



UNIVERSITY LEGAL SERVICES

HOUSING COUNSELING REPORTER

MEETING THE HOUSING COUNSELING NEEDS OF OUR COMMUNITY

VOLUME 1, ISSUE 1

SPRING/SUMMER 2006

WHAT YOU SHOULD KNOW WHEN INSPECTING YOUR HOUSE

A standard pre-purchase inspection will cover a home's major mechanical systems - electrical, plumbing, heating, and cooling - and its construction from roof to foundation, exterior to interior. Overall inspections do not cover soil, pools, wells, septic systems, building code violations or environmental hazards such as lead.

Inspector's Top 10

Know how extensive repairs will be before you take them on.

1. **The house has poor drainage.** This is the most common problem found by home inspectors. To improve drainage, you may have to install a new system of roof gutters and downspouts or have the lot re-graded to better channel water away from the house.

2. **The house has faulty wiring.**

An insufficient or out-of-date electrical system is a common problem, especially in older homes. This is a potentially hazardous defect and not to be taken lightly. You may have to replace the entire electrical system, or at least part of it, to bring the home up to code or to make it safe.

3. **The roof leaks.** If the roof has water damage, it may be caused by old or damaged shingles or improper flashing. It's cheap and easy to repair this problem and small amounts of flashing, but if the roof is old, you face a much larger expense to replace the whole thing.

4. **The house has an unsafe heating system.** An older heating system or one that has been poorly maintained can be a serious health and safety hazard. You may have to repair or replace the old furnace. This is a major expense, but new furnaces are more energy-efficient, which will probably save you money down the line. If your heating system is anything but electrical, install carbon monoxide detectors in different locations in the house.

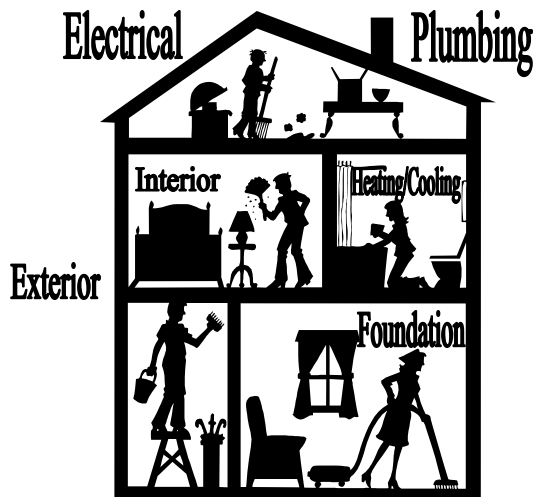
5. **The whole house has been poorly maintained.** Examples of poor maintenance include cracked or peeling paint, crumbling

SPECIAL POINTS OF INTEREST:

- *Credit Education*
- *Reverse Mortgages*
- *What You Should Know When Inspecting your House*
- *ULS Client Success Stories*
- *ULS Workshop Schedule*
- *10 Warning Signs Your Cooperative or Condominium could be in Trouble*
- *Money Management Tips When Purchasing a Home*

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Reverse Mortgage

Unlocking the Financial Potential of Your Home

By Donna Threadgill, Mortgage Officer, Academy Mortgage LLC

If you are 62 or older, own and reside in your home, and you consider it to be your primary property, you are qualified for the reverse mortgage. It doesn't matter if you have a mortgage or not. The reverse makes it possible for you, the home owner to remain in your home for as long as you wish, (even to the end of your life), use a percentage of the equity (which is based on the youngest homeowner's age), not make any monthly payments, and retain ownership of your home. You cannot be forced from your home and you and your heirs can never owe more than the value of the home. You choose who will inherit the property upon your death and they decide what they want to do with the property. You might be saying "Sounds too good to be true" but this is not the case when it comes to the benefits of a reverse mortgage.

The most widely used reverse mortgage is the Home Equity Conversion Mortgage (HECM), which is insured by the Federal Housing Administration (FHA). Homeowners can apply for the reverse mortgage through a mortgage company certified by HUD and get a counseling certificate through a HUD certified agency in their area. Counseling is free to the homeowner and is mandatory. The counseling is intended to help each individual and chosen family members understand the reverse mortgage and it ensures that the correct product is chosen for your need. Income and credit are not a factor when doing the reverse mortgage and the money received from the reverse mortgage is tax-free because the proceeds are considered a loan, not income. You can use the money from the reverse mortgage for any reason. You can have it available as your emergency money, to pay property taxes, make repairs or add an addition to your home, pay off credit cards, travel, health care, purchasing long term care insurance, new car, helping family, or just doing things you never had a chance to do.

As one of my customers, Ms. M. Ball stated, "I have never had money in a savings or left in my checking account until I did the Reverse Mortgage. The Counselor that assisted me suggested I do the reverse over 2 years ago. "Knowing I had three mortgages and credit card debt, she knew I needed to do something." I was still fearful of losing my home. She kept trying to get me to see the light. Getting behind in one of my mortgages would have certainly made me lose my house but I still could not see how the Reverse Mortgage was going to help me. She didn't give up on me. Instead she changed her tactics and had the mortgage officer call me. That is when I finally decided to give it a try. I was making myself sick from worry about how I was going to continue to pay the mortgages. The credit cards couldn't be factored into the budget because there was not enough money to pay everyone. Now I feel like a brand new person. I don't have to worry about paying my mortgages nor do I have to worry about ever losing my home. I have something I have never had before, a *peace of mind*'.

In addition, another client Ms. M. Spencer says,



"This was perfect for me. When my husband died and left me with unexpected debts I had to figure out something that would work for me and I was fortunate enough to find out about the reverse mortgage. I always thought I would leave the house for my daughter. After watching how she handled her financial business, I decided I would prefer to use my money for the things I need to keep me comfortable instead of scrimping and sacrificing for the sake of leaving something for my children. The chance of the house being sold at a tax sale, I felt was very strong and I just reached the conclusion that I would prefer to use the money from the house that my husband and I worked for to make life better for ourselves, to help my family now, and not wait until I am dead".

There are three ways you can receive your money: Lump sum, Tenure Plan, or in a Line of Credit, or you can use a combination. You can also change the plan whenever you like. The value of your home will continue to grow every year and the Reverse Mortgage will become due when you no longer live in the property. Remember you or your heirs will settle the loan by

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A single female came to our organization seeking assistance. She has always wanted to own a home but felt she could not afford the monthly mortgage note. The client attended one of ULS' first time homebuyer workshops and was educated on how to prepare for homeownership. She was given information on public and private programs that could assist her by providing grants or loans for down payment. The client was interested in the low Home Purchase Assistance Program. She had saved the \$2,500 needed for her down payment and she had been pre-approved by a lender. Her credit report was reviewed and was in good standing. The client was given an application to complete and it was forwarded to the GWUL for the underwriting process. An NOE letter was received saying that she was approved for a loan. Based on her salary of \$48,402, she can afford a house up to \$177,400 at 6.5%. She is now in the process of locating a home to purchase.

A 70-year old female came to University Legal Services for counseling on the Home Equity Conversion Mortgage (HECM). She had a small loan on her house of \$30,000 that she received to assist her daughter. Her daughter was responsible for the monthly payments but had lost her job and the client's monthly income of \$690 was not sufficient to pay the note. The client's house was valued at \$350,000. She attended a one-on-one counseling session with a Housing Counselor. Following the counseling session, she contacted three companies for an appointment. The client will get a line of credit for \$50,000, pay off the \$30,000 and put \$20,000 in the bank for repairs and a new roof.

A 45-year old single male with a yearly salary of \$34,315, came to our organization interested in becoming a homeowner. He attended one of ULS' first time homeowner seminars where

presentations were given by a real estate agent and lending institution. She received information and counseling from a housing counselor on the HPAP program. The client was given educational material such as books, pamphlets and brochures pertaining to buying a home. Following the seminar, the client was given an one-on-one counseling appointment where his credit report was reviewed. His credit report and score was very good and he was found to qualify for the HPAP program. The client was given an application to complete and return for review. The application was forwarded to the GWUL for the underwriting process. The client received his Notice of Eligibility letter which qualified him based on his income for a 30-year first trust mortgage of \$168,300 at 6.5% to help finance a purchase price up to \$178,300. He is now looking for a home.

A female came to University Legal Services to apply for the DHCD Home Purchase Assistance Program (HPAP). On her first visit, the client attended a comprehensive pre-purchase seminar where she was counseled on the HPAP guidelines, inspection and first trust financing. The client had some money management program but the counselor was able to help her clear them up. The counselor also discussed the price range of some affordable homes in the District of Columbia, where the client was interested in purchasing her home. She was a native Washingtonian and was very excited about purchasing a home for the first time. The client has since found her dream house in the upper Northeast area, which is a three bedroom, one and one half bath townhouse with a front and backyard. The new homeowner has access to great bus and metro rail service, shopping and parks. The client was able to go to settlement thanks to the help of DHCD's HPAP program.



(WHAT YOU SHOULD KNOW WHEN INSPECTING YOUR HOUSE...Continued from page 1)

masonry, broken fixtures or shoddy wiring or plumbing. You can easily repaint a wall, replace a fixture or repair a brick wall, but do-it-yourself electrical or plumbing situations are serious and potentially dangerous problems. You should replace any such wiring or pipes.

6. ***The house has minor structural damage.*** This type of damage is usually caused by water seepage into the foundation, floor, joists, rafters or window and door headers. Minor structural damage means the house is not likely to fall down, but you should deal with the problem before it becomes more serious. You need to fix the cause of the problem (a leaky roof, for example), then repair or replace any damaged areas. The more extensive the damage, the more expensive it will be to repair.
7. ***The house has plumbing problems.*** The most common plumbing problems include old or unsuitable piping materials and faulty fixtures or waste lines. These may involve easy repairs such as replacing a fixture or more expensive procedures such as replacing the plumbing itself.
8. ***The house's exterior lets in water and air around windows and doors.*** In most cases, this usually does not indicate a structural problem, but rather poor caulking and weather stripping that require relatively simple and inexpensive repairs around windows and doors.
9. ***The house is improperly ventilated.*** Poor ventilation can result in too much moisture that can cause damage to interior walls and structural elements. It can also worsen allergic reactions. If there are no windows, you should install ventilation fans in every bathroom and regularly open all the windows in your home. To repair damage caused by poor ventilation, you may only have to replace drywall and other inexpensive pieces. If you have to replace a structural element, it will be more expensive.
10. ***The house has an environmental hazard.*** Environmental problems are a new and growing area of home defects. They include lead-based paint, which is common in homes built before 1978, asbestos, formaldehyde, contaminated drinking water, radon and leaking underground oil tanks. You usually need to arrange a special inspection to determine environmental problems and they're usually expensive to fix.

Defects and Disclosures

It is important to understand defects and disclosures before you evaluate the physical condition of the home you want to buy and decide how much you want to pay for it.

Defects - Pre-purchase home inspections involve two kinds of defects: the kind you can see (a patent defect) and the kind you can't see (a latent defect).

Patent defects are easy to spot. Examples of patent defects include water stains, ceiling cracks, sticky windows or sagging floors. Latent defects are harder to find because they may be hidden. For example, faulty plumbing, asbestos ceilings or dry rot.

Some defects are simple; while others are more serious. An inspection can help you decide whether you need to act on the defects you find. Whether you are a buyer or a seller, be sure to work out how all defects will be repaired or paid for during contract negotiations.

Disclosures - Disclosure is when a seller or real estate agent reveals a material fact about the physical condition of a property to a buyer.

A material fact is any information that can affect the price of the home or a buyer's decision to purchase it at all, such as spring flooding in the basement or a highway project that will cut through the neighborhood.

Disclosure laws vary by state and range from voluntary seller disclosure to mandatory seller disclosure questionnaires. Some real estate companies also require seller disclosures, and agents can be held legally responsible for not disclosing a vital piece of information about a property.

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(WHAT YOU SHOULD KNOW WHEN INSPECTING YOUR HOUSE...Continued from page 4)

Glossary of Terms:

- **Asbestos** - A fire-resistant mineral used for insulation and home products that has been found to pose a health hazard.
- **Caulk** - An acrylic or silicon sealant used to fill cracks, crevices, and holes in a home.
- **Drainage** - A system of gutters and drainpipes that carry water away from the foundation of a house.
- **Flashing** - Metal strips placed around chimneys, skylights, vents, windows, doors, beneath shingles, and along seams in the roof to prevent water seepage.
- **Header** - A crossbeam above a window or door.
- **Joist** - Part of the framing that provides the structure for a floor. In most homes, floor joists are made of 2-by-8s or larger lumber set on edge and spaced 16 inches apart, from center to center.
- **Rafter** - One of a series of beams that form the slope of a pitched roof and are analogous to floor joists.
- **Weather stripping** - Individual lengths of rubber or plastic used to plug air leaks around doors and window frames.
- **Radon** - A ground-generated radioactive gas that seeps into some homes through sump pumps, cracks in the foundation and other inlets. A serious health hazard.

Information Obtained from the HomeAdvisor

10 WARNING SIGNS THAT YOUR COOPERATIVE OR CONDOMINIUM COULD BE IN TROUBLE

Have you been invited to and attended a Membership meeting in the last 12 months?

Your Bylaws probably require a full membership meeting at least once a year. They also probably require that you get sufficient advance notice in order to be able to attend the meeting. What do your Bylaws say? You should have a copy of your Bylaws and you should be familiar with the rules they lay out.

Have you had the same President or Board Members for more than 5 years?

This situation is not always an indicator of a problem. Many associations have good leaders and the members are satisfied to let them keep doing the job, as long as they remain willing. The problem comes in when the members are no longer paying attention or feel themselves powerless to change what they view to be a bad situation.

Do you refer to the money you pay every month as "rent"?

If you do, then you've forgotten--or have never been told--that "rent" is something that is paid to a Landlord to cover his expenses and profit. In your case, the monthly payment is referred to as a "Carrying Charge" (cooperatives) or a

"Condo Fee" (condominiums), so as to differentiate it from payment to a Landlord. You and your neighbors own the building, not the "Landlord."

Are things in the building beginning to fall apart, with no plan to fix them?

One of the responsibilities of the Board of Directors is to keep track of the building and its components and to keep them in good repair. As a member, it's your responsibility to make sure the Board is performing this task.

Have any units in your building been vacant for more than 6 months?

This situation is often an indicator of trouble. Income from the sale of units is important to the financial health of your association. Why is the unit vacant? What can be done to correct the situation? Identify the problem and address it.

Are units in your building overcrowded?

Your Bylaws, House Rules, and Occupancy Documents probably specify how many residents may occupy a given unit and may even name them. If people in one unit begin

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(REVERSE MORTGAGE: UNLOCKING THE FINANCIAL POTENTIAL OF YOUR HOME...Continued from page 2)

either selling the property or refinancing the mortgage. The Reverse Mortgage is the safest product you will find. All fees are disclosed upfront and nothing is hidden.

Information about reverse mortgage is available at www.academyloans.com or by calling Academy Loans toll free at 800-420-5515. You can also contact Donna Threadgill at 410-570-0441 or by email at donna.threadgill@verizon.net. For Reverse Mortgage counseling contact, University Legal Services at 202-547-4747 and speak with one of the counseling professionals on staff.

(10 WARNING SIGNS THAT YOUR COOPERATIVE OR CONDOMINIUM COULD BE IN TROUBLE....Continued from page 5)

to live in an overcrowded unit, the situation may spread, potentially damaging the living situation of the whole building.

Is at least one resident seriously behind in their Carrying Charges or Fees?

This is another situation that can spread like wildfire. We have all been in tough financial times but if the situation is allowed to continue unaddressed, it will spread to other members of the association, and things could go downhill very fast.

Do you know your neighbors down the hall?

The original reason for forming a cooperative or condominium was usually that a group of regular people wanted to band together to take control of and improve their living environment and their community. Sometimes, over time, people can tend to forget that once they pulled together and made something wonderful happen. You don't have to LOVE your neighbor, but a little respect and a "good morning" once in a while would be nice.

Do you know what reserves are? Does your Association have enough of them?

Financial reserves are dollars that are set aside to either: a) protect the association in the event of a shortfall during the year; or b) help to pay for fixing up the building from time to time. How are your reserves doing?

Does your Management Company know more about what's going on than the Board?

The Management Company works for the association. Sure, it's their responsibility to collect the money and make the repairs, but it is the Board and membership's responsibility to ensure that they are doing their job. Who is reading the management reports and keeping the management company honest? Remember, YOU and your membership are the owners; the buck starts and stops with YOU.

CREDIT EDUCATION

Your **credit record** demonstrates how well you have handled credit in the past and how you use credit currently. Buying on credit means that you buy something now, such as a home or car, under an agreement to pay for it later, usually paying interest.

Your **credit record** reflects whether you pay your bills on time and whether you pay the proper amounts due.

Your credit record is maintained electronically by three private companies, Equifax, Experian, and Trans Union, also known as credit repositories. Your **credit report** is a listing of the information in your credit record. These companies sell your credit report to businesses who use the information to make critical decisions affecting your overall financial future. These entities include banks and other creditors who review applications for loans, mortgages and

credit lines; landlords who review apartment rental applications; and employers who screen prospective employees.

Your credit report includes:

- ◆ Your name, date of birth and Social Security number
- ◆ Your current and previous addresses
- ◆ Your current and previous employers, in many cases
- ◆ Your debts
- ◆ Your payment history with companies that have loaned you money under an arrangement to pay it back, such as banks, credit card companies and

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UNIVERSITY LEGAL SERVICES SCHEDULE OF SEMINARS FOR JUNE, JULY, AUGUST AND SEPTEMBER 2006

N.E. Office

June 2006

- ◆ *Wednesday, June 7, 2006* - A Homebuyer's seminar will be held by ULS' NE staff from 9:30 a.m. - 12:00 p.m.
- ◆ *Tuesday, June 13, 2006* - A Homebuyer's seminar will be held by ULS' NE staff from 9:30 a.m. - 12:00 p.m.
- ◆ *Tuesday, June 20, 2006* - A Homebuyer's seminar will be held by ULS' NE staff from 9:30 a.m. - 12:00 p.m.
- ◆ *Tuesday, June 27, 2006* - A Homebuyer's seminar will be held by ULS' NE staff from 9:30 a.m. - 12:00 p.m.

July 2006

- ◆ *Thursday, July 6, 2006* - A Homebuyer's seminar will be held by ULS' NE staff from 9:30 a.m. - 12:00 p.m.
- ◆ *Tuesday, July 11, 2006* - A Homebuyer's seminar will be held by ULS' NE staff from 9:30 a.m. - 12:00 p.m.
- ◆ *Tuesday, July 18, 2006* - A Homebuyer's seminar will be held by ULS' NE staff from 9:30 a.m. - 12:00 p.m.
- ◆ *Wednesday, July 26, 2006* - A Homebuyer's seminar will be held by ULS' NE staff from 9:30 a.m. - 12:00 p.m.
- ◆ *Thursday, July 27, 2006* - A Rehab seminar will be held by ULS' NE staff from 10:00 a.m. - 12:00 p.m.

August 2006

- ◆ *Tuesday, August 8, 2006* - A Homebuyer's seminar will be held by ULS' NE staff from 9:30 a.m. - 12:00 p.m.
- ◆ *Wednesday, August 16, 2006* - A Homebuyer's seminar will be held by ULS' NE staff from 9:30 a.m. - 12:00 p.m.
- ◆ *Tuesday, August 22, 2006* - A Homebuyer's seminar will be held by ULS' NE staff from 9:30 a.m. - 12:00

p.m.

- ◆ *Tuesday, August 24, 2006* - A Homebuyer's seminar will be held by ULS' NE staff from 10:00 a.m. - 12:00 p.m.
- ◆ *Wednesday, August 30, 2006* - A Mortgage Default seminar will be held by ULS' NE staff from 10:00 a.m. - 12:00 p.m.

September 2006

- ◆ *Wednesday, September 6, 2006* - A Homebuyer's seminar will be held by ULS' NE staff from 9:30 a.m. - 12:00 p.m.
- ◆ *Tuesday, September 12, 2006* - A Homebuyer's seminar will be held by ULS' NE staff from 9:30 a.m. - 12:00 p.m.
- ◆ *Tuesday, September 19, 2006* - A Homebuyer's seminar will be held by ULS' NE staff from 9:30 a.m. - 12:00 p.m.
- ◆ *Tuesday, September 26, 2006* - A Homebuyer's seminar will be held by ULS' NE staff from 9:30 a.m. - 12:00 p.m.

S.E. Office

July 2006

- ◆ *Wednesday, July 5, 2006* - A Homebuyer's seminar will be held by ULS' SE Staff from 10:00 a.m.- 12:00p.m.
- ◆ *Thursday, July 6, 2006* - A Reverse Mortgage seminar will be held by ULS' SE Staff from 10:00 a.m.- 12:00 p.m.
- ◆ *Friday, July 7, 2006* - A Homebuyer's seminar will be held by ULS' SE staff from 5:00 p.m.- 6:45 p.m.
- ◆ *Tuesday, July 11, 2006* - A REHAB seminar will be held by ULS' SE staff from 10:00 a.m.- 12:00 p.m.
- ◆ *Wednesday, July 12, 2006* - A Homebuyer's seminar will be held by ULS' SE staff from 10:00a.m.- 12:00 p.m.

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(ULS SCHEDULE OF SEMINARS FOR JUNE, JULY, AUGUST AND SEPTEMBER 2006...Continued from page 7)

- ◆ **Friday, July 14, 2006** - A Homebuyer's seminar will be held by ULS' SE staff from 5:00 p.m.- 6:45 p.m.
- ◆ **Tuesday, July 18, 2006** - A REHAB seminar will be held by ULS' SE staff from 10:00 a.m.- 12:00 p.m.
- ◆ **Wednesday, July 19, 2006** - A Homebuyer's seminar will be held by ULS' SE Staff from 10:00 a.m.– 12:00 p.m.
- ◆ **Thursday, July 20, 2006** - A Rental seminar will be held by ULS' SE staff from 10:00 a.m.- 10:00 p.m.
- ◆ **Friday, July 21, 2006** - Homebuyer's seminar will be held by ULS' SE staff from 5:00 p.m.- 6:45 p.m.

August 2006

- ◆ **Wednesday, August 2, 2006** - A Homebuyer's seminar will be held by ULS' SE Staff from 10:00 a.m. - 12:00 p.m.
- ◆ **Friday, August 4, 2006** - A Homebuyer's seminar will be held by ULS' SE staff from 5:00 p.m.- 6:45 p.m.
- ◆ **Tuesday, August 8, 2006** - A REHAB seminar will be held by ULS' SE staff from 10:00 a.m. - 12:00 p.m.
- ◆ **Wednesday, August 9, 2006** - A Homebuyer's seminar will be held by ULS' SE Staff from 10:00 a.m. - 12:00 p.m.
- ◆ **Thursday, August 10, 2006** - A Rental seminar will be held by ULS' SE staff from 10:00 a.m. - 10:00 p.m.
- ◆ **Friday, August 11, 2006** - A Homebuyer's seminar will be held by ULS' SE staff from 5:00 p.m. - 6:45 p.m.
- ◆ **Wednesday, August 16, 2006** - A Homebuyer's seminar will be held by ULS' SE staff from 10:00 a.m. - 12:00 p.m.
- ◆ **Thursday, August 17, 2006** - A Reverse Mortgage seminar will be held by ULS' SE staff from 10:00 a.m.- 12:00 p.m.
- ◆ **Friday, August 18, 2006** - A Homebuyer's seminar will be held by ULS' SE staff from 5:00 p.m.- 6:45 p.m.
- ◆ **Tuesday, August 22, 2006** - A REHAB seminar will be held by ULS SE' staff from 10:00 a.m.- 12:00 p.m.

September 2006

- ◆ **Friday, September 1, 2006** - A Homebuyer's seminar will be held by ULS' SE staff from 5:00 p.m.- 6:45 p.m.
- ◆ **Tuesday, September 5, 2006** - A REHAB seminar will be held by ULS' SE staff from 10:00 a.m.- 12:00 p.m.
- ◆ **Wednesday, September 6, 2006** - A Homebuyer's seminar will be held by ULS' SE Staff from 10:00 a.m.– 12:00 p.m.
- ◆ **Thursday, September 7, 2006** - A Rental seminar will be held by ULS' SE staff form 10:00a.m.- 12:00 p.m.
- ◆ **Friday, September 8, 2006** - A Homebuyer's seminar will be held by ULS' SE staff from 5:00 p.m.- 6:45 p.m.
- ◆ **Wednesday, September 13, 2006** - A Homebuyer's seminar will be held by ULS' SE Staff from 10:00 a.m.– 12:00 p.m.
- ◆ **Thursday, September 14, 2006** - A Reverse Mortgage seminar will be held by ULS' SE Staff from 10:00 a.m.– 12:00 p.m.
- ◆ **Friday, September 15, 2006** - A Homebuyer's seminar will be held by ULS' SE staff from 10:00 a.m.- 12:00 p.m.
- ◆ **Tuesday, September 19, 2006** - A REHAB seminar will be held by ULS' SE staff from 10:00 a.m.- 12:00 p.m.
- ◆ **Wednesday, September 20, 2006** - A Homebuyer's seminar will be held by ULS' SE staff from 10:00 a.m.– 12:00 p.m.

(CREDIT EDUCATION...Continued from page 6)

department stores, including whether you pay your bills on time and you pay the proper amounts due

- ◆ Public record information such as tax liens or bankruptcies, even if any of these happened several years ago
- ◆ Inquiries made about your creditworthiness over the last several years and whether you were granted credit
- ◆ A list of your accounts, if any, that have been referred to a collection agency

Remember:

Your **credit record** demonstrates how well you have handled credit in the past and how you use credit right now.

Most information in your credit report is deleted from your report after seven years (a bankruptcy is deleted after 10 years) and it is continuously updated to reflect the latest information. **If you have negative information on your credit report, seven years is a long time to have it follow you. Depending on your personal circumstances, it may be difficult to re-establish credit.**

A strong credit record will give you a strong credit score. And that's good news when you set out to build your future.

University Legal Services provides credit counseling to help you learn how to build credit and maintain it. If you are interested in receiving credit counseling, call (202) 547-4747 or (202) 645-7177 to schedule an appointment with a certified housing counselor.

PURCHASING A HOME: MONEY MANAGEMENT TIPS

*By Barbara Jean Abney,
Certified Supervising Housing Counselor - N.E. Division*

- ◆ Mortgage banks are usually the cheapest. Their main business objective is making mortgages, primarily those backed by the Federal Housing Administration or Department of Veterans Affairs.
- ◆ A good real estate broker knows the cheapest mortgages in your area. Some have computers that show them a range of loans at a glance. Another good source is the real estate section of your local newspaper, which is published weekly on Friday and Saturday.
- ◆ Some lenders offer no-point loans. These loans cost you one quarter to one half points more than loans with points.
- ◆ Look for a loan without a prepayment penalty. Lenders shouldn't charge borrowers extra just for paying off their mortgages ahead of time.
- ◆ The more cash that you put into your home, the smaller the loan you'll have to take and the less you'll have to pay each month. Buyers close to retirement usually put a lot of money down. Younger buyers usually do not.

HOMEBUYER AND BUSINESS TAX CREDITS EXTENDED

*By Bernice Powell,
Certified Housing Counselor - N.E. Division*

Did you know that Congresswoman Eleanor Holmes Norton's \$5,000 Homebuyer and Business Tax Credits was extended through 2006?

These credits will bring relief to prospective homebuyers caught up by gentrification and rising prices in the District of Columbia housing market.

In addition to Congresswoman Norton's tax credit, low-

income first time homebuyers can take advantage of the Tax Abatement Program. This program allows your property taxes to be exempt for 5 years.

For further information, call (202) 547-4747 or (202) 645-7175.

UNIVERSITY LEGAL SERVICES

Housing Counseling Program

220 I Street, N.E., Suite 130

Washington, D.C. 20002

(202) 547-4747 Phone (202) 547-2083 Fax

OR

3220 Pennsylvania Avenue, S.E., Suite A

Washington, D.C. 20020

(202) 645-7175 Phone (202) 645-7178 Fax

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Cheryl A. White - Computer Design Specialist

Michael Dinkin - Tenant Purchase Program Manager

Barbara Jean Abney (NE) - Supervising Certified Housing Counselor

Delores Hill (NE) - Senior Certified Housing Counselor

Delta Banks (NE) - Certified Housing Counselor

Bernice Powell (NE) - Certified Housing Counselor

Michelle Beard (NE) - Receptionist/Intake Specialist

Annie Tyson (SE) - Supervising Housing Counselor

Sean Wallace (SE) - Senior Certified Housing Counselor

Tandra Draper (SE) - Certified Housing Counselor

Michelle Brown (SE) - Certified Housing Counselor

David Ward (SE) - Housing Counselor

Christal Peoples (SE) - Secretary