solar panel installation
on your federal tax return and obtain a refund for a portion of the installation cost. Most homes need solar panel systems that are 6 kilowatts (kW), which costs an average of $12,810 after tax credits.

In addition to the tax credit, you will also see lower monthly power bills. The average solar panel system converts about 22 percent of the energy it harnesses into useable power.

The amount of money you will save on your monthly bill can vary, based on:

1. The amount of sun exposure the panels receive.

2. Your local electricity rates.

3. What you are using the panels to power, such as heating or cooling systems.

While you may not know exactly how much the installation of solar panels will save you on your electricity bill, it is also important to consider the reduction in your carbon footprint. By using less
electricity and more solar power, you can positively impact the environment.

Moving

After purchasing your new home, you will need to make decisions about moving day. Whether you hire professionals or rent a moving truck, the moving process can be costly and can sometimes feel like a hidden expense in the homebuying process.

It is important to factor in your moving costs when deciding on your home buying budget. Also, consider any new furniture, kitchenware or other items you will need as you calculate your budget.

While you may be tempted to save money on moving day by doing it yourself, there are several factors to consider, including the following:

1. How much assistance you will need for large and heavy items, such as furniture.
2. Your packing expertise when handling fragile items, such as glassware.

3. The costs associated with renting a moving truck on your own, including gas and mileage.

4. The added time it will take you to complete the move without professionals.

5. If you hire moving professionals, you should plan your moving day and time around the most inexpensive rates the company offers.

Generally, early morning weekdays in the middle of the month are the best times to schedule your move. You will usually encounter less traffic around these times and your moving company may have less clients during these times as well.

If you opt to pack up your current home on your own, there are several ways you can save on your move. During the packing process, you should consider:
- Visiting recycling drop-off points to obtain free boxes.
- Boxing appliances in their original packaging.
- Donating items you no longer need to charities that come pick up your items for free.
- Using colored sticky notes to label boxes.
- Using pillows and blankets in boxes with fragile items.

Moving day can be chaotic so it is important to create a checklist of the tasks you need to complete in your current home before leaving. By ensuring you complete these tasks, you are more likely to get your deposit back and avoid additional fees, such as cleaning fees.

Before you leave your current home, you may need to:

✓ Give at least 30 days’ notice to the owner.
Change your address with the U.S. Postal Service.

Shut off or transfer utilities and other home services.

Clean the home.

Schedule a walkthrough with your landlord.

Turn in your keys.

Before you leave your current home for the last time, double-check drawers, appliances, closets and cabinets to ensure you packed everything that needs to come with you.

Additional Things to Consider Before Moving

When shopping around for a home, it is important to consider many features in addition to budget, size and aesthetics. To feel comfortable with your potential new purchase, you should also consider the:

- County school system.
- Aesthetics of neighbors’ homes.
You should only consider purchasing the property if you are satisfied with all of these characteristics and any other factors that are important to you.

**Pest Control**

If rodents or insects settle into your home, they can cause severe damage, which can be costly to repair. However, by staying ahead of these infestations, you can avoid facing these devastating damages.

There are several tasks you can complete on your own to ensure your home stays pest-free. As a responsible homeowner, it is important to:
Ensure exterior cracks and holes are sealed around any potential points of entry, including pipes.

Keep tree branches and other shrubbery trimmed and away from the home.

Keep crawlspaces, attics or basements dry and well-ventilated.

Ensure garbage is stored in a sealed container and disposed of regularly.

Inspect and repair any rotting or deteriorating wood, such as roof shingles or exterior door frames.

Replace damaged weather stripping on doors and windows to ensure tight seals.

Keep any stored firewood or lumber at least five inches off the ground and at least 20 feet away from the home.

However, even if you follow these tips for preventing pests from entering the home, you may still experience an infestation. Identifying this infestation as soon as possible and seeking professional pest control assistance is the best way to prevent further damage.
You can identify a pest infestation by looking for the following inside of your home:

1. Dead or active bugs
2. Droppings or nests
3. Noises of scurrying or digging in the walls
4. Odd or different smells
5. Holes and gnaw marks on walls or furniture
6. Evidence of termites, such as weak and disintegrating wood

Additionally, it is important to examine the exterior of your home for potential infestations. When observing your home’s exterior for pests, look for:

- Dumpsters near your home that may house pests.
- Damaged plants that have been trampled or gnawed on.
• Damaged lawn areas, such as brown circles.

• Mole holes in the lawn.

• Excessive ant hills in the grass or in pavement cracks.

**Identifying the Culprits of an Infestation**

When attempting to look for potential pest infestations, it is also important to understand what types of pests you may be looking for.

The species of pests that may infest your home depend on the area in which you live. However, the most common home pest infestations include:

• **Flies** - Your home can be infested with houseflies or fruit flies, which are usually attracted to food.

• **Bed bugs** - In addition to beds, these bugs can also nest and breed in your home’s cracks and crevices.

• **Ants** - These pests usually enter your home in search of food and can create small nests made of fine sand.
· **Wasps** - These flying and stinging insects can enter through cracks and create nests to breed, usually in eaves or wall cavities.

· **Rats** - Black rats are most common in homes and can destroy electrical wiring and drywall.

· **Termites** - These pests can cause extensive damage if not handled right away.

· **Mice** - House mice are active all year and are usually in search of warm, quiet areas.

· **Cockroaches** - You may not see these pests because they usually only come out in the dark, but they can leave harmful droppings while looking for food.

· **Mosquitoes** - As temperatures rise in spring and summer months, be on the lookout for mosquito infestations.

*Treating an Infestation*
To eliminate or prevent pest infestations, it is important to develop a treatment plan for your
home. This plan can be specific to the pests your home is susceptible to or can include general treatment for all potential pests.

There are many DIY sprays and treatments available at local home improvement stores. Be sure to read the warnings and instructions on these products to keep children and pets safe around these toxic chemicals.

You can also consult a local pest control company to eliminate current pests and routinely treat your home to avoid future infestations.

There are many reasons to consider hiring pest control professionals for your home’s treatment, including:

- **It can save time.** Professional treatments often work faster than DIY methods, so less damage is caused by the pests.

- **They can find the source.** Professionals can usually locate the
source and eliminate the pests’ nest immediately.

- These treatments can prevent health problems and further damage. With professional treatments, pests are eliminated faster and are less likely to come back. You and your family can avoid the serious problems they cause and avoid prolonged exposure to harmful pest control chemicals.

Alarm Systems

Since over 2.5 million home intrusions occur each year, installing an alarm system is key to successful home security.

You can choose to install an alarm system that is monitored by a company or unmonitored. If you choose to use a professional company to install a monitored system in your home, it is important that you choose a local company that provides effective and proven results.
When interviewing local alarm monitoring companies for your home, you should consider asking the following questions:

1. Is your company licensed and an official member of a security organization?

2. What is the cost of equipment and the monthly monitoring fee?

3. Are there any gaps in security in my home alarm system?

4. How long has your company been in business in my area?

5. What is the average response time to an alarm?

6. How is client and home safety protected?

7. Does the installed equipment have a warranty?

8. How often are installed alarm systems tested for functionality?

9. Who is contacted when an alarm is set off?
10. Are there advanced security features, such as text messages when an alarm is set off?

There are also many choices for the alarm system itself. Whether you hire a monitoring company or plan to install a system and monitor it yourself, you will need to decide on the types of sensors you want to use in your home security system.

Your sensor choices may include the following:

- Passive infrared motion detectors
- Ultrasonic detectors
- Magnetic switches
- Microwave detectors
- Glass break detectors
- Photoelectric beams

You may also choose to install wired or unwired cameras on the exterior and interior of your home. In many cases, these cameras also include motion sensor technology that can alert
you of movement inside or outside of your home all on your smartphone.

Note:
Before moving, one of the most important things to do is establish your budget. Look into obtaining a budget app or consulting a lender or bank agent for advise.
VIP Concierge Services

Still have questions? We’re here to help.

Call us at 1-866-529-6007

From 7 a.m. to 10 p.m. EST.