Legal service available to all members and staff

By Gayle Patterson

Jan and David were tired of paying rent. They had always wanted a home for themselves and their three children. The wanted their children to grow up with a yard to play in and a place where the children could have a dog. Jan and David knew that they were eligible for a down payment program from the Tribe, and thought that if they qualified, that, at last, their dream of becoming homeowners would come true.

Jan and David soon became discouraged when they started house hunting because of the prices of existing, established homes. Then they heard from a friend about Acme's Manufactured Homes. A company which, they learned, would allow them to buy a manufactured home of the size they wanted for about $20,000 less than what they could buy on the open market. They were thrilled because the house they purchased would be brand new, and they could pick some "luxury" features, and not have the repair and renovation expenses of buying an older place.

When Jan and David went to Acme, they were shown lovely model homes which appeared bigger and better than anything they had seen before in their price range. They were told that for $59,000 the house would be assembled on land owned by Acme in a place called Dream Home Gardens; that the house would be fully warranted for a year, and any repairs or other difficulties would be taken care of by Acme without cost to them during the period of the warranty.

They did not think of what it would mean to have their dream home built on someone else's land. When they were presented with the sales contract for the home, they noticed that in order to get some of the extra features they wanted, additional money was added to the purchase price. They noticed that charges for items they did not ask for, such as landscaping, were listed in the sales contract. They asked about these additional charges, and were told that these were normal charges that any home buyer would have to pay. They had never bought a home before, and were afraid if they refused to pay these extra charges, Acme would reject their application for financing and they would never get the house.

They also noticed that the contract was accompanied by three pages of small print consisting of rules and regulations for people who lived in Dream Home Gardens. They tried to read all the rules before they signed the contract, but they were just too excited. They didn't understand some of the language in the contract and the rules, and they did not want to ask the salesman what they meant. They decided to just sign all the papers, and hope for the best.

Over a year later, Jan and David were anxious. Despite repeated requests for repairs, their ceilings were leaking, sagging, and covered with mold. Their floors were buckling, with ripples and cracks appearing. They were surrounded by a sea of mud because there was no landscaping. On top of all that, they had received a notice form Acme that they were in danger of being evicted because they had acquired a dog. Dogs were not allowed under Dream Home Gardens' rules and regulations.

Evicted? How could that be? They were homeowners, not renters, they thought. They had to move, but a neighbor had told them they couldn't rent their house to anyone else. It was against Dream Home Gardens' regulations. They put up a "For Sale" sign. Acme made them take it down. Acme pointed to their sales contract. They couldn't sell their house unless and until Acme said they could sell it, and Acme would have to approve any buyers. And if they just move out, Acme said, they would still be legally liable to pay for the house.

Jan and David threatened to take Acme to court.

"You can't do that," Acme said. "Look at your contract. You gave up your right to sue us. You're only allowed to go to arbitration, and, you know, the arbitrator is a friend of ours."

Jan and David were miserable and they were stuck. They went to see a lawyer.

Grand Ronde members are fortunate in that receive Member Benefits, and qualified first-time home buyers are entitled to get down payment money to establish a home for themselves.

Almost all the merchants in this area are aware of these benefits, and will use this knowledge too exploit, and sometimes even cheat tribal members who come to them for goods and services. The problem with getting large sums of money at one time, is that it causes some people to overestimate their financial abilities, and become "impulse buyers."

Jan and David did not do their research before they became buyers, and called Grand Ronde Legal Services only after disaster had struck. Buying a home is the most expensive consumer transaction in which most people will ever be involved. They involve thousands of dollars and years of debt. You would think that since this is the true, people would be extremely cautious before buying a home. This is often not the case. For some reason, buying homes are highly emotion-driven transactions for people.

When we talk to clients about the details of the disastrous sales contracts they got into, the most frequent statements we hear are that,

1) the buyer did not read the sales documents before they signed them, or,

2) they read the documents but they were incomplete (or they did not understand them, and signed anyway), and

3) they trusted the salesperson to keep verbal agreements that induced them to buy, and did not object when the verbal agreements were not included in the written contract when they signed it.

Legal help is available to victims of fraud

Grand Ronde/Oregon Legal Services Offices

ALBANY OFFICE
541-926-8678
800-817-4605

BEND OFFICE
541-385-6944
800-678-6944

GRANTS PASS OFFICE
541-476-1058

HILLSBORO OFFICE
503-648-7163

NEWPORT OFFICE
541-265-5305
800-222-3884

MCMINNVILLE OFFICE
503-472-9561
800-781-8500

OREGON CITY OFFICE
503-655-2518

PORTLAND OFFICE
503-224-4086

PENDLETON OFFICE
541-276-6685
800-843-1115

ROSEBURG OFFICE
541-673-1181

WOODBURN OFFICE
503-981-5291

Before you sign...

In the case of Jan and David, if they had read carefully, they would have known that having a home built on someone else's land did not give them the independence and rights that they expected as homeowners. They were still just tenants, and subject to any whim of the landowner as long as they remained on his property. And yes, if they broke any of the landowner's rules, they could be thrown off the land like any other tenant. They did not do their research.

What if they got a job in another town or state? Could they sell? Could they rent it? What legal remedies were they allowed if the deal did not work out? What if their one year warranty passed and requested repairs had still not been made? What is arbitration anyway? All of these were questions that should have been answered to their satisfaction before they signed the contract. This is where using the legal services program provided by the Tribe can help.

A few simple rules for consumers when buying a house are:

1. Always arrange your financing plan before you start to house hunt. Comparison shop for interest rates, then get to the least expensive loan pre-approved so you will know in what price range you should be looking.
2. Land is wealth and freedom. Avoid building a home on land owned by someone you don't know.
3. Never sign any sale or financing documents without bringing them to an attorney for review before signing them. Grand Ronde Legal Services will review documents and discuss them with you for free. Call us and fax the documents if time is of the essence.
4. Learn to walk away from deals you don't like. It is amazing how many sales are made because buyers did not want to disappoint the seller or realtor. It may be the seller's house, but it's your money. Do not promise your family a house before you know all the terms. Family members can stampede you into making an emotional purchase that everyone will regret later.

Buyers should know that when a case comes before a judge, with rare exceptions, the judge is required to apply what lawyers call "the four-corners rule." This means that whatever is written down within the four corners of each page of paper that the contract is on is what will be enforced. Nothing that a realtor or salesperson says to you verbally or when you are negotiating means anything in a court of law if it is not written down within these "four corners."

If a seller will not give you time to let your attorney look at a contract before you sign it, walk away. You do not want to do business with that person. Fax machines can add speed, where needed.

Ask an Expert

Legal Services offices are all over the state. You can call your nearest office for assistance with a consumer problem. Be sure and tell them you are a Grand Ronde member when you call.

- If you need assistance your nearest office cannot give you, call the main office of Grand Ronde Legal Services in McMinnville.
- Other consumer resources available to you are the American Association of Retired Persons which will give you information on how to avoid becoming a victim of a fraud. Call 1-800-922-8716.
- The Oregon Attorney General's Financial Fraud and Consumer Protection Division wants to know about financial and investment frauds, including telemarketing and work-at-home scams. Call (503) 378-4320, Salem or (503) 229-5576, Portland.
- If you've been a victim of medicaid fraud, report it to the Attorney General's office at (503) 229-5725.
- If you want to check out how many complaints have been filed against a specific business, call the Better Business Bureau at (503) 222-2255.
- To get information on home improvement scams or to make a complaint, call the Construction Contractors' Board at (503) 378-4621, ext. 44900.

PROTECT YOURSELF. BE A WISE CONSUMER.