

H O U S I N G The Portland Observer

Affordable mortgage loan

Fannie Mae (NYSE: FNM), the nation's largest source of home mortgage funds, and Great Western Financial Corporation (NYSE: GWF) announced a commitment by Great Western to offer a minimum of \$75 million in mortgage loans to help low- and moderate-income buyers purchase a home. Great Western will now offer the low down payment Fannie 97 loan program nationally. As part of this partnership agreement with Great Western, Fannie Mae will purchase these loans.

"We are pleased to have this partnership with Great Western to offer a wider variety of homeownership opportunities to working families," said Libby Snyder, senior vice president of Fannie Mae's Western Regional Office. "We've found that the biggest barrier to homeownership is the down payment. Fannie Mae and Great Western are working together to overcome that obstacle and offer options to make home-buying more affordable."

The Fannie 97 offers special features to increase affordability for low- and moderate-income home buyers, including a low 3 percent down payment, designed to minimize the amount of money low- and moderate-income households must save to purchase a home. Borrowers may fund closing costs with gifts or grants, unsecured loans from nonprofit or-

ganizations, government agencies or lenders, assistance from local community second programs or contributions from interested parties. Qualified borrowers may earn up to 100 percent or less of their area median income to be eligible for the Fannie 97 loan, with exceptions allowed in high-cost areas such as California (120 percent). The Fannie 97 also allows for nontraditional credit histories, such as those documented with utility bills and rental payments.

"Great Western is pleased to offer this program for households who can afford monthly payments, but have found a large down payment to be too high a hurdle," said Sam Lyons, Great Western's senior vice president for mortgage banking. "With a required down payment of only 3 percent, the Fannie 97 will help many more families in the community buy homes of their own."

To encourage successful homeownership, home buyers purchasing a home using the Fannie 97 are required to participate in a home buyer education session to ensure that they understand the process of buying a home and the responsibilities involved in homeownership.

For more information, interested home buyers may visit a Great Western branch or call 1-800-GW4-A-LOAN.

With assets of \$43.7 billion, Great Western Financial Corporation is a diversified financial services company operating more than 1,165 mortgage lending, retail banking, and consumer finance offices nationwide. The company's principal subsidiary, Great Western Bank, is a full-service consumer bank operating banking branch networks in California and Florida. The company also originates mortgage loans through subsidiaries Great Western Mortgage and Sierra Western Mortgage.

Fannie Mae is a congressionally chartered, shareholder-owned company and the nation's largest source of funds for home mortgages. It has committed to provide \$1 trillion in targeted lending for 10 million homes by the end of the decade. The targeted lending will serve low- and moderate-income families, minorities, new immigrants, residents of central cities and other underserved areas, and people who have special housing needs. More information about Fannie Mae can be found on the Internet at <http://www.fanniema.com>.

For a menu of Fannie Mae news releases available by fax 24 hours (no charge) or to retrieve a specific release, please call 1-800-758-5804, ext. 305450, or access the address <http://www.prnewswire.com> on the Internet.

Top homebuilder, Marks Fortieth year

Pulte Corporation (NYSE: PHM), the nation's largest homebuilder, today marked the fortieth anniversary of the Company's incorporation with tribute to its founder, William J. Pulte, its 4,300 employees, and the more than 100,000 contractors, realtors, suppliers and other business partners who design, market and build Pulte homes.

"When Bill Pulte, Chairman of the Board, built his first house in 1950 in suburban Detroit for \$10,000 and, six

years later, incorporated his homebuilding business in the enterprise that is now Pulte Corporation, he could scarcely have imagined that forty years later, thanks to the enduring commitment to quality, value and customer satisfaction he instilled in the organization, we would be the nation's largest and, we believe, leading homebuilder," said Robert K. Burgess, Pulte's President and Chief Executive Officer.

"Over the past forty years, we have

built nearly 175,000 homes throughout 24 states. We have achieved a forty-year record of unbroken profitability, an extraordinary accomplishment in our cyclical industry — or any industry. We have established long-term, mutually beneficial partnerships with tens of thousands of contractors, suppliers, realtors and other business partners, and have sought to play a meaningful, positive role as outstanding corporate citizens in the communities we serve."

VA approves 15 millionth home loan

The Department of Veterans Affairs (VA) home loan program has passed the 15 million mark of guaranteed housing loans, marking five decades of service to veterans.

"From World War II to the present, VA's home loan program has helped make the pride of home ownership a reality for millions of returning service members, veterans, and their families," VA Secretary Jesse Brown said.

"The infusion of billions of government-guaranteed mortgage dollars into the U.S. economy over that time played a significant part in transforming a nation in which a majority of Americans 52 years ago were renters into a housing market where a majority became owners," Brown said.

The loan program's milestone will be commemorated Sept. 19 with a ceremony recognizing the 15 millionth loan, received by disabled Vietnam veteran William H. Black, at Black's new Chester, Md., home.

"The loan to Mr. Black is one that highlights a special aspect of the VA home loan program — specially adapted housing for veterans who are permanently and totally disabled from service-connected conditions," VA Under Secretary for Benefits John Vogel added. "The therapeutic and rehabilitative improvements provided through these grants can mean an earlier move to independent living for a veteran and cost savings for the taxpayer as institutional alternatives are avoided."

Black has combined a \$38,000 specially adapted housing grant with a guaranteed loan of \$133,000 to purchase and adapt a new home to accommodate wheelchair needs.

Since President Franklin Roosevelt signed the Servicemen's Readjustment Act of 1944 into law, the so-called GI Bill has secured more than a half-trillion dollars worth of financing for veteran or service member home loans. Last fiscal year alone, VA guaranteed more than 263,000 mortgage loans worth more than \$25 billion.

Historically, the largest war-era veteran group to use the home loan benefit was the World War II veteran, cumulatively accounting for more than 5 million loans, followed by 3.1 mil-

lion Vietnam era veterans.

Of the 3.3 million loans currently active, about 40 percent are for Vietnam veterans, while about 25 percent are for veterans from the post-Vietnam period, including the Persian Gulf War. With the advancing age of the World War II population, these veterans now account for about 4 percent of current loans, about the same as for veterans of the Korean War.

Honorably discharged veterans and active-duty members are eligible for the VA home loan program, which guarantees between a fourth to half of the mortgage, depending on the value of the property and whether it is for a conventional house or a manufactured home. Other loan uses can range from installation of solar heating to refinancing a mortgage at a lower interest rate.

One of the most valuable aspects of the VA home loan benefit is that there is no requirement for a down payment, and home loans effectively may reach \$203,000. The government is not directly loaning the money, but guaranteeing a portion of it, and a subsequent buyer with credit approval may assume the loan under the original terms and the continuing government guaranty. While the guaranty assists in securing a loan, the interest rate and terms largely have been deregulated to

allow veterans a fair-market opportunity to shop for lenders and negotiate the terms most favorable to their financial situations.

It is estimated that some 29 million veterans and service personnel are eligible for VA home loan guarantees. Even though many veterans have already used their loan benefits, it may be possible for them to buy homes again with the VA guaranty using remaining or restored loan entitlement.

Veterans, service members and reservists interested in more information about the VA home loan program may contact VA at 1-800-827-1000.

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Community in Motion

Let's Talk Trash.

We'll be talking recycling, too, with the Public Utilities Review Board (PURB). Plan to attend a public meeting to review the City of Portland's residential garbage and recycling collection franchise system. Come and tell us what you think!

Wednesday, September 25, 1996 at 7:00 pm
State Office Building, Room 140
800 Northeast Oregon Street, Portland

If you can't make it to the meeting, we'd still like to hear from you. Send your written comments to:
PURB
1120 SW 5th Ave., Rm 1250
Portland, OR 97204-1972
or sound off and leave us a message at 823-1340.