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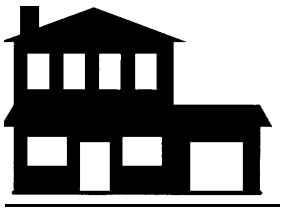
COOPERATIVE EXTENSION



HOME OWNERSHIP
FACT SHEETS

Understanding Your Obligations As A Borrower

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- Pay your monthly mortgage payments on time
- Failure to make payments may result in foreclosure
- Make sure you know the terms of your loan
- Make sure you know when your payments are due each month
- Make sure you know where to send your payments
- Know how late your payments can be without triggering a late fee
- If you have an adjustable-rate mortgage, know how far ahead of time will you be notified if payment has increased

How To Avoid Foreclosure

"Foreclosure is the legal means that a lender may use to take possession of your home if you fail to make your payments."

What To Do If You Are Having Financial Problems

- Contact your lender immediately to discuss the situation
- Be able to explain why you are past due
- Have a plan for how you will get caught up
- Contact a housing counseling agency
- The lender or servicing agent should work with you provided the lender believes that you are acting in good faith and that some temporary assistance will resolve the problem
- Beware of equity skimmers

What are some of the expenses that you may face as a homeowner that you never had as a renter?

- Repairs
- Lawn and garden equipment
- Snow removal equipment
- Sewer and water bills
- Pest control
- Power tools
- Washer and dryer
- Trash cans

- Trash collection
- Other expenses

Assume you have $1,000 to spend on repairs and improvements. How would you prioritize these projects?

- Repair roof after several shingles blew off during a storm
- Replace older electric water heater with new, energy-efficient gas water heater, anticipated energy savings $18/month
- Replace drafty storm windows
- Replace carpeting that has excessive stains
- Build a deck for leisure and entertainment

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