

# HOUSING

The  
Portland  
Observer

## Homeowner's Rights: Test Your Title Insurance IQ

The investment in your home may be the most important investment you'll ever make. But do you know about your rights as a homeowner? More importantly, do you know that having title insurance is one of the best ways of ensuring your homeowner's rights?

Uninsured homes present many cost risks to owners. In contrast, having title insurance eliminates these risks and protects your investment. The following quiz, provided by the Chicago Title and Trust Family of Title Insurers, tests your awareness of your homeowner's rights and what you may lose if your home is not insured.

- Lenders protect their interests when providing to home buyers by obtaining a loan policy of title insurance. This policy...**
  - ...fully covers the home purchaser's interest
  - ...covers one-half of the home purchaser's interest
  - ...covers an amount of the home purchaser's interest that is negotiated by the lender and purchaser
  - ...does not cover any part of the home purchaser's interest or equity
- If a home owner does not have title insurance protection, what does he stand to lose financially**

and legally?

- half of his down payment price
- half of any legal costs that result from defending his property interests
- all of the down payment price, any legal costs that result from defending his property interests and the property's title
- half of his down payment price, plus the property's title

- True or false:** If you lose your property because someone else successfully claims rights to it, you still owe the remaining balance on your note.
  - True
  - False

- True or false:** Your equity in a property cannot be affected by being uninsured.
  - True
  - False

- If you buy title insurance, it guarantees that...**

- ...no other individuals can claim any right to your home
- ...the title insurer will defend any lawsuit attacking your title as insured
- ...the title insurer will clear up title problems, but not pay the insured's losses
- ...All of the above

- Of the following, which is not a**

possible reason why a person can lose title to their home?

- Mistakes in recording legal documents
- Forged deeds, releases or wills
- Instruments executed under valid power of attorney
- Misinterpretation of wills

- True or false:** The property of current owners may be sold to satisfy estate taxes that were owed by previous owners.
  - True
  - False

- Title insurance coverage costs:**

- One-fourth of the home's price
- Up to one-half of the home's price
- Varies from state to state
- None of the above

- Payments for title insurance are typically made...**

- ...over a 10- to 12-year period
- ...on a case by case basis
- ...in one lump sum when the home is purchased
- ...in one lump sum after the mortgage has been fully paid

- Title insurance coverage lasts...**

- for 5, 10 or 15 years, depending on the type of cover purchased
- as long as the home is owned by the same owner
- throughout the life of the mortgage

d. for one year, renewable every year

**Correct answers:** 1) d; 2) c; 3) a; 4) b; 5) b; 6) c; 7) a; 8) c; 9) c; 10) b.

**Tally your score:**

**8 to 10 answers correct:** Congratulations! You know your homeowner's rights, and would be prepared if someone challenged your claims to your property.

**7 to 5 answers correct:** Not bad! Though you could benefit from knowing a few more home owner facts, you've got a good sense of what your rights are under the law.

**4 to 3 answers correct:** Time to start studying! You're likely to wind up on the losing end if someone successfully fought your ownership rights.

**Less than 3 answers correct:** Uh oh! You stand to lose every right to your home if you don't learn about title insurance protection. Get wise now so that your home investment is made safe.

Knowing about your ownership rights puts you one step ahead of problems that may arise when purchasing and owning a home. Securing your home, notably with title insurance, protects your investment and allows you to rest easy in the long run.

## New Loan Program Targets Women- and Minority-Owned Businesses

Bank of America has introduced a new program in Oregon to enhance access to credit for minority- and women-owned businesses.

The new Minority- and Women-owned Business Loan Program provides loans up to \$50,000 and offers simplified application, processing and documentation. Flexible underwriting allows for alternative methods of credit verification, such as utility or rent payments, and a limited operating history.

"Minority-owned and women-owned business play a vital role in Oregon's economy, and we want to do everything we can to help them succeed," said W. Charles Armstrong, chairman and chief executive officer of Bank of America Oregon.

During an introductory period through Aug. 31, 1994, Bank of America will waive the traditional loan fee for new and existing customers who apply for a loan or line of credit under the new program.

To be considered for the special financing program, a business must be at least 51 percent owned and operated by one or more individuals who are ethnic minorities or women, and established in business for a minimum of two years.

The program features a line of credit which can be applied to a borrower's working capital needs, receivables financing or cash flow management. A term loan for financing new equipment and business expansion also is available. In addition, the bank can provide 100 percent financing for equipment with no collateral requirement.

Minority and women entrepreneurs can borrow from \$10,000 - \$50,000 under the line of credit, with no collateral requirement. They will be able to easily access funds from the line of credit and make payments through a toll-free telephone link to the bank.

Customers can borrow from \$2,500 - \$50,000 under the term loan, which features repayment terms of one to five years with no prepayment penalty.

Information about the new program is available at any Bank of America branch in Oregon. In addition, Bank of America serves minority- and women-owned businesses by offering SBA-guaranteed loans through its Portland Government Guaranteed Loan Center.

## Appraising: The Road To Entrepreneurship

"Real estate appraising is a fascinating career, but it is still something of an enigma to most people," according to Lee Hill, MAI, an African American independent appraiser from Long Beach, Calif., and a member of the Appraisal Institute's Minority Relations Committee.

"Appraising is a profession that is often overlooked by minorities," Lee said. "When I started my firm in 1983, there were very few African Americans who were designated appraisers. Today, as minorities are becoming more active players in the real estate market, interest in appraising as a career is growing."

Calvin Thomas, Jr., MAI, an

African American appraiser in Baltimore, Md., and also a member of the Appraisal Institute's Minority Relations Committee, agrees. "I became interested in the profession in 1973 while working as an underwriter/appraiser for an MAI appraiser at a commercial bank in Baltimore. That experience had a great influence on my decision to pursue my MAI designation through the Appraisal Institute."

What exactly is an appraiser? They are professionals who estimate the value of residential, commercial, industrial, and agricultural real estate and its accompanying ownership rights. Appraisers may also be called upon to provide consulting services,

give expert testimony in court, and serve on arbitration panels. As problem solvers, they must have the ability to exercise sound judgment, put analytical skills into practice, and communicate effectively with people from all walks of life.

Appraisers employed by government agencies or financial institutions usually work standard hours, while independent fee appraisers set their own schedules. Whether salaried or independent, appraisers are typically well compensated for their work.

"The 'behind the scenes' research and analyses that appraisers conduct makes them less visible than other

real estate professionals," Thomas said. "But it should not detour minorities from taking a closer look at this field when weighing their career options."

Designated appraisers go beyond a college degree to master the intricacies of their profession through specialized education and most are state

licensed or certified. Both Hill and Thomas have received their education through the Appraisal Institute, a leading national organization of real estate appraisers. "The truly professional appraiser is ethical, competent, and performs appraisals in accordance with strict standards," Hill said. "To reach the peak of profes-

sional development, I believe you have to strive to be your best. When I became designated by the institute I achieved that goal."

To learn more about its programs and designations, write Appraisal Institute, 875 N. Michigan Ave., Suite 2400, Chicago, IL 60611-1980, or call (312) 335-4100.

## New Loan Helps Consumers Become Home Owners

Washington Mutual, the No. home lender in the Northwest, has introduced a new mortgage product that requires a down payment of only 3 percent and can be combined with an option that eliminates practically all of the traditional closing costs.

"With the rising cost of housing, it's getting more and more difficult for people to come up with a down payment, especially first-time home buyers," said Jill Jones, Washington Mutual's affordable housing administrator. "The new program should help us bring more consumers into homes, and not just first-time home buyers."

Potential borrowers who do not currently own a home are eligible to qualify for the 97% LTV program. Qualified borrowers can earn up to 115 percent of the median household income of their

counties or metropolitan areas -- in Clackamas, Multnomah and Washington counties, that's about \$46,800 -- and can borrow up to \$203,000 for homes or, on a case-

by-case basis, condominiums. The fixed-interest rate for the 97% LTV loan is just 0.25 basis points higher than the current market rate.

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