



ODFW set nets in Vernonia Lake on October 3 and pulled them on October 4 to study the status of the fishery. They found 486 Bluegill, 109 Black Crappie, 40 brown Bullhead catfish, and five Yellow perch. Trout were not counted as they are stocked, not naturally reproducing. They checked the health, size and ages of the fish in order to make the determination that Vernonia Lake is a healthy fishery.

Reverse mortgages are not right for all

by Jason Alderman, www.practicalmoneyskills.com

You can scarcely turn on the TV without seeing ads for reverse mortgages. They're touted as a great tool for cash-strapped seniors to tap their home equity to pay off bills while remaining in their homes with no monthly mortgage payments. Although that may be true for some people, these complicated and costly loans aren't right for everyone, so it pays to do your homework.

Here's a primer on reverse mortgages and precautions you need to take:

Reverse mortgages let homeowners age 62 or older borrow against their home equity without having to make monthly payments (as with refinance loans). The loan needn't be repaid until you move out permanently, sell the property or die. In addition, seniors wishing to downsize or relocate may make a large down payment on a new home and then use a reverse mortgage to finance the rest.

The vast majority of these mortgages are made through the Federal Housing Administration's Home Equity Conversion Mortgage (HECM) program. Common features include:

- All parties on the loan must

be at least age 62.

- The home (current or future) must be your principal residence.
- You must own the home outright or be able to pay it off with proceeds from the loan.
- The allowable loan amount is based on your home's appraised value, your age, interest rate and type (fixed or variable), mortgage insurance and applicable fees. Generally, the older you are and the more valuable your home, the greater the available loan.
- The repayment amount never exceeds the home's final sale value, so you (or your heirs) are never liable for more than you originally borrowed.
- You can take the money as a lump sum, a line of credit, fixed monthly payments or any combination.

Reverse mortgages can be very expensive. Lenders may charge a loan origination fee of up to \$6,000. In addition, you must pay upfront and then for ongoing mortgage insurance premiums (MIPs). HECM Standard loans have an upfront MIP of 2 percent of the home's value. HECM Saver loans have a far lower 0.01 percent upfront MIP (although the allowable loan amount may be up to 18 percent less). Both versions also charge an additional 1.25 percent MIP of the outstanding

balance annually, as well as a loan origination fee of up to \$6,000 and various other charges.

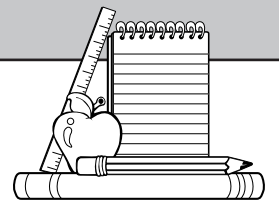
A few other potential downsides with reverse mortgages:

- You are responsible for homeowner's fees, property taxes, insurance and repairs for the life of the loan. If you don't pay them, you risk cancellation or foreclosure.
- They aren't cost-effective if you plan to move in a few years.
- Some couples put only the older spouse on the loan in order to secure a higher balance, but this can backfire: If that person dies first, the survivor could be bound to pay off the loan – a real problem if the home's value is "underwater."
- The longer you carry a reverse mortgage, the more your home equity – and thus, your estate – will decrease.

Because reverse mortgages are so complicated, potential borrowers are required to consult a Department of Housing and Urban Development (HUD)-approved counselor before being allowed to apply. Before you even get to that stage, do your research. Helpful sites include those sponsored by HUD (www.hud.gov) and AARP (www.aarp.org).

Chalk Talk

Chalk Talk is a column of information about Vernonia schools. This column was provided by Superintendent Dr. Ken Cox.



We are looking for input from the community concerning the New Spencer Park that will replace our existing school buildings. There will be a Town Hall Meeting at 7:00 p.m. in the cafeteria immediately following the Board Meeting this Thursday (October 20th). Our design team will share with you some of the different options that they have come up with and you will have the opportunity to ask questions and give input. If you can't make the meeting you can still give your input by filling out an online survey that you will find on our district home page. We hope to see you at the Town Hall!

New donations announced at the roof capping on October 6, 2011

The Vernonia School District held a roof-capping celebration on Texas Ave., above the new school, on October 6.

During the celebration, announcements were made of donations to the school project of 260 solar panels from Solar-World USA, and \$75,000 from P&C Construction and their

contractors.

Earlier at a breakfast held for Vernonia businesses, a reminder was given that Gordon Smith of Vernonia Sentry has challenged Vernonia businesses to give to the new school campaign and has agreed to match up to \$10,000 in donations.

ODOT looks at U.S. 30 safety

ODOT recently conducted a safety audit along a small stretch of U.S. 30 west of Scappoose to identify and prioritize transportation safety concerns and recommend solutions. Between 2005 and 2009 60 crashes occurred in this section between Berg Road and Milard Road.

Safety risks found included speed, intersection visibility, turning movements and drivers running off the road in this section. ODOT is proposing solutions to increase visibility, im-

prove turning movements and install rumble strips along the highway alerting drivers who drift out of their lane.

ODOT will present a series of recommendations from the Road Safety Audit conducted along U.S. 30 to the 17-member U.S. 30 Safety Working Group at 6 p.m., Oct. 20, at the Village Inn, 535 S. Columbia River Highway, St. Helens.

For more information visit: www.oregon.gov/ODOT/HWY/REGION1/US30_Safety/index.shtml.

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