



**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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