

Fair Housing PDC's neighborhood housing program

BY DON GRAVES-HIGHSMITH
FOR THE PORTLAND OBSERVER

The Neighborhood Housing Program (NHP) has been a mainstay at the Portland Development Commission for almost thirty years. It is the program that provides home repair loans to low and moderate-income families who own and occupy their homes. The NHP has provided funding for over 12,000 repair projects since it began. Traditionally, the NHP program has received federal funding through Community Block Grants (CDBG) received by City of Portland Bureau of Housing Community Development (BHCD) from the U.S. Department of Housing and Urban Development (HUD). Applicants must be at or below 80% of median family income (MFI) as set by the federal government. HUD adjusts the median family income guidelines yearly, and they are specific to the locality. Currently a family of four with an annual income of \$53,700 is considered at midpoint (or median) for the City of Portland. A family earning up to \$42,950

annually is considered at or below 80% MFI and would be eligible for the NHP program. You can check the current MFI earnings chart on PDC's website under "Housing" at www.portlanddev.org.

The NHP now also provides home repair for the 80% to 120% of MFI families. The NHP offers a Fannie Mae loan that is market rate. The advantage is this loan can be made when no home equity currently exists. This is done by having a contractor submit a bid on the repairs that will be needed, and then obtain an appraisal based on the home's value after the repairs are completed. This is an excellent option for a home refinance, or for the purchase of a "fixer-upper" home that needs repairs.

Since today's fixer-uppers are usually bought at market rate and there is little equity after the purchase, this option can help make the fixer-upper livable after the purchase. The cost of the purchase is rolled in with the cost of the repair work into one affordable payment.

Another option that the NHP is now

able to provide is the "Green Rehab Loan" through a partnership with ShoreBank Pacific. The Green Rehab Loan is specifically designed to finance home repairs that are energy efficient and use materials that are environmentally friendly. This program links affordability with sustainability.

The Neighborhood Housing Program is constantly looking for new ways to serve the home repair needs of the community, either as a "safety net" for low-income homeowners who have a particular emergency need, or in concert with other community efforts. The overall goal is always to improve the livability of a neighborhood. In this effort, the NHP has been a significant factor in holding off gentrification by allowing homeowners to stay in their homes by providing affordable options to make needed repairs.

If you have a home repair need and would like additional information, please call the Neighborhood Housing Program at the Portland Development Commission at 503/823-3400.

You'll see this again & again...

BY DAVID LABOVITZ
FOR THE PORTLAND OBSERVER

I am a loan officer and I know what you need to know about home loans and refinancing. I will address specific topics that you will need to know about and questions that you will want to ask.

Here is a the first key to getting a good home loan that meets your needs. Ask questions of the person who you have chosen to help you with getting your home loan. Secondly, get your answers! If you do not understand the answers to your questions, ask more questions. If your loan officer uses a bunch of terms that you are not familiar with, cannot explain things to your satisfaction, or this person is reluctant to help you understand your decisions, move on! Your home loan is too important in the long run to let someone else tell you what to do. Your loan officer is an advisor for you rather than your decision maker.

Here is a basic starter question for you. How long do you expect to live in the home? 1-year, 3-years, 20-years? Sometimes it is only a guess on your part, but it will help you

select the length of the loan that you need. In general, the shorter the time that you need the money from a bank, the less you will pay in interest each month.

Find out how much money you have to work with to buy a home. This is basic to starting the process. You can use savings and gifted funds from immediate family to help you with down payment and closing costs. Many times this will narrow down the type of program that you can go with. How is your credit? Ask your loan officer to get you a free "single bureau" credit report. Ask for a copy. This is your business and you should have a copy. Beware of someone who will not share your information with you! Take the attitude that it is your business. Most people know if they have decent credit, or if they might have a few challenges. That does not mean that the credit reports show the facts correctly. You must find out what others will read about you. A good loan officer will help you work with any problems.

You now have a good place to start. Find a quality loan officer, ask questions, get your answers, total up all of the money that you wish to

use for buying a home, and have a look at your credit. Remember, it is your loan for your credit.

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Deborah Foster
Realtor
Equity Group
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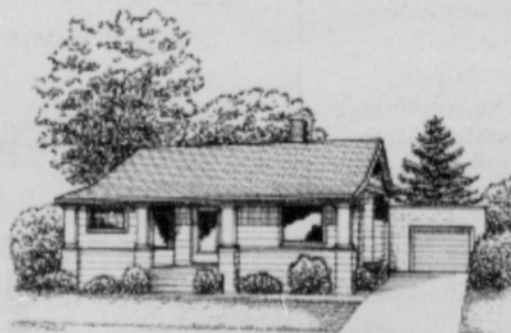


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