

The Homeownership Path

“Making Homeownership a Reality for Native Families”

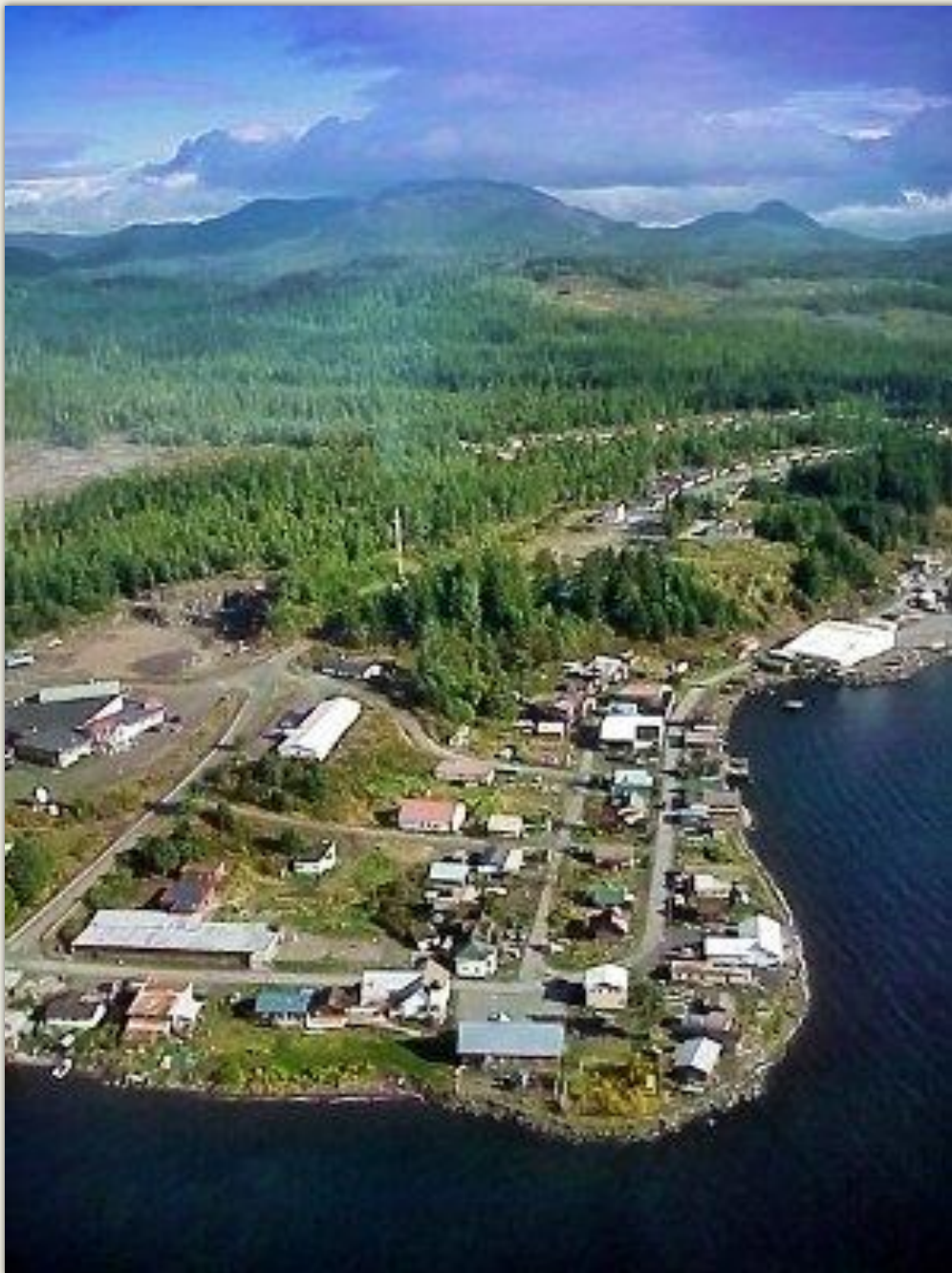
Homeownership

Tribal Preparation

- Housing Ordinances
 - Lease
 - Foreclosure & Eviction
 - Priority of Lien
- Land for Leasing
- Homes for sale
- Department Coordination
- Classes/Marketing
- Lenders

Individual Preparation

- Budgeting & Savings
- Homeownership Classes
- Credit
- Down payment



LIFE

How do we learn about money?

What life experiences impact the values that we carry?

How do these experiences shape our future?

What can we learn?

How can we reshape our future?

Educate Yourself

- Buying a home is the biggest financial obligation most families make
- Learn what you need to make a strong financial decision – are you ready to buy at this point?
 - Renting v. Buying
 - Pros & Cons of each
- Remember the additional costs involved
 - Utilities
 - Appliances
 - Landscaping/yard maintenance
 - Maintenance

Budget & Save for the Future

- Revise budget to reflect the additional costs involved – utilities, insurance, etc.
- Don't make any major purchases
- Pay bills on time
- Pay yourself first – create a savings plan for emergency fund, down payment, and future maintenance

Monthly Budget

Money In

Pay	\$ _____
Benefits	_____
Family Help	_____
Child Support	_____
Odd Jobs	_____
Other	_____
TOTAL	\$ _____

Money Out

Food	\$ _____
Clothing	_____
Transportation	_____
Housing	_____
Insurance	_____
Fun	_____
Debt Payments	_____
Other	_____
TOTAL	\$ _____

Review your Credit

- Get familiar with your credit history before talking to a lender.
- Order your report at:
 - www.annualcreditreport.com
- Review for mistakes

CREDIT REPORT

Credit Reporting Agency

Please address all future correspondence to:
 Credit Reporting Agency
 P.O. Box 0000
 City, State Zip Code
 (800) 000-0000

SAMPLE CREDIT FILE

Personal Identification Information

Your Name Social Security #: 000-00-0000
 123 Current Address Date of Birth: January 21, 1967
 City, State 00000

Previous Addresses(es):

234 Any Rd., Martin, Alaska 00000
 P.O. Box 0000, Hilo, PA 00000

Last Reported Employemnt: Hospital Administration

Public Record Information

Lien filed 02/95; Big CTY; Case or other ID number-00000; amount-\$27045; Class-state; Released 07/95; Verified 02/95

Bankruptcy filed 10/94; Any District Ct; Case or other ID number-000AB00; Liabilities-\$13072; Personal; Individual; Discharged; Assets-\$790

Collection Agency Account Information

Any Collection Agency (800) 000-0000
 Collection Reported 07/99; Assigned 09/99 to Any Collection Agency (800) 000-0000 Client - ABC
 Hospital; Amount-\$878; Paid collection account.

Credit Account Information

Company Name	Account Number	Whose Acct	Date Opened	Month Review	Date of Last Activity	High Credit	Terms	Items as of Date Reported			Rate
								Terms	Past Due	Status	
1	2	3	4	5	6	7	8	9	10	11	12
Bank	1234	I	04/98	24	4/01	\$750		\$0		11	3/01
Store	5678	J	12/00	36	12/01	\$1000		\$0		R1	1/01
Auto	9101	I	5/97	48	12/00	\$2400	\$50	\$300	\$200	15	4/01

Previous Payment History: 3 Times 30 days late; 4 Times 60 days late

Companies that Requested your Credit File

08/06/00 Bureau Disclosure
 03/01/01 Bankcard
 12/27/01 Department Store
 01/23/01 Bankcard

Identifying Information

This section lists your:

- Name
- Social Security number
- Current and previous addresses
- Telephone number
- Birth date
- Current and previous employers
- If you have one, your spouse's name

Public Record Information

This section of your credit report lists items that are matters of public record, such as collection accounts, bankruptcies, foreclosures, tax liens, civil judgments, and late child support payments. Here, Penny has a lien and bankruptcy listed, which have a negative impact on her credit rating. It will take 7-10 years for both the lien and bankruptcy to be removed from her credit report.

Credit History

The Credit History section of your credit report shows your account record with different creditors. The Credit History Section shows how much credit has been extended to you and how you have repaid it.

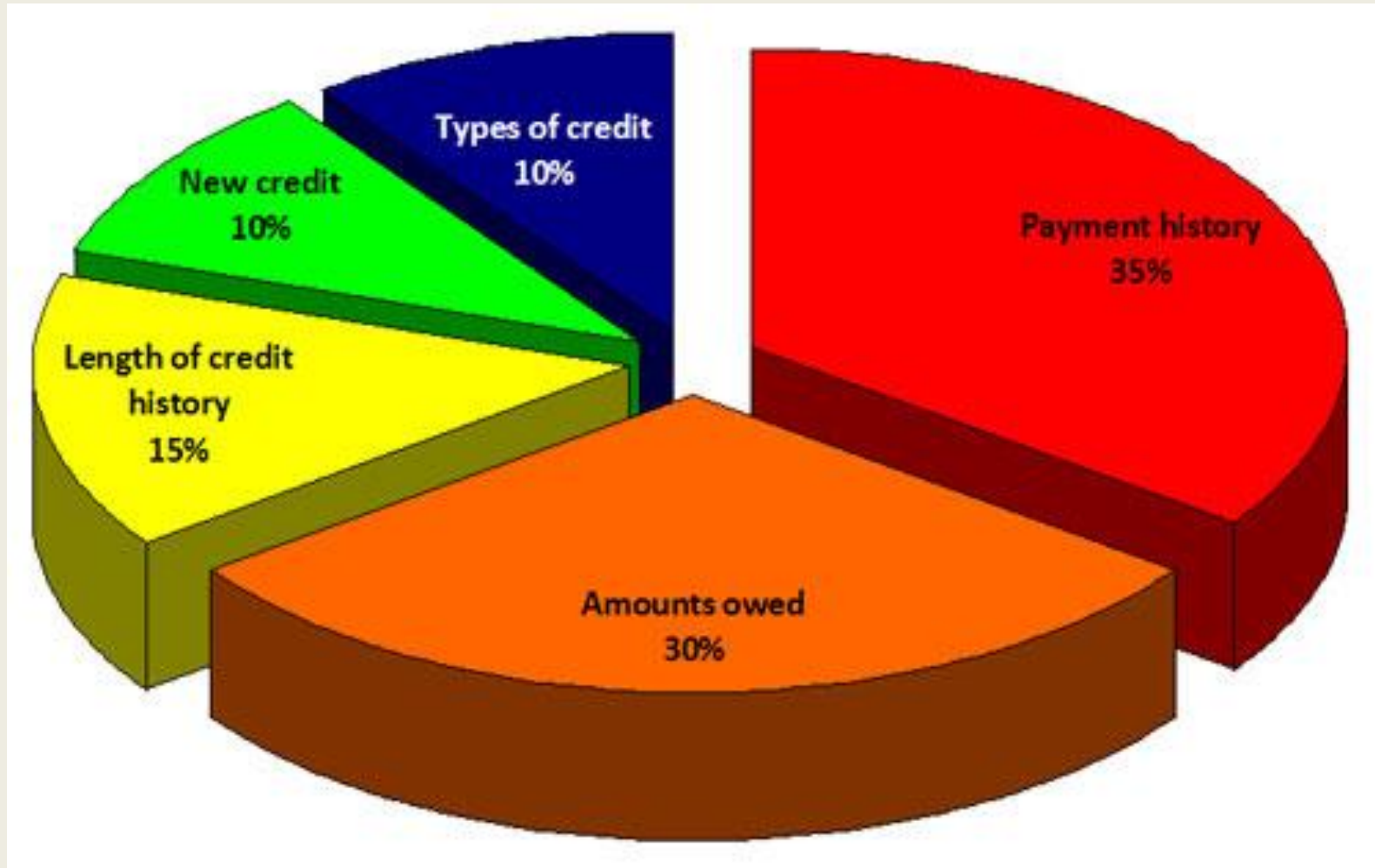
Inquiries

This is a list that identifies creditors and other authorized parties who have requested and received your credit report. Often, they want to use this information to determine if they should extend credit to you.

Think of this as your financial resume

- It provides an overview of your personal character and how you manage your finances
- It is used by employers, landlords, and insurance companies to determine your trust worthiness and assess your risk
- Just like grades – the higher your score the better off you are

CREDIT SCORE



Pay your bills on time – 35%; keep your credit balances low – 30% keep credit open for a long time – 15%; occasionally open new credit – 10%; Range of credit 10%

Homeownership Education

- Participate in a free class
- Explore financing options
- Explore down payment assistance options
- Connect with local resource providers
 - Housing
 - HUD Approved Counselor
 - Online curriculum
 - Other non-profits

Homebuyer Liaison

- Provides support to homebuyer
- Connects with various departments
- Knowledgeable of loan options and loan processes
- Has relationships with key contacts

Resources

- HUD Approved Counseling Agencies
- Regional Homeownership Centers
- Banks and Credit Unions
- Community Action Agencies
- Asset Building Coalitions
- Non-profit Financial Education Programs

Trainings

- HUD Training and Technical Assistance for Grantees
- Upcoming Pathways Home Training
- Neighborworks
- Ehome America
- Asset Building Coalitions