

Buying and Owning a Home

A Financial Curriculum for English
Language Learners



Before You Buy...

- Can I pay for it?
- What should I ask about?
- How do I get a loan?



What you pay when you own:

- Mortgage payments
- Utilities
- Fix things
- Tax



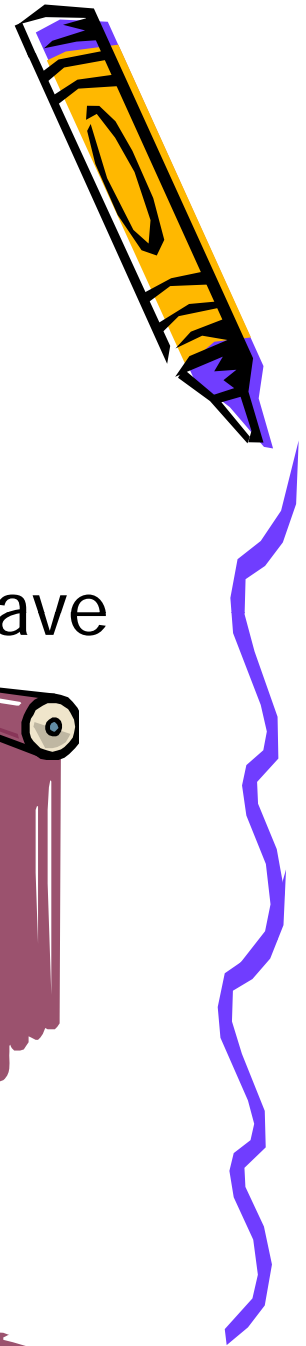
Can I afford that?

- Can you pay a down payment of 20%?
- Mortgage payments should be less than 28% of income
- Plan to pay 1% home value every year to fix things
- How much do you owe?



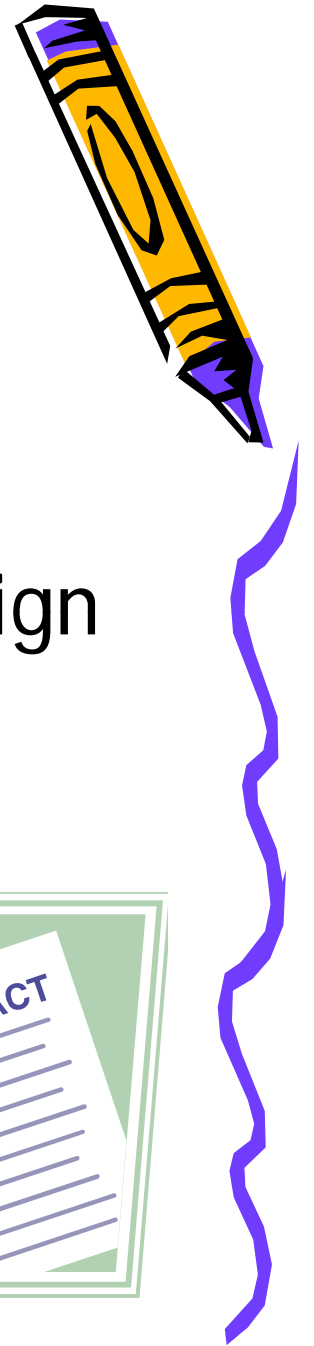
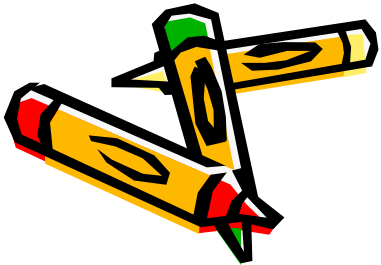
What should I ask the seller?

- What is the history of the home?
- Is anything “under warranty” (does it have insurance?)
- Has anything been fixed?
- How much are utilities?



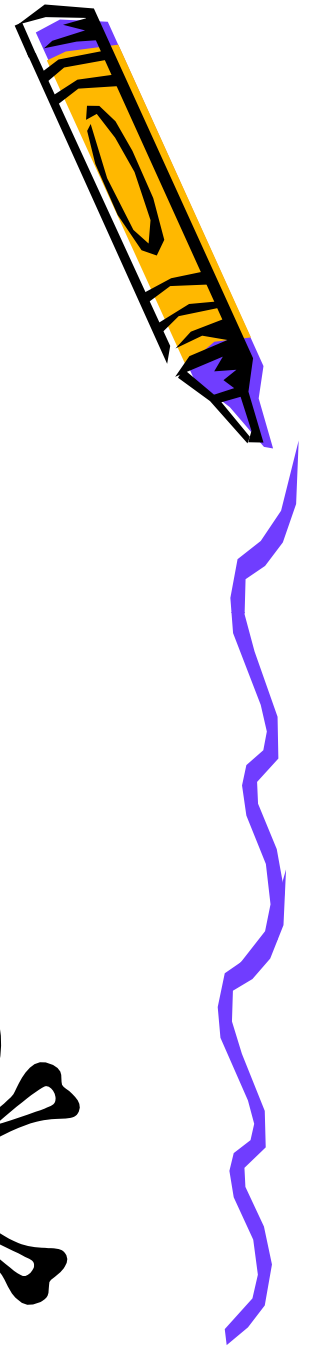
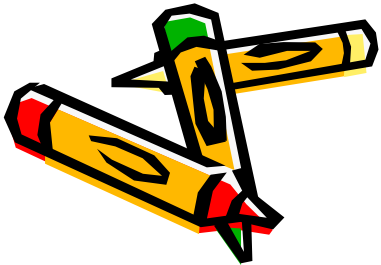
Get a Good Loan!

- Shop around
- Read and understand before you sign
- Get help from a counselor
- You can cancel a loan!

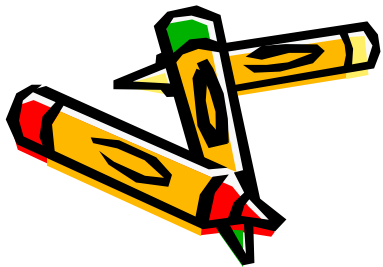


But Watch Out!

- Some lenders are bad!
 - They put a lot of pressure on you
 - High interest rates and fees
 - Cheap now, expensive later
- They try to trick you!



Oh no. I think I got a
bad loan. I can't pay
anymore. What now?



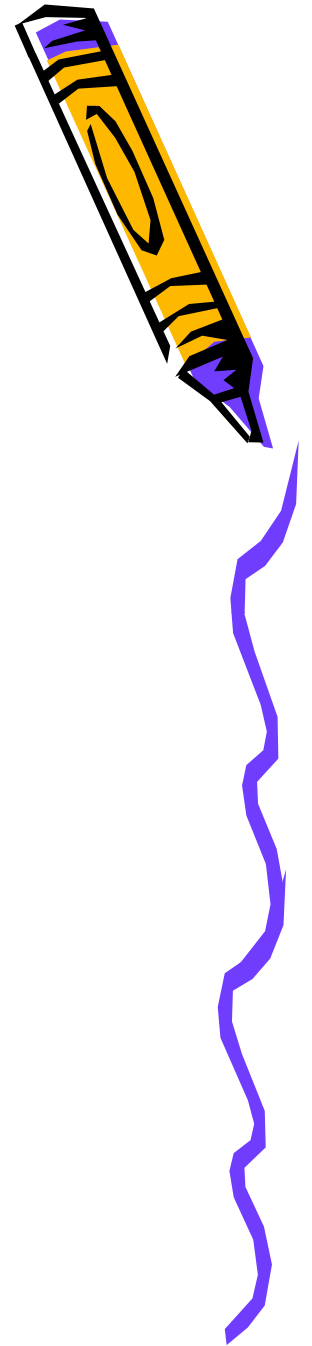
Why did my mortgage payments go up?

- You have an adjustable rate mortgage
- The fee for borrowing money can change!
- Your mortgage went up because that fee went up



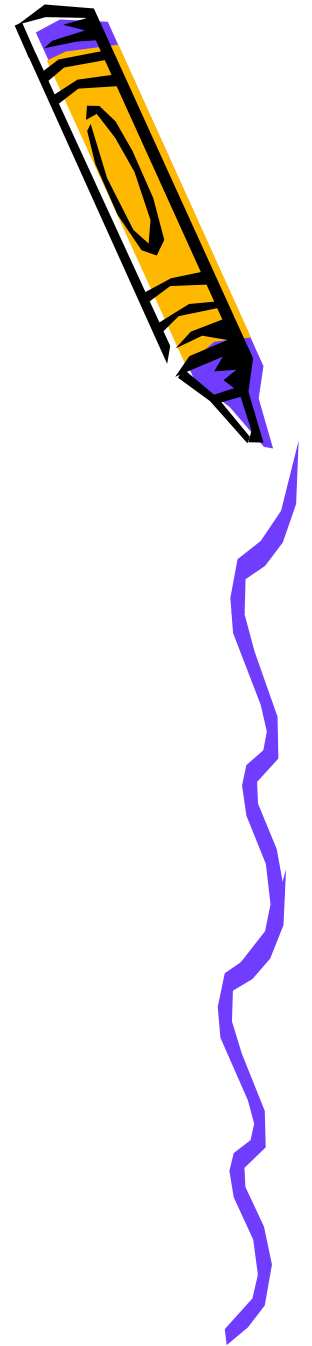
Should I Refinance?

- Get a lower interest rate
- Get another type of mortgage
- Pay faster
- Get cash



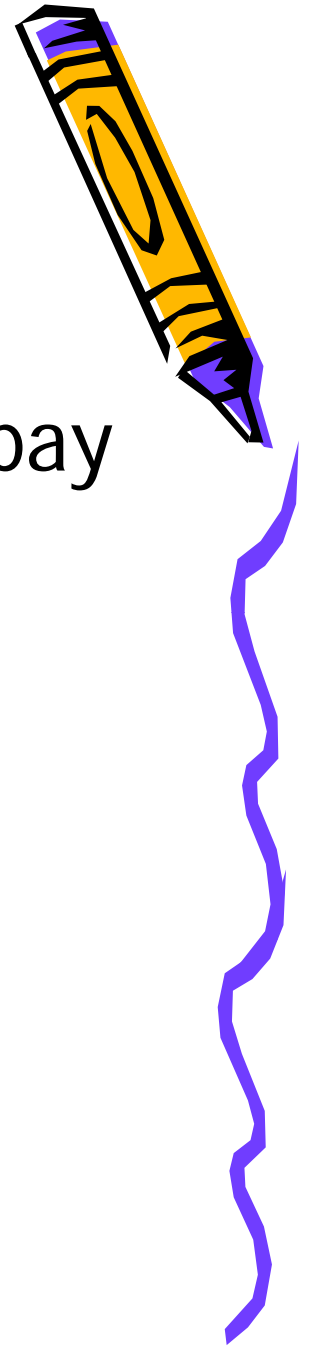
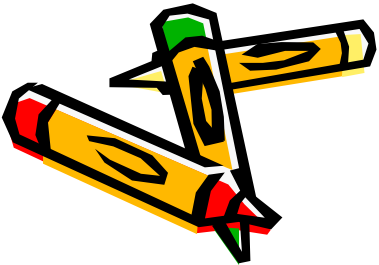
What is "Cancellation of Debt"?

- You borrow money but can't pay it back
- The lender might cancel the debt (say you don't have to pay)
- You might have to pay taxes



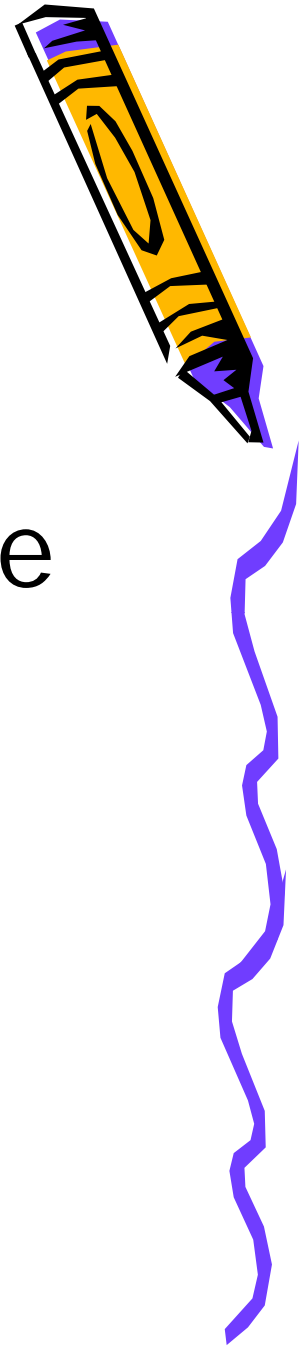
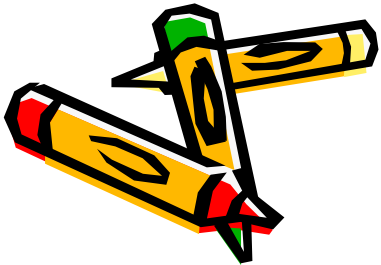
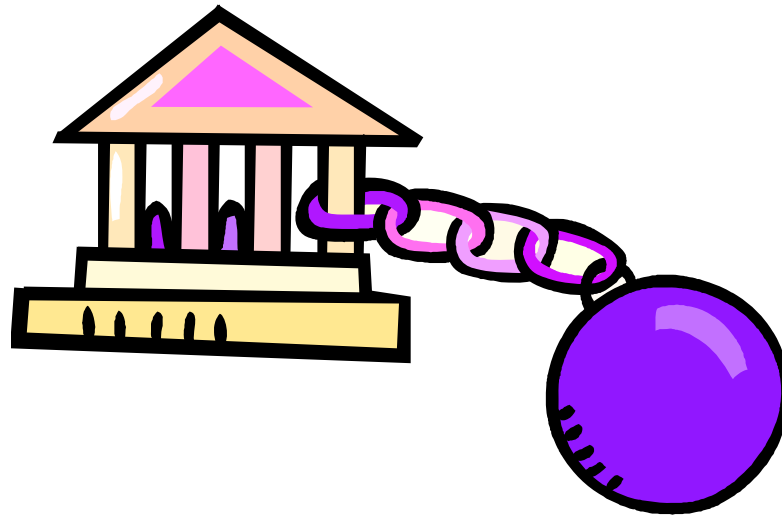
Taxes? Why?

- The money that you don't have to pay now is like income
- You don't have to pay taxes if:
 - You are bankrupt
 - Your debt is more than your assets



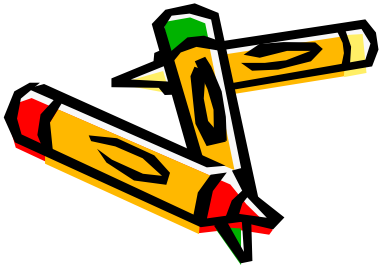
Foreclosure

- Your lender takes your home because you can't pay your debt



Get Help Now!

- Counselor who helped you buy your house
- HUD
- Veterans Affairs (VA)
- Fannie Mae
- Your mortgage insurance company



When you talk with a counselor...

- Be honest
- Get the information they need
- Make the changes you have to

