A Special Issue!

Homes Wanted

STATEWIDE FAIR HOUSING CONFERENCE HELD IN PORTLAND

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Help For First-Time Home Buyers

Right now is a very good time to buy a house. Interest rates are down. Compared with other parts of the country, home prices in Portland are affordable. And there are many programs available to help buyers through the complex maze of home-buying.

The Portland Housing Center is becoming the first stp for many first-time buyers. The Housing Center is a nonprofit organization that offers a range of services. "We have no vested interest with one bank or one real estate agent," says center director Peg Malloy. "People come to us looking for a consumer advocate."

Although the center's services are available to anyone, home ownership counselors work mostly with low- to middle-income first-time buyers, establishing how much they can afford to pay, their credit status, and how much money they have for a down payment.

If the potential buyers have the right "elements," says counselor Thelma Johnson, she sends them to the lenders. The elements are at least $1,000 monthly gross income, two years of steady employment, good credit history and money saved toward a down payment.

however, many of Johnson's clients still need to do some work. Some need more information on the actual process of purchasing a house--what "points" are, how escrow works. Others need pointers on how to manage their money, or how to choose the right house. These people take the home ownership seminars offered by the center--a series of four classes: "Managing your Money," "The Home-Buying Process," "How to Choose The House For you," and "Home Ownership Through the Years."

For those who are ready to buy, going to the lenders is the next step. There are many loan programs available to help low- and middle-income buyers into houses. Several banks, including U.S. Bank, First Interstate, Security Pacific and Key Bank, offer programs where qualified buyers pay only 2 percent of the purchase price as a down payment. The purchase price must be less than $50,000 and there are income restrictions the individual lenders can explain.

New programs are constantly springing up. For example, the Federal Home Loan Bank of Seattle recently gave $200,000 to U.S. Bank and Security Pacific. The banks will grant this money to home-buyers who need help with a down payment. The Portland Housing Center has information on all these new programs.

Counselors at the Housing Center encourage all home buyers to become pre-qualified for a mortgage before they begin to shop for a house. That way, the buyer avoids the frustration of finding the perfect house, and then not being able to qualify for a loan.

Once the buyer is pre-qualified, the next step is usually finding a real estate agent to help with the search. Buyers should find an agent who listens to them carefully, understands the complex real estate laws well, and is willing to help them negotiate the best price. Buyers should also remember all agents' commissions are paid out of the selling price. The counselors at the housing center can explain all the implications of agents' participation in home sales.

How do buyers find an agent, or for that matter, the right home in the right neighborhood? "I think it's really helpful for people to go to open houses on Sunday, to look at what you think you can afford, and to look at the neighborhoods," says Malloy. It's also a good time to collect the names of real estate agents from "For Sale" signs in neighborhoods you like. An agent who works in the neighborhood is more likely to help you find the right home there.

Most of all, stresses Johnson, don't be afraid to ask questions and get all the information you need to make a smart choice. "There's so much I didn't know that I wish I'd known when I bought a house. I use my own experience to help my clients," says Johnson.

For more information on home ownership counseling, classes and other help, call the Portland Housing Center at 282-7744.