

HOUSING

The Portland Observer

Far & Away, Best Value Anywhere!

\$209,000 In Alameda, you we be impressed with this charming 3 bedroom 1.5 bath w/bonus room. Elegance, hardwood floors, Fire Place with built-ins. Spacious kitchen, tile in bath, detached garage. New roof, & more. This is a beautiful home on a picturesque street. Teisha Helgerson 699-3924. Mason to 4132 NE 30th Ave.



Greening Hollywood

Residents in and around the Hollywood neighborhood are encouraged to provide their ideas and input to the Green Neighborhood Network (GNN). GNN is a community-focused partnership designed to reduce resource use (and the related expense) and help make the Hollywood area a more livable community. The resource-conservation efforts will be focused on five areas: Energy, Water, Waste, Transportation, and Vegetation.

GNN wants to hear from the community about what they want to do in their homes and neighborhood. The options include creating printed materials, putting on educational events, offering incentives, and more. Whatever is done will be tailored to community interests and needs.

There are two meetings scheduled to obtain your input. These meetings

will be held in late July and early August. Everyone that attends one or the other will be entered into a drawing for an electric lawn mower. The dates, times, and locations are:

- Tuesday, July 21st from 7-9 PM. Rose City Park United Methodist Church
- 5830 NE Alameda
- Monday, August 3rd from 7-9 PM. Hollywood Senior Center
- 1820 NE 40th Ave

If you are unable to attend either of these events, you can still provide your input. And, you can still be entered into the lawn mower drawing. GNN will have an informational booth at Starfest. You can stop by there and fill out a survey form. For additional information on GNN, call the Portland Energy Office at 823-7222.

Taming the Down Payment Beast

Okay now you've taken the steps to get pre-approval to buy your new home contacted a Realtor to help you and are ready to go



By Chris Guinn of Millenium Properties in Northeast Portland

home shopping but you forgot something, the down payment. Yes, that small chunk of change needed to put down towards the purchase of your home and to cover some of the closing cost. How much should you have to put down? What are closing cost? How do you get that much money

to put down on an item as expensive as a home? Just relax and pay close attention to these next few paragraphs and you will find how to tame the wild down payment "beast." First lets put what a down payment is into perspective. One of the great advantages of buying real estate that differs from other purchases is leverage one can use towards the property with a comparatively small sum of money. I like to use this analogy; You get an incredible opportunity to purchase a brand new 1999 Mercedes for \$2000.00. However you only have \$300 to your name in the bank. I will bet most people will have acquired that additional \$1700.00 before the sun set. Why? They recognized the tremendous value and equity they would immediately gain by purchasing such an expensive automobile for so little. This is the same principal when we talk about a down payment for a home. Although most of the time downs are not chicken feed, they are relatively small when compared to the price of the home. So enough evading the is-

sue of money and lets examine some cold hard numbers. How much is a good down payment? Just like any other purchase the more money down the better. However now we are going to discuss minimums. The average price of a home in the Portland Metro area is around 140-150,000 dollars. Most conventional loans require about ten percent down or 14-15,000 dollars. We all have that lying around...right? Well, there are programs designed for us with a little less cash. One is the FHA loan (Federal Housing Authority). This is a government backed loan that requires only three percent down.

This is ideal for first time buyers and people with moderate or lower incomes. Suddenly the down payment on that same home has magically dropped to less than \$5000 dollars. Throw in another 2 or 3 grand for closing cost and you can still obtain ownership of a \$150,000 item for less than 10 grand! Remember these are figures based on the average cost of a home. There are still many quality

homes for much less. Also in some situations' sellers will split or completely carry most of the closing cost. I will explain closing cost in a future article. There are also 0% down loans for those who qualify. They generally require a great credit rating but carry a slightly higher interest rate. You will want to talk to your mortgage broker or banker to determine what kind of loan best fits your needs.

The ways to acquire a lump sum for a down vary. Of course putting money aside each month works or saving your income tax refund for a couple of years instead of buying that new auto. Borrowing from a close relative or friend or an area many of us forget is borrowing against our 401k plans at work. This may only require a payment of 40 to 60 dollars per paycheck! If we really grasp the importance of home ownership and sincerely want to make it happen we can quickly turn the scary down payment beast into a cute little puppy dog.

June Is Home Ownership Month

(Salem, Oregon) Governor John A. Kitzhaber has emphasized the importance of home ownership for Oregonians by declaring June as Home ownership Month in a proclamation signed on June 10th.

The proclamation states that "Home ownership is the American dream and for more than two centuries, our nation has embraced this dream. Oregon was one of the first states in the West to make home

ownership a reality for a majority of people." Governor Kitzhaber praised the cooperation between industry and government in opening the doors of home ownership to thousands of Oregon families.

"The Governor's proclamation reaffirms the importance of being a homeowner to many Oregonians," said Bob Repine, Director of Oregon Housing and Community Services Department (OHCS).

"In line with these values, our department sponsors a variety of programs such as home buyer education, down payment assistance and weatherization. These services are vital to helping Oregonians enjoy successful Home ownership."

Oregon Housing and Community Services Department (OHCS) is the state housing finance agency, providing financial and program support

to create and preserve opportunities for quality, affordable housing for low and moderate income Oregonians. The Department also administers federal and state anti-poverty, homeless and energy assistance community service programs.

For more information on Home ownership programs offered through the department, call our hotline at (503) 986-2015.

U.S. Economy: New Home Sales Rise to Record Rate in May

U.S. sales of new homes forged ahead in May to a record level against a backdrop of low interest rates and high consumer optimism that will drive the industry through year's end.

New single-family home sales rose 0.3 percent in May to a 890,000 units at an annual rate, the Commerce Department said, breaking the previous record set in April. Analysts had expected a drop in May sales to an 877,000-unit annual rate.

The fall in mortgage rates over the past year is powering home sales activity to new highs," said Ian Shepherdson, chief economist at HSBC Securities Inc. in New York. "There is more strength to come" as today's low interest rates will take about three months to translate in to home sales, he said.

The robust housing industry will help offset some of the slowdown at U.S. factories expected from weak Asian economies and the nationwide shutdowns at General Motors Corp. plants.

The difficulties from Asia and this GM strike will begin to bite, but we won't see that affect housing until the fourth quarter," said Paul Taylor, senior economist at America's Community Bankers.

For now, low mortgage rates are the key incentive to home buying.

The average rate on a 30-year fixed-rate mortgage stood at 6.96 percent in the week ended June 26, close to its lowest level in five months. At the same time, more people are applying for mortgages, the Mortgage Bankers Association said last week. Mortgage interest rates remain incredibly affordable," said Robert Van Order, chief economist at Freddie Mac, last week. "This has been a boon to the housing industry." In financial markets, the price on the U.S. government's benchmark 30-year bond fell 3/32, pushing up yield almost 1 basis point to 5.64 percent ahead of the Federal Reserve's two-day monetary policy meeting beginning tomorrow. Stocks were higher after a survey showed Japanese executives were optimistic about their nation's economy. The Dow Jones Industrial Average rose 89, or 1.0 percent, in midday trading.

More Records The housing strength has been defined by the longest stretch ever of new home sales exceeding an 800,000-unit annual pace. May marked the ninth straight month the pace of sales was above that level. Sales of new one-family homes in the first quarter averaged 855,000 a month at an annual rate, a record and up 3.3 percent from the 828,000 av-

erage per month in the fourth quarter. We've just got great affordability," said Robert Strudler, chairman and chief executive officer at U.S. Homes

Corp. in Houston. "It's a wonderful combination of full employment, low interest rates and a high degree of consumer confidence."

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