

# HOUSING The Portland Observer

## First-Time Buyers Can Use Small Down Payments To Enter Today's Housing Market

BY STEVE CARTER, DIRECTOR OF SPECIAL SERVICES, CENTURY 21 NORTHWEST REGION

Mortgage interest rates are at their lowest levels in years, and in many parts of the country house prices are more attractive than they've been in decades. Not surprisingly, thousands of Americans who have never before owned homes are recognizing this remarkable opportunity and are rushing to buy.

In some cases, the buyer has more than enough income to cover a monthly mortgage payment but has been unable to save the 20 percent down payment required by most lenders for fixed-rate and adjustable-rate and adjustable-rate conventional loans. Does this mean that only those who have a large pile of savings can benefit from today's buyers market? Absolutely not.

Alternative lending programs that have been around for years can help first-time buyers find a mortgage that fits within their budget. Two government agencies, the Federal Housing Authority (FHA) and Veterans Administration (VA), can reduce the hefty size of that first down payment from 10 percent to as low as zero percent. The agencies are not themselves lenders but backers of your loan in the event of foreclosure.

FHA loans are available to all families, regardless of income level and community. They require a down payment of as little as zero or as much as 10 percent, with buyers choosing between 15 and 30 year mortgages.

VA loans carry all the same benefits and payment structures as a conventional home loan. They're only available, however, to individuals

honorably discharged from military service after two or more years of active duty or have been an active duty for at least 90 days.

The VA establishes the interest rate (usually close to market rates) and requires a small down payment. VA mortgages are fully assumable if you sell the property, and the Veterans Administration does not allow lenders to charge a percentage of loan principal as interest points. An FHA or VA loan can make the difference between getting in on this year's exceptionally affordable housing market or waiting until next year -- which could be too late.

For more information contact Steve Carter, Director of Special Services, at Century 21 Northwest Region (206) 248-2100, 18000 International Blvd., Suite 1021, SeaTac, WA 98188.

## U.S. Bancorp Mortgage Launches New Homepartners Loan Product Line

In an effort to increase homeownership opportunities for low-to moderate-income and first-time homebuyers, U.S. Bancorp Mortgage Company (USBMC) is expanding its successful Homepartners loan program and introducing a family of Homepartners mortgage loan products.

The Homepartners product line will provide liberal credit guidelines and flexible downpayment options for first-time and low-to moderate-income borrowers.

"The Homepartners family of loans has been designed to address the most common obstacles facing first-time or low-to moderate-income homebuyers," said Richard Eichhorn, president of U.S. Bancorp Mortgage Company. "These loans will make it easier for low-to moderate-income borrowers to get into the growing real estate market."

### SOME OF THE LOAN HIGHLIGHTS INCLUDE:

Homepartners Conventional Loan Program is available in select urban areas served by USBMC. The program has no income limitations and is designed to stimulate lending and encourage urban development, with a focus on neighborhood revitalization.

In addition, USBMC has received investor approval to allow use of "cash on hand" for downpayments.

Homepartners conventional 3/2 loan Program is available in all USBMC markets to borrowers with incomes up to 100% of the area median income. Advantages include up to 95% loan to value (LTV), with 2% of the downpayment paid by USBMC through the use of premium pricing, allowing a borrower to purchase a home with as little as a 3% downpayment from their own savings, or cash on hand.

Homepartners FHA Loan Program is available in limited areas. It includes many of the popular features of an FHA 203B loan, such as a lower downpayment requirement and a higher qualifying ratio. It also includes downpayment assistance, sales price limits up to \$65,000 (depending on locations) and allows gift funds to be used for the entire downpayment and for closing costs.

Homepartners U.S. Loan Program provides flexible underwriting guidelines that help overcome the common obstacles facing first-time homebuyers, such as lack of downpayment funds, closing costs and high debt-to-income ratios. The program

offers a 95% LTV loan, allows up to an additional 5% to be used for closing costs to a total LTV of 100%, long-term amortization with a balloon payment, and is available to borrowers with incomes of up to 100% of area median income. Qualifying ratios have been increased to 36/40 from the standard 28/36 (mortgage payment to income/mortgage payment plus all other debt to income). With only one year stable employment required, and more flexible credit standards are applied.

"One of the reasons U.S. Bancorp Mortgage Company continues to lead the mortgage industry is because of loan products like Homepartners," said Eichhorn. "Homepartners can help make the dream of home ownership a reality for many Americans."

Customers interested in learning more about the Homepartners loan programs can contact their local USBMC office.

U.S. Bancorp Mortgage Company, a subsidiary of U.S. Bank, is one of the largest mortgage lenders in the Northwest. The company originated over 43,000 residential mortgage loans with a value of \$4.4 billion during 1993.

### Unsure If You Can Afford To Buy Home?

Then you will want to attend a free seminar concerning home buying and home ownership. The seminars will provide an overview of the home buying process, explain mortgage financing in general terms and assist with a household budgeting plan. Specific mortgage programs; designed to assist low to moderate income households will also be discussed.

This class is designed for lower income home buyers, who are buying their first house in the city of Portland, with a maximum house price of \$65,000.

Some specific questions that will be addressed include the following:

- What would my monthly payment be? How much down payment would I need to have?
- What if I have bad credit, or no credit at all?
- What about inspections, assessments, building codes, home maintenance?

The seminars will be conducted every month and attendance at the seminars will be required in order to qualify for certain loan programs. Space is limited-reservations will be taken on a first come, first served basis. Please call the Portland Housing Center at 282-7744 to receive your pre-registration form.

The evening Home Buying Class is a Series of 4 classes:

Evening Class-Tuesdays & Thursdays  
March 1st through 10th, 6:15-8:30 pm  
PCC Cascade Campus, 705 N. Killingsworth  
Cascade Hall Auditorium

The Portland Housing Center is a private, non-profit organization, and is funded by the City of Portland, local financial institutions, and foundations.

## Small Household Repair Hints

- 1) Did you know that when you have pin holes, small nail or small punctures on your wall surfaces, you can fill these holes with regular white toothpaste, let dry and paint to match with regular oil colors or nail polish.
- 2) Save on paper towels and sprays and soaps. Get the best results available. Clean your windows with full strength vinegar and wipe sparkling clean and bright with old newspaper.

Contact Home Lenders In Your Community About Available Property For First Time Buyers

## The Little Chapel Of The Chimes

Funeral Home

Cemetery - Memorial Garden

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