



Congratulations on your decision to purchase a home!

While responsible home ownership may be one of the best ways to provide financial stability for you or your family, a lack of responsible home ownership can damage your finances and create an unstable home environment.

By studying this information and putting it into practice, you will be far more likely to achieve and maintain financial stability and a positive home environment.

Let's get started!

We want you to become a student of budgeting and finances. So there are 3 areas to become very familiar with.

- Preparing a working Budget
- Ways to Save
- Home Maintenance

PREPARING A WORKING BUDGET:

This is one of the most important things you can do that will provide you financial security and peace of mind. Without good financial budgeting, most of us can't remember what monthly expenses we have. And at the end of the month, we wonder where all the money went!

Positive Attitude

Start with a positive attitude about preparing a budget. A good, solid and realistic budget will help you to:

- Understand where your money is spent
- Eliminate or reduce those impulse spending habits that we don't want to "get real" about
- Increase your personal savings
- Provide a much happier and healthy life!

To be successful as a homeowner, it's also important for you to set aside funds in your monthly budget for home maintenance. It costs money to own a home, and you will continually incur a variety of expenses.

List your expenses

As you fill out the budget worksheet in the next section, make sure you think about all monthly expenses as well as those expenses that occur every 3 months, 6 months, annually, etc. Also estimate how much you may pay in auto expenses, home repair, etc. and put a monthly dollar amount to that as well.

Rainy Day Foundation Budget Worksheet

Monthly Housing Expenses	Current	New Home	Budget Expense Goals
Rent/Mortgage Payment			
Property Taxes			
Property Insurance			
Heat/Electric			
Water/Sewer/Garbage			
Telephone			
Cable/Satellite			
Internet			
Misc. 1:			
Misc. 2:			
Misc. 3:			
Total Monthly Housing Expenses			
Monthly Non-Housing Expenses			
Savings <i>(Pay yourself first. This is your monthly household bill, payable to your savings account)</i>			
Supermarket			
Dining/Take-out			
Car Payment 1			
Car Payment 2			
Gas			
Car Maintenance (Oil/Repairs, etc.)			
Other Transportation Costs (Bus, Rail, etc.)			
Auto Insurance			
Health/Medical Insurance			
Life Insurance			
Homeowner's Insurance			
Disability Insurance			
Alimony/Child Support			
Medical, Dental and Drug Expenses*			
Clothing			
Child Care/Tuition			
Recreation/Vacation			
Personal Entertainment			
Hobbies/Organization Dues			
Personal Services (cleaning, hair, nails, etc.)			
Debt Payments (Credit Cards, Installment Loans, etc.)			
Charitable Donations (Church, Charities, etc.)			
Gifts			
Misc.			
Total Monthly Non-Housing Expenses			

Net Monthly Income	
Earned # 1	
Earned # 2	
Other Income	
Total	
Current Monthly Expenses	
Housing	
Non-Housing	
Total	
Current Budget Outlook	
Total Income	
Total Expenses	
Over/Under	
New Home Monthly Expenses	
Housing	
Non-Housing	
Total	
New Home Budget Outlook	
Total Income	
Total Expenses	
Over/Under	
Current vs. Proposed	
Additional Savings	

* Not covered by insurance

Worksheet provided by the Rainy Day Foundation – <http://www.rainydayfoundation.org>

Okay, now that you have listed all your expenses, how do you feel? Probably a few thoughts are going through your mind. Just realize it is what it is and you can control your expenses and obtain realistic goals with some good planning.

Create a budget

If you haven't already, now is the time to talk to your spouse or other appropriate members of the family. Go over the expenses that you listed. Check them for accuracy and for anything that might have been missed. Consider each person's needs and wants so that all family members feel they are a part of the plan. If everyone in the household understands their importance, they may work harder to make the budget succeed and be less inclined to overspend. (Families that don't talk about money matters are less likely to budget successfully)

When creating a budget:

Be specific. If goals are vague, objectives may never be met and you and other household members may have different ideas of what the end result could be.

Be prepared to compromise. If, for example, one person wants to pay cash for things and the other person prefers to buy on credit, they will need to discuss the pros and cons of both methods and decide on a middle ground each can accept. A plan cannot succeed unless there is a financial partnership.

Be realistic. Setting the bar too high may lead to frustrations that could cause you to abandon your plan.

Be persistent. Follow your budget and try not to overspend. Opportunities to do so will occur daily. Each family member needs to encourage the others to stick to the plan.

Be flexible. Your plan will require adjustments to keep up with your changing lifestyle and financial situation. Don't make a budget that is so rigid that each new development requires an entirely new plan.

Be diligent with good record keeping. You'll need to keep a record of what you spend. This will show how well you are following the plan and will allow you to adjust your spending to meet your goals.

Be able to identify "Hidden" Expenses. One of the most challenging aspects of budgeting is not cutting expenses, but rather *identifying* them. The best place to begin is to keep a detailed record of all income and expenses. Keep a small notebook in your pocket and write down every expense throughout the day. Do this for 30 days and you will begin to see how the little stuff will make you say, "I had no idea."

Now that you know where your money is going, you can make some changes. You'll find that you don't have to make big changes that sap the enjoyment out of life. Simple, logical changes in your spending habits can have a meaningful impact on your lifestyle. Small sacrifices can add up to significant savings. Maybe you will decide to discontinue the cable TV service, or get rid of the "premium channels." Maybe you'll bring your lunch to work more often and dine out one less time per month. You may cancel subscriptions to the magazines that are piling up, unread, on the coffee table.

These are small changes, but they could add up to meaningful savings over the course of a month or a year. This first budget may be the most challenging, but after your first year as a homeowner, you'll have receipts, records and knowledge that will help you stay on top of managing your money.

WAYS TO SAVE:

The best ways to make saving happen is to pay yourself first and then to cut back on expenses. What this means is treat your savings account as a bill. So pay your savings account each month a certain amount of money and don't stop! You can either physically deposit a dollar amount into your savings each month, or better yet, set up an automatic withdrawal each month from your checking account into your savings account. Your bank can easily set you up with this, so don't hesitate. Do it now!

So now that you are committed to saving by paying yourself first, here are a bunch of practical ideas to make it happen:

1. Rent a video instead of going to the movies. If you really want to go to the movies, go to the less expensive afternoon "matinee."
2. Or better yet, go to your local library and borrow books, CDs, videos, and read the latest magazines and newspapers.
3. Bring your lunch to work once or twice a week instead of buying it.
4. Don't grocery shop on an empty stomach or you may end up buying more than you need.
5. Try take-out once a month instead of dining out.
6. Cut down food costs by buying what you need on sale, buying generic brands, buying in bulk, and shopping at discount outlets.
7. Don't buy a sale item or use a coupon just for the sake of it being "cheaper." Buy an item only if you need it! Shop with a list.
8. Increase your gas mileage by taking care of your car with scheduled check-ups, or just drive less. Consider carpooling, walking, taking the bus or metro, or riding your bike.
9. Cancel your cable (or at least the premium channels), as well as subscriptions to magazines and newspapers.
10. Exercise at home rather than joining a gym.
11. Make your own coffee at home rather than buying from a store, or at least cut down the number of times per week you purchase coffee.
12. Get health insurance.
13. Track your spending and cash – know where every dollar goes!
14. Organize a friend/relative/neighbor swap of clothes, toys, furniture, CDs, etc.
15. Buy clothes for next year at the end-of-season sales – try garage sales and thrift stores.
16. Find a simple hairstyle that doesn't cost too much to take care of on daily/weekly basis.
17. Take advantage of free entertainment in your community – parks, museums, exhibits, etc. Go to free park concerts and other community activities.
18. Try to buy with cash, checks, or debit cards. If you use credit cards, get rid of all but one or two, and pay off the balance each month. You can save

hundreds or thousands of dollars a year by avoiding credit card interest charges.

19. Always do your grocery shopping with a list of items you need. Don't buy anything that's not on the list. You can save hundreds of dollars a year by avoiding impulse food purchases.
20. Compare unit prices on labels when shopping (for example, price per ounce). You can save hundreds of dollars a year by purchasing items with the lowest price per unit.
21. Avoid shopping at convenience stores. You pay for the convenience -- the prices are usually higher than grocery stores.
22. Consider taking your lunch to work rather than buying it. Depending on where you live and what you eat for lunch, you could save \$5 a day.
23. Review your telephone and cable bills for services you don't use and cancel them. If you subscribe to magazines you rarely get around to reading, cancel the subscription. You could save tens of dollars each month.
24. When choosing a cell phone plan, find one that's appropriate for the calls you intend to make. For example, if you plan to use the phone only for emergencies, avoid plans with monthly fees or minimums.
25. When your doctor prescribes a medicine, ask if a generic is available -- you'll pay less. If you're taking a "maintenance" medicine, consider a mail-order pharmacy -- you'll pay less.
26. Before buying a car, compare insurance, gasoline, maintenance, and repair costs for comparable models. You can save thousands of dollars over the life of the car by choosing a model with low operating costs.
27. Save hundreds of dollars a year on gasoline by making sure your car's engine is tuned regularly and your tires have enough pressure.

Ways to Save on Your Utilities:

Many don't realize that our basic utility bills provide the perfect money saving opportunity for practically every household. Especially with the pinch many states are experiencing with higher energy costs. Conservation, or using less, is not just about saving things for later use. It's also about saving money. By consuming fewer resources, you are also spending less money. Inevitably, conservation goes hand in hand with saving money.

We sometimes lose sight of the fact that the water, gas and electricity we use in our homes always comes back to us in the form of a lovely bill. Use the tips below and you may be surprised to find yourself saving \$1000 or more every year.

Electric:

1. Fans can really cool a house in warmer months if set up properly. Ideally, you want to set up fans to draw in cool air (shady side of house) and circulate into the warmer areas.
2. Get in the habit of turning off ALL lights and appliances that are not being used. You'll be surprised at how quickly the energy savings will add up.
3. TURN THE TV OFF! Did you know that leaving the television on is the number one electricity waster in the world? When everyone is finished watching television, especially before going to sleep, turn it off.
4. Replace all "non-reading" lights with lower wattage light bulbs or possibly the new "energy plus" bulbs for even more savings over time.

5. Get in the habit of hanging your clothes to dry, possibly on a clothesline in a bathroom.
6. Insulate! Insulate! Insulate! Our number one money saving tip! Check the weather stripping around doors and windows. Caulk or foam insulate any place where outside air has a chance to get in. Don't forget to insulate your attic floor with either "roll" or "loose-fill" insulation.
7. Long Term - Install ceiling fans throughout the house. Using your ceiling fans will allow you to decrease A/C usage. During winter months, the fans will help circulate warm air throughout the house.
8. Long Term - Plant tall shrubs and bushes. Not only will this beautify your property, it will also shade and protect your home. You can reduce your need for the A/C in summer months and help block out harsh winds in colder months.

Water:

1. Check to make sure none of the faucets and spigots in your household are leaking or dripping. A slow dripping faucet can cause you to lose over two gallons of water each hour.
2. When watering the garden, set a schedule and try to water in the early morning hours (between 6am-8am). Less water will evaporate
3. Avoid taking baths and long showers.
4. Leave the faucet OFF when you are brushing your teeth or shaving. Only turn it on when needed.
5. If you must wash your car at home, only turn on the hose when you're rinsing.

Gas:

1. During winter months, light a fire for warmth instead of using the central heating unit. Wood is still cheaper than gas.
2. Check and make sure your fireplace is working properly.
3. Wear seasonal appropriate clothing around the house. Get used to wearing sweaters and pants during winter months. You'll find that you won't need to turn the heat up as high.
4. Lower the temperature on your gas water heater. You really don't need water heated up to 180 degrees. Lower it a bit and save.
5. Turn off the stove and oven a few minutes before food is fully prepared. Residual heat will finish the job perfectly.

Plan to Save

Just when we think everything is going okay, "life happens." When we experience a layoff, illness, injury, or anything that causes a financial setback, it usually catches us off guard. It happens. Always has and always will. The question is how well you can prepare for life's unexpected events.

Experts suggest that you build a reserve of three to six months' living expenses. Naturally, you can't save this much money overnight, but you should make it your goal to establish such a reserve as soon as possible once you own a home. This money should be deposited in the bank and be used only for emergencies. So it's very important to continue to stick with your budget now that you own a home.

1. **Build an emergency fund.** You never know when you will need additional cash so try to have two to three months of living expenses in a readily accessible savings account or money market account.
2. **Get out of credit card debt.** High interest credit card debt will kill any savings plan. Once you have paid off your debts/credit cards, put the money you were using for those payments toward savings or some other debt. The goal is to simultaneously pay off your debt while still putting some amount into savings. *Remember, you are loaned money so that you will pay interest and late charges to make other people money.*
3. **Review your insurance coverage.** Every year, review your health, life, disability, renter/homeowners, auto, and personal liability policies to make sure you are both adequately covered.
4. **How much should you save and/or invest?** Save at least 15% of every dime you earn beginning with your first job. The older you are the higher the percentage has to go unless you think you can work forever!

HOME MAINTENANCE:

We've all heard, "a stitch in time saves nine." When it comes to home ownership, "a dollar here and there will save in a big repair." Like your car, your home also requires maintenance. Maintaining your home is protecting your big investment!

No matter how well-maintained a home you are buying, you will eventually be faced with expenses for unexpected repairs and routine maintenance. As a new homeowner, you will need to learn about your home's mechanical systems and construction and what it will cost to maintain them so you can budget for their upkeep.

In addition to the cost of future maintenance, there will be some initial expenses that you may not have thought about, such as; lawn and garden equipment, snow removal equipment, pest control, power tools, appliances, trash cans, etc.

Finally, there are likely to be projects that you will want to take on to improve your new home. All of these expenses, in addition to a monthly payment that's probably higher than what you've been paying in rent, require that you budget and save faithfully.

If an item is in need of repair and you don't know what needs to be done to fix it, chances are you can do it yourself through on-the-job training. It's understandable to want to have someone else fix a problem if you don't know how to do it, but if it's not going to hurt anything, then maybe you can do it yourself. Often, it just takes thinking and learning as we go along. That's how we all learn. There are plenty of resources available for the average homeowner who wants to learn how to repair or build something.

- There are some good "How to" books for homeowners
- Home Improvement stores
- Internet resources

When it comes to things like electrical and plumbing, **you do need to know exactly what to do**, so you may want to hire a certified professional.

Homeowner's Insurance

Another step you must take to protect your investment is to obtain homeowner's insurance. Because your property is the security for your mortgage loan, your lender wants to be sure the value of the home is protected in case it is damaged or destroyed. In some cases, lenders will set aside, or escrow, money from your mortgage payment

each month to cover the annual renewal of your homeowner's insurance premium. *This is the case if you received an FHA loan.* However, if your lender does not do this, you will have to budget and save for it on your own. Typically, homeowner's policies cover you for damages or losses caused by things like theft, fire, vandalism or wind. But if you also want to be covered for other disasters, such as floods or earthquakes, you may have to purchase extended coverage. Keep in mind, that your homeowner's insurance does not cover normal wear and tear. This is considered general maintenance and is something that you must save for in your budget.

You can also look into a *Home Warranty Program*, which is an insurance policy that you purchase for typically a one-year coverage period. This type of program protects you from spending a lot of money on items that may need repair or replacing, minus a \$100 to \$200 deductible. The policy normally ranges from \$300 to \$500 per year. Make sure you do your homework on understanding the company's coverage policy before you purchase a plan.

ADDITIONAL INFORMATION:

How to keep a good credit rating

Failure to repay the credit extended as agreed is where most people get in trouble.

Late payments affect your credit history. It doesn't matter that the credit card balance is only \$5, or that the payment is only one day late, or that you pay the late fee. Failure to pay on time will put a black mark on your credit history, a black mark that will last for a year or more.

Minimum payments are another trouble spot. While making the minimum payment, generally about 2% to 3% of the outstanding balance, is acceptable, it does very little to reduce your outstanding debt.

Say, for example, you buy a \$2,500 computer using a credit card, and make the minimum payment of \$50 per month. Assuming you don't make any additional purchases with that credit card, how long do you think it will take you to pay for that computer? Would you believe EIGHT YEARS?! It's true. By the time you've paid for the computer, you'll probably be using it as a doorstop.

Don't assume you have a great credit history just because of the continuous offers for revolving credit you receive in the mail. You don't want to be denied due to poor history or overextension of credit cards. What is more valuable, a house or a sweater? It's up to you.

Use credit effectively. Determine how much credit you can comfortably afford (15% to 20% of your take-home pay is a good rule of thumb). Develop a household budget, a detailed list of your income and expenses. If you find that you cannot afford credit purchases, considering your current income and expenses, you should still concentrate on establishing good credit, but continue making most of your purchases using cash. Credit purchases should generally be limited to those that can be paid off at the end of the month. Larger purchases should be evaluated based on need, a usable life (remember the computer) and a payment schedule established to assure that the debt is paid off quickly.

Credit Bureaus

Experian
National Consumer Assistance Center
P.O. Box 2002
Allen, TX 75013-2104
www.experian.com · 1-888-397-3742

The cost of each Experian credit report ordered is \$8.50, with the exception of the following states and the District of Columbia: California, Connecticut, Hawaii, Minnesota, Nebraska, New Mexico, New York, South Carolina, Texas and West Virginia. Call for the applicable charges for these locations.

To request a copy of your credit report, you can either submit a neatly printed, written request or order online. You will need to provide the following information:

- your first name, middle initial and last name (including Sr., Jr., III, etc., if applicable)
- spouse's first name (if applicable)
- current address and addresses for the last five years (include apartment numbers and zip codes)
- if you've moved in the last six months, you will need to submit a written request to obtain your credit report and include copies of two proofs of residency that reflect your name and current address. These documents can be in the form of a valid driver's license, telephone bill, utility bills or bank statements.
- Social Security number (include spouse's, if applicable)
- year of birth

Trans Union LLC
Consumer Relations
P.O. Box 1000
Chester, PA 19022
www.transunion.com · (440) 779-7200

Trans Union charges an \$8.50 fee for an individual credit report for residents in most states. In the following states/territories fees vary: California, Connecticut, Maine, Minnesota and the Virgin Islands. Call or check the Trans Union website for the applicable fees.

Credit reports for residents in the states of Colorado, Georgia, Maryland, New Jersey and Vermont are provided at no charge; however, these reports cannot be ordered through the Internet. Residents in these states must submit their requests in writing or over the phone.

You will need to provide the following information:

- your first name, middle initial and last name (including Sr., Jr., III, etc., if applicable)
- spouse's first name (if applicable)
- current address (if at current address for less than 2 years, list previous addresses)
- Social Security number (include spouse's, if applicable)
- date of birth
- phone number
- sign the request if written (spouse must sign, if applicable)

Equifax
P.O. Box 740256
Atlanta, GA 30348-5496
www.equifax.com
Fax: 1-888-677-5577 · Phone: 1-800-356-4715*

Equifax charges \$8 for each credit report requested in all states except Maine, Maryland and Vermont. Call 1-866-233-3778 or refer to the Equifax website for the applicable fees for these states.

You can order a copy of your credit report over the Internet, submit written requests via fax or mail, or make a request over the phone, under certain circumstances. You will need to provide the following information:

- your first name, middle initial and last name (including Sr., Jr., III, etc., if applicable)
- spouse's first name (if applicable)
- current address and addresses for the last five years
- Social Security number (include spouse's, if applicable)
- date of birth
- day and evening phone numbers

* Phone requests are acceptable under limited conditions.

Homeowner Assistance Loan Workout Options

If you are having trouble keeping your mortgage payments current or resolving a payment delinquency, you may have options. Depending on your financial condition, you may be eligible for one of the following workout options:

- **Loan Modification:** It may be possible to change the terms of your mortgage loan, for example, by lowering the monthly payment amount.
- **Short-Sale:** If you want to sell your property but the sale proceeds will not be sufficient to pay off your loan, your lender may agree to accept less than the full amount owed upon the sale.
- **Repayment Plan:** Over a specified period of time, you would make additional payments together with your regular monthly payment until your loan is current.
- **Forbearance Plan:** If you can resolve the delinquency at a later date, mortgage payments may be reduced or suspended for a specific period of time.
- **Deed in Lieu of Foreclosure:** The title of the property may be transferred to the lender in exchange for a release of your mortgage debt. This workout is generally only considered in extreme hardship situations.

Signs of financial difficulties that might lead to foreclosure. Several signs could indicate you may be on the road to financial disaster. If you see any of the following warning signs, you probably need to re-evaluate your spending and saving patterns to avoid future difficulties. If you:

- Are living from paycheck to paycheck.
- Are unsure or unaware of the total amount of debt you owe.
- Have paid late fees and/or lower the limit fees at least twice in the past year.
- Have debt payments (other than your mortgage) that are more than 20 percent of your pre-tax income.
- Have received telephone calls from creditors about overdue bills more than once during the past six months.
- Are struggling to pay more than the minimum payment on your credit card accounts.
- Would be unable to meet your financial obligations for three months following a decrease in income or a costly emergency purchase.
- Have money problems that cause distress or conflict at work or at home.
- Are at or near your credit card limits.
- Have borrowed from one credit card or taken a cash advance to help pay off another credit card at least once in the past year.

Glossary of Terms

The terms in this list may be helpful to you in understanding some of the financial words and phrases used during the sale or purchase of a home.

- **Adjustable-Rate Mortgage (ARM).** An ARM will have interest rates and payments that change from time-to-time over the life of the loan. Depending on the type of ARM you have, your interest rate may increase gradually every few years until it reaches a preset ceiling. When you apply for an ARM, you'll be told how, when, and how the rates may change.
- **Agent.** An agent is a person who legally represents another, called a principal, and from whom they derive express or implied authority. In other words, an agent is someone who acts on behalf of another person such as a real estate agent.
- **Amortization.** Amortization is the process of paying off a loan through a series of periodic payments to a lender. The payments include two items: interest, which is what it costs you to borrow the money, and principal, which is the amount of money you borrowed.
- **Annual Percentage Rate (APR).** The APR, shown on your mortgage papers, is a standardized way of showing you the total cost of borrowing money. The APR is a combination of the interest rate charged by the creditor along with any fees they might charge. The fees are expressed in percentages and added to the actual interest rate to come up with the total APR.
- **Appraisal.** An appraisal is a written estimate of the value of something. In real estate, it is a professional opinion of the market value of property (such as a home) as of a given date.
- **Assessment.** An assessment is a value assigned to real property (your house and land) that is used to determine real property taxes. Assessment can also refer to the process of reaching an assessed value of real property. Additionally, it can be an add-on tax to raise money for a special purpose. In other words, an assessment is the way governments determine how much property tax you have to pay.
- **Assumable Loan.** An assumable loan is one where the buyer assumes responsibility for repaying the unpaid balance of the original loan.
- **Back-End Debt-to-Income Ratio.** Your debt-to-income ratio compares your monthly debt payments to your monthly income, and is a widely used measure of your creditworthiness. You compute your debt-to-income ratio by dividing your monthly minimum debt payments, excluding your rent or mortgage, by your monthly take-home pay.
- **Balloon Mortgage.** This is a mortgage with a low interest rate that stays level for a short time (typically five to seven years), with a large, final "balloon payment" that you will either refinance or pay off in full.
- **Balloon Payment.** This is a scheduled payment (usually the last payment) on a secured loan that is larger than any of the previous payments. Lenders do this to make the regular monthly payments more affordable. Carefully check any lending agreement to ensure you can afford to pay any balloon payments.
- **Buyer's Agent.** A buyer's agent is someone who acts on behalf of, and represents, a buyer in a real estate transaction. If you plan to buy a house, it may be wise for you to contact a real estate agent to act as your buyer's agent who will have your best interests in mind and to ensure you are treated fairly throughout the home buying process.
- **Cap (Interest).** An interest cap is a consumer safeguard on an ARM that limits the amount the interest rate can change per year and over the life of the loan.
- **Cap (Payment).** A payment cap is a consumer safeguard on an ARM that limits the amount monthly payments can change.
- **Cash Reserve.** A lender's requirement that the borrower has, after settlement, at least two month's mortgage payment saved.
- **Closed-Ended Credit.** This is a loan of a specific amount of money for a specific period of time. You repay this type of loan in a set number of equal payments, which are usually made monthly. A mortgage and a home equity loan are examples of closed-ended credit.
- **Closing.** In real estate, closing is the delivery of a deed, financial adjustments, the signing of a note, and the disbursement of the funds necessary to consummate, or close, the sale or loan transaction. "Settlement" is another term for closing.

- **Closing Costs.** These are costs outside a property's sales price that must be paid to cover the cost of the transaction, such as a loan origination fee, discount points, insurance fees, survey fees, and attorney's fees. Closing costs vary from location to location, but must be described to you when you submit your mortgage loan application.
- **Closing (Settlement) Statement.** See: HUD-1 Statement.
- **Comparable Market Analysis.** This is an analysis done during the appraisal process. Properties with similar characteristics are compared to the property you want to buy to determine how much the home you want to buy is worth.
- **Condominium.** A form of homeownership in which the home buyer receives exclusive title to the interior space of a multi-unit structure (usually an apartment building or a townhouse), and shares title to the common areas of the residential property (for example, parking lots or a swimming pool).
- **Contract of Sale.** A contract of sale is a contract between a buyer and seller of real property to convey title after certain conditions have been met and payments have been made.
- **Conventional Loan.** A loan that is not guaranteed or insured by a government agency.
- **Co-operative Housing.** In real estate, co-operative housing is a form of multiple ownership where a corporation or business trust entity holds title to a property (usually an apartment complex) and grants occupancy rights to shareholder tenants through proprietary leases.
- **Credit Bureau.** A credit bureau or credit reporting agency is an organization that compiles the data contained in a consumer's credit report based on information provided by creditors, financial institutions, public records, and businesses.
- **Credit Bureau Scoring/Credit Rating.** Your credit rating is a numerical index used by credit grantors to decide if you are a good credit risk. The information is based solely on your past credit performance and not on your race, gender, or other factors. When you get your credit report, you won't receive this rating. Remember, the credit bureaus don't extend credit; they provide credit information to prospective lenders.
- **Credit Limit.** Your credit limit is the maximum amount of money that can be loaned to you or the maximum amount of credit you can use in an open-ended credit account.
- **Credit Report.** A credit report is a record of your personal credit history. It is compiled by credit bureaus/credit reporting agencies based on information submitted by lenders and contained in public records. It contains very extensive information on your credit history and is probably the single most important document creditors use when deciding whether to grant you credit.
- **Deed.** This document shows that an owner of a piece of real property has title to that property. Once a deed is filed and recorded by your local government, the deed becomes a public record.
- **Deed of Trust.** A deed of trust is a document showing that a borrower conveys title to real property to a third party (trustee) to be held as security for a lender, with the provision that the trustee will return the title once the debt is paid. The trustee will sell the property and pay the debt if the borrower defaults. In other words, when you buy a house, a trustee will hold your Deed of Trust for your lender until you pay off your mortgage or default on the loan.
- **Department of Housing and Urban Development (HUD).** HUD is a governmental entity responsible for the implementation and administration of housing and urban development programs.
- **Default.** Default is the failure to make payments on a timely basis or in accordance with the terms of your promissory note. Default may also result from failure to submit requests for deferment or cancellation on time. The consequences of default are severe
- **Delinquency.** This is the failure of a borrower to make timely payments under a loan agreement
- **Discount Point.** A discount point is an amount of money a borrower pays to a lender, or seller pays to a lender, to increase the lender's effective yield. One point is equal to one percent of the loan. What a discount point effectively does is pay the lender up front in exchange for a reduced interest rate.
- **Down Payment.** A down payment is a portion of the sales price you pay to the seller to close a sale, with the understanding that the balance will be paid at settlement. It is also the difference between the sale price of real estate and the mortgage amount.
- **Due-on-Sale.** Due-on-sale is a clause in a mortgage contract that states that if the mortgagor sells, transfers, or in any other way encumbers the property, then the mortgagee has the right to implement an acceleration clause making the balance of the mortgage due. In other words, if you

sell your home, you have to pay off the mortgage immediately, and then any money that's left over you can use any way you choose.

- **Earnest Money.** Earnest money is a deposit you pay to the seller of real property to show your good faith and intentions of getting a mortgage to buy the property. Depending on circumstances, you may or may not be able to get this money back if you decide not to complete the purchase.
- **Encumbrance.** An encumbrance is anything that affects or limits the fee simple title to property, such as mortgages, leases, easements, or restrictions.
- **Equal Credit Opportunity Act (ECOA).** The ECOA is a federal law that requires lenders and other creditors to make credit equally available without discrimination based on race, color, religion, national origin, age, sex, marital status, or receipt of income from public assistance programs. It is also called "Regulation B."
- **Equity.** Equity is net ownership. In other words, it's the difference between how much your property is worth and how much you still owe on your mortgage (Market value – Mortgage balance = Equity). Equity is also sometimes called owner's interest.
- **Escrow.** Escrow is a deposit made by a borrower to their lender to pay taxes and insurance premiums when they come due. Escrow is also a deposit made by a borrower to an attorney or escrow agent to be disbursed upon the closing of a sale of real estate. In some areas, escrow accounts are called impounds or reserves.
- **Fannie Mae.** Fannie Mae is the nation's largest mortgage investor. It is a private, stockholder owned company. The U.S. President appoints some of the members of its Board of Directors. It supports the secondary residential mortgage market.
- **Federal Housing Administration (FHA).** The FHA is a federal agency in the Department of Housing and Urban Development (HUD) that provides mortgage insurance for residential mortgages and sets standards for construction and underwriting. The FHS **DOES NOT** lend money or plan or construct housing.
- **FHA-Insured Loans.** Home mortgage loans insured by the Federal Housing Administration are referred to as "FHA or FHA-Insured Loans."
- **First Mortgage.** A first mortgage gives the lender a security right over all other mortgages on the mortgaged property.
- **Fixed Interest Rate.** A fixed interest rate is one that never changes over the life of a loan. For example, if you have a fixed rate, 30-year mortgage, you will pay the same interest rate for the entire 30-year repayment schedule.
- **Floor.** This is the minimum interest rate on an ARM.
- **Forbearance.** Forbearance is a lender's act of not taking legal action despite the fact that a loan is delinquent. It is usually granted only when a borrower makes satisfactory arrangements to pay the amount owed at a future date.
- **Foreclosure.** A foreclosure is a legal proceeding that allows your creditor to sell your house to pay off your unpaid mortgage. Your house can be foreclosed on if you don't make your required house payments.
- **Freddie Mac.** Freddie Mac is a stockholder-owned corporation that supports the secondary market in mortgages on residential property with mortgage purchase and securitization programs. The President of the United States appoints a portion of its board of directors. It is also known as the Federal Home Loan Mortgage Corporation (FHLMC).
- **Front End Deb-to-Income Ratio.** Your debt-to-income ratio compares your monthly debt payments to your monthly income, and is a widely used measure of your creditworthiness. You compute your debt-to-income ratio by dividing your monthly minimum debt payments, including your rent or mortgage, by your monthly take-home pay.
- **FSBO.** For Sale By Owner is a term used to describe a home that is being sold by the owner, without assistance from a real estate agent or a broker. The seller is attempting to save money by avoiding agent's and broker's fees, but the buyer should be careful to make sure that the terms of sale comply with all applicable federal, state, and local regulations.
- **Good Faith Estimate (GFE).** This document tells borrowers the approximate costs they'll pay at or before closing, based on common local real estate practices. Under RESPA, your mortgage lender or mortgage broker must deliver the GFE to you within three days after accepting your mortgage loan application.

- **Graduated-Payment Mortgage.** A type of flexible payment mortgage where the payments increase for a specified period of time, then level off. This usually results in negative amortization.
- **Gross Income.** This is your total income before any deductions such as taxes, 401(k) contributions, Medicare, or Social Security contributions.
- **Hazard Insurance.** Insurance coverage that provides compensation to the insured in case of property loss or damage.
- **Home-Equity Line of Credit.** A home-equity line of credit is a revolving loan where your home is used as collateral. You are given a credit limit and can borrow as much or as little as you want against the limit. This type of loan acts much like a checking account. Your lender provides you with checks and you can draw on the account any time you like as long as you don't exceed your credit limit.
- **Home-Equity Loan.** A home-equity loan, also known as a second mortgage, is a closed-ended, secured loan with your home used as collateral. It can have fixed or adjustable (ones that fluctuate based on a key index) terms, interest rates, and payments. You usually borrow a prearranged amount from your lender and pay it back in installments (usually monthly).
- **Home Inspection.** A close physical examination of a home to evaluate its plumbing, electrical, and heating and cooling systems, as well as its appliances, roof, foundation, and structural stability. The inspection should be completed before you purchase a home and your offer contract should state that purchase would be contingent on the home inspection results.
- **Home or Condominium Owners' Association (HOA).** A HOA is a nonprofit corporation or association that manages the common areas and services of a planned unit development or condominium project. In a condominium project, it has no ownership interest in the common areas; in a planned unit development, it holds title to common areas.
- **Homeowner's Warranty (HOW) Program.** The HOW program is an insurance program through which participating builders provide homebuyers with a warranty on the workmanship and materials of a home, and warrant against major structural defects.
- **Inspection Certificate.** An inspection certificate is a document that verifies that a property is as described. The inspection is usually performed by a designated agent and may be accepted in place of a survey.
- **Interest.** 1) Interest is the cost of money. It is usually stated as an annual percentage (e.g. 7.5 percent). You either pay interest when you borrow money, or are paid interest when you save and invest money. 2) Interest is a right, share, or title in property.
- **Interest Rate.** An interest rate is the percentage of the outstanding balance of a loan that you are charged for borrowing money, usually expressed as an annual percentage rate.
- **Jumbo Loan.** A jumbo loan is a loan that exceeds the statutory size limit eligible for purchase or securitization by federal agencies.
- **Lease-Purchase.** This is a method of purchasing property by making gradual payments over the required rent for a set period. At the end of this period, the renter uses a mortgage loan to finance the purchase of the property.
- **Lender.** A lender is a financial institution or agency that loans you money.
- **Lien.** A lien is a legal hold or claim of a creditor on the property of another as security for a debt. Liens are always against property, usually real property.
- **Loan Origination Fee.** This is a fee charged by lenders to prepare documents, make credit checks, inspect, and sometimes appraise property. It is usually stated as a percentage of the face value of the loan.
- **Loan Servicing.** Loan servicing, simply stated, is the management of a loan. It includes collection of loan payments, management of escrow accounts, and disbursements from escrow accounts.
- **Loan-to-Value Ratio (LTV).** LTV is the ratio of the amount borrowed compared to the appraised value or sales price of real property. LTVs are expressed as percentages.
- **Lock-In Period.** The number of days during which a lender guarantees a borrower a specific interest rate and terms on a mortgage.
- **Market Value.** The highest price that a buyer—ready, willing, and able, but not compelled to buy—would pay, and the lowest price a seller—ready, willing, and able, but not compelled to sell—would accept. Market value is the basis for the “listing price” or the “asking price” of a home.
- **Manufactured Housing.** Factory-built or prefabricated housing, including mobile homes.

- **Mortgage.** This is a legal document that pledges real property (such as a home) to the lender as security for the repayment of a debt.
- **Mortgage Banker.** An individual, firm, or corporation that originates, sells, and/or services loans secured by mortgages on real property.
- **Mortgage Broker.** A firm or individual who, for a commission, matches borrowers and lenders. A mortgage broker takes applications and sometimes processes loans, but generally doesn't use its own funds for closing.
- **Mortgagee.** The mortgage loan lender.
- **Mortgagor.** The mortgage loan borrower who pledges property as a security for a debt.
- **Multiple Listing Service (MLS).** A service provided by the Board of Realtors® which renders access to real estate listings of properties for sale or lease.
- **Net Income.** Your net income is your after-tax pay. It is the money you receive after all tax withholdings, including Social Security, have been made from your gross income. (*See Disposable Income*)
- **Open-Ended Credit (Non-Installment or Revolving Credit).** This is a pre-approved loan of a specified amount of money for an unlimited period of time. You can use as little or as much of your credit line whenever you want. However, if you reach your credit limit, you must pay off some of your balance before you can charge any more to the account. A home equity line of credit is an example of open-ended credit.
- **PITI.** PITI is an acronym for principal, interest, taxes, and insurance. Most monthly residential mortgage payments include these items.
- **Point.** A point is one percent of the dollar amount of the mortgage loan. For example, if your loan amount is \$150,000, a point is \$1,500. By paying points, you can generally lower the loan's interest rate, however, not all lenders allow this. Points may be paid by the buyer or the seller, or split between them.
- **Pre-approval.** A written agreement from a mortgage lender to grant a loan for a home purchase. The pre-qualification is based on the lender's careful investigation and evaluation of the potential homebuyer's income, credit history, employment history, personal assets, and debts. Pre-approval assures the seller that a buyer's offer is valid. It also speeds up the buying process because, once an offer is made, there is no need to wait while the buyer finds a loan.
- **Pre-qualification.** An informal calculation to estimate the approximate amount of money a homebuyer can afford to spend on a home purchase. The pre-qualification, performed by a realtor or a potential homebuyer, compares the potential buyer's income and assets to the buyer's debts. A pre-qualification helps the realtor focus the home search on homes within a certain price range.
- **Prepaid Items.** Costs paid at closing for taxes, interest, and insurance. Because prepaid items are recurring costs that don't relate to the acquisition of the property itself, they can't be financed.
- **Prepayment Penalty.** This is a fee that may be charged if you repay all or part of your mortgage loan before the due date. FHA insured loans and some loans made by state chartered banks do not allow prepayment penalties.
- **Pre-qualification.** An evaluation of a potential borrower's financial status to determine the size and type of mortgage available to him/her.
- **Principal.** 1) Principal is the original amount of a loan, excluding interest. Interest is charged based on the unpaid principal of a loan or credit account. 2) The remaining balance of a loan, excluding interest.
- **Private Mortgage Insurance (PMI).** Insurance written by a private company protecting the mortgage lender against financial loss occasioned by a borrower defaulting on the mortgage.
- **Property Tax.** Property tax is the money you pay to your local and state government for the pleasure of owning property within their jurisdiction.
- **Qualifying Ratios.** Calculations that are used in determining whether a borrower can qualify for a mortgage. They consist of two separate calculations: a housing expense as a percent of income ratio, and total debt obligations as a percent of income ratio.
- **Real Estate Settlement Procedures Act (RESPA).** RESPA is a federal law that requires disclosure of all known and/or estimated settlement costs a homebuyer will have to pay. You'll get this information after you apply for a loan and again when you go to settlement.
- **Real Property.** Land and objects permanently attached to it, such as buildings and fences. In some states, this term is synonymous with the term "real estate."

- **Refinancing.** Refinancing is defined as repaying a debt with the proceeds of a new loan, using the same property as collateral. For example, you pay off your original mortgage with a new one. Most of the time, people refinance to take advantage of a lower interest rate to lower their monthly payments.
- **RHS Loan.** This is a home mortgage loan that is guaranteed by the Rural Housing Service.
- **Second Mortgage.** A second mortgage is a mortgage that has rights subordinate to a first mortgage. A home-equity loan is an example of a second mortgage.
- **Secured Debt.** A secured debt is one that is tied to a specific piece of property, such as a house. The property, called collateral, guarantees repayment of the debt. If you don't pay, the creditor can take the property back (see *Foreclosure*).
- **Seller's Agent.** An agent who acts on behalf of the seller of real property.
- **Settlement.** Please see "Closing."
- **Site-Built Housing.** Housing that is built on the construction site. Although some of the house may be prefabricated off-site, the house is assembled on-site.
- **Spending Plan.** A spending plan is a tool you can use to help you manage your money. It lists your monthly expenses and monthly income, and is often referred to as a budget. Your spending plan shows you where to make adjustments to keep your expenses below – or in line with – your income. You should monitor your spending plan often to see if you are staying within your spending goals.
- **Title.** Written evidence of the right to or ownership in property. In the case of real estate, the documentary evidence of ownership is the title deed that specifies in whom the legal estate is vested and the history of ownership and transfers. Title may be acquired through purchase, inheritance, devise, gift, or through foreclosure of a mortgage.
- **Title Insurance Policy.** A contract by which the insurer agrees to pay the insured a specific amount for any loss caused by defects of title to real estate, wherein the insured has an interest. Homebuyers usually must purchase lender's title insurance to protect the lender's interest and may choose to purchase buyer's title insurance to protect their own interest.
- **Townhouse.** A two- or three-story house that shares a common wall with at least one other house. Rows of townhouses that are clustered in urban or suburban areas may also be called "rowhouses."
- **Trust.** A fiduciary relationship whereby legal title to a property is transferred to a trustee with the intention that such property be administered by the trustee for the benefit of another, the beneficiary, who holds equitable title to such property.
- **Underwriting.** Mortgage underwriting is the analysis of the risk involved in making a mortgage loan to determine whether the risk is acceptable to the lender. Underwriting involves the evaluation of the property as outlined in the appraisal report, and the borrower's ability and willingness to repay the loan.
- **Upfront Costs.** Upfront costs are fees and other costs that a buyer must pay before closing on a home. These fees can include an appraisal fee, credit report fee, hazard insurance, floor insurance, and other inspection fees.
- **VA Loan.** A mortgage loan made by an approved lender and guaranteed by the Department of Veterans Affairs. VA loans are made to eligible veterans and those currently serving in the military, and can have a lower down payment than other types of loans.
- **Variable Interest Rate.** A variable interest rate is one that is adjusted, usually quarterly, based on an economic indicator. They are commonly based on an economic index such as the prime interest rate, Treasury Bill rate, or the Federal Funds rate.

Home Maintenance Suggestions

	Periodically	Spring	Fall	Annually
FOUNDATION & MASONRY: Basement, Exterior Walls To prevent seepage and condensation problems.				
a. Check basement for dampness and leakage after wet weather.	✓			
b. Check foundation walls, steps, retaining walls, walks, patios, driveways, garage floors, etc., for cracks, heaving, crumbling.		✓		
c. Check chimneys, deteriorated chimney caps, loose and missing mortar.		✓	✓	
d. Maintain grading sloped away from foundations walls.				✓
II ROOFS & GUTTERS: To prevent leaks, condensation, seepage and decay.				
a. Check for damaged, loose or missing shingles, blisters.		✓	✓	
b. Check for leaking, misaligned or damaged gutters, downspouts (leaders), hangers (straps), gutter guards and strainers.		✓	✓	
c. Clean gutters, leaders, strainers, window wells, drains. Be sure downspouts direct water away from foundation.	✓			
d. Cut back tree limbs growing on or over roof.			✓	
e. Check antenna supports for sturdiness and possible source of leakage.				✓
f. Check flashings around roof stacks, vents, skylights, chimneys, for leakage.		✓	✓	
g. Check vents, louvers and chimneys for birds' nests, squirrels, insects.		✓	✓	
h. Check fascias and soffits for paint flaking, leakage and decay.		✓		
III EXTERIOR WALLS: To prevent paint failure, decay and moisture penetration.				
a. Check painted surface for paint flaking or paint failure.		✓		
b. Check siding, shingles and trim for damage, looseness, warping and decay.	✓			
c. Check exterior masonry walls for cracks, looseness, missing or broken mortar.		✓		
d. Cut back and trim shrubbery against sidewalls.		✓	✓	
IV DOORS AND WINDOWS: To prevent air and weather penetration problems.				
a. Check caulking and check for decay around doors, windows, corner boards, joints; recaulk as needed.			✓	
b. Check glazing putty around windows.			✓	
c. Check weatherstripping.			✓	
V ELECTRICAL: For safe electrical performance.				
a. Learn location of electrical panel box for breakers or fuses. Never overfuse.				
b. Trip circuit breakers every 6 months; ground fault interruptors (GFI), monthly.	✓			
c. Mark and label each circuit.	✓			
d. Check condition of lamp cords, extension cords and plugs. Replace at first sign of wear and damage	✓			
e. Check exposed wiring and cable for wear or damage.				✓
f. If fuses blow or breakers trip frequently, call a licensed electrician.	✓			

g. If you experience slight tingling shock from handling or touching an appliance, disconnect the appliance & have it repaired. If lights flicker or dim, or if appliances go on and off unnecessarily, call a licensed electrician.

✓

VI PLUMBING: For preventive maintenance.				
a. Check faucets, hose bibbs and valves for leakage.	✓			
b. Drain exterior water lines, hose bibbs, sprinklers, pool equipment in the fall.			✓	
c. Check for leaks at sink and house traps and sewer cleanouts.	✓			
d. Draw off sediment in water heaters monthly or per manufacturer's instructions.	✓			
e. Have septic tank cleaned every 2 years.				
VII HEATING & COOLING: For comfort, efficiency, energy conservation and safety.				
a. Change/clean furnace filters, air conditioner filters, electronic filters as needed.	✓			
b. Clean and service humidifier. Check periodically and annually.	✓			
c. Have oil burning equipment serviced annually.				✓
d. Clean around heating and cooling equipment, removing leaves, dust, overgrown shrubbery, debris. Be sure power is off!	✓			
e. On steam systems, "blow off" or drain low water cutoff per manufacturer's instructions or instruction tag.	✓			
VIII INTERIOR: General house maintenance.				
a. Check bathroom tile joints, tub grouting & caulking. Be sure all tile joints in bathrooms are kept well sealed with tile grout to prevent damage to walls, floors and ceilings below.	✓			
b. To prevent freezing, keep garage doors closed in winter; exposed water lines & drains should be wrapped with insulation.				
c. Close crawl vents in winter and open in summer.		✓	✓	
d. Check underside of roof for water stains, leaks, dampness and condensation, particularly in attics and around chimneys				✓
e. Keep attic louvers & vents open all year round. Check louver screening.				✓
IX Know the location of:				
a. The main water shutoff valve.				
b. The main electrical disconnect or breaker.				
c. The main emergency shutoff for the heating system.				

Rainy Day Homebuyer Education Test Questions

- 1) When preparing a monthly budget which of the following should you not take into consideration:
 - a. How much is your cable bill
 - b. How often you get your nails professionally done
 - c. Putting some money into savings
 - d. What is the fastest route to get to work
- 2) Which of the following is not a way to save money
 - a. Bring your lunch to work once or twice a week instead of buying it
 - b. Dine out more rather than ordering take-away
 - c. Rent a video instead of going to the movies.
 - d. When possible avoid shopping at convenience stores
- 3) A good realistic budget will help you,
 - a. Understand where your money is spent
 - b. Eliminate or reduce those impulse spending habits
 - c. Increase your personal savings
 - d. All of the above
- 4) The primary reason for building and maintaining a savings account should be for
 - a. Going on a vacation
 - b. Purchasing furniture
 - c. An emergency fund in case of a financial hardship
 - d. To gain interest
- 5) Experts suggest that you should build a savings of how much,
 - a. 3 to 6 months worth of living expenses
 - b. 10 to 12 months worth of living expenses
 - c. 1 to 3 months worth of mortgage payments
 - d. 5 to 8 months worth of mortgage payments
- 6) What are some of the benefits of reducing your utility (Gas, Power, Water, etc) usage
 - a. Lower your monthly utility payment and conserve energy
 - b. Save up water to use for next month
 - c. Allow more power to be used by your neighbor
- 7) Which of the following will lower your electricity usage
 - a. Ensure 'weather stripping' around doors and windows are in place and in good condition
 - b. Ensure your attic is insulated properly
 - c. Ensure the TV is turned off if not being watched
 - d. All of the above

- 8) How much should I put into savings per month
- \$1,000
 - \$500
 - \$25
 - As much as you possibly can to build a reserve of 3 to 6 months of living expenses
- 9) What is a good 'rule of thumb' in gauging how much credit you can afford?
- 25% of take-home pay
 - 30% of take-home pay
 - 25%-30% of take-home pay
 - 15%-20% of take-home pay
- 10) When using credit cards remember
- To pay the balance before the end of the month
 - That when paying the minimum amount per month you only pay down the balance by 2% to 3%
 - Late payments affect your credit history
 - All of the above
- 11) What are some resources you can use to find out ways to fix something around the house
- "How to" books for homeowners
 - Home Improvement stores
 - Internet resources
 - All of the above
- 12) Which of the following home maintenance suggestions should be done during the Spring
- Check painted surface for paint flaking or paint failure
 - Check Weather Stripping
 - Drain Exterior lines, hose bibs, and sprinklers
 - Cut back tree limbs growing on or over roof
- 13) Your Homeowner Insurance policy generally covers
- The cost to replace your home
 - The cost to fix your water heater
 - The cost to fix your septic tank
 - General wear and tear on the home
- 14) Everyone who has a mortgage must have Homeowner Insurance
- True
 - False
- 15) If your mortgage payment is late will the lender charge you a late fee
- Yes
 - No

- 16) If you feel you are not going to be able to make a mortgage payment you should first call
- Your loan officer
 - Your Lender
 - The title company
 - Your real estate agent
 - The builder
- 17) What is not a sign of financial difficulty
- Struggling to pay more than the minimum payment on your credit card accounts
 - Are at or near your credit card limits.
 - Have debt payments (other than your mortgage) that are more than 20 percent of your pre- tax income.
 - Able to save 5%-10% of your monthly income
- 18) What is the main function of Credit Reporting Agencies
- To provide a credit report
 - To Help you with a budget
 - To receive your mortgage payment
 - To help with Tax issues
- 19) Depending on your situation, If you are having trouble with your mortgage payments you may be eligible for a loan workout option
- True
 - False
- 20) A loan workout option which involves making additional payments to catch up on past or late payments is called
- Loan Modification
 - Short Sale
 - Repayment Plan
 - Forbearance Plan

Rainy Day Homebuyer Education Instructions

Homebuyer Education Contents

- *Rainy Day Foundation Homebuyer Education Packet*
- *Home Maintenance Suggestions*
- *Rainy Day Foundation Homebuyer Education Test Questions*

- 1) Carefully read through Homebuyer Education Packet
- 2) Complete the Budget Worksheet on page 2 of Packet
- 3) Take the 20 question test
- 4) E-mail or Fax the completed Budget Worksheet and the 20 Question Test to our counseling center

E-Mail Address: info@rainydayfoundation.org

Fax Number: 1 866 743-3821

- 5) Call our counseling center to set up a time to review the course with one of our counselors.

Phone Number: 888 26RAINY (888 267-2469) extension 1

- 6) The counselor will call you at the scheduled time to answer questions, review the course, and review your budget worksheet.

Note: After completing the course we will need the name of your loan officer and their fax number or e-mail address so we can send them your Certificate of Completion.