



KEEPING YOUR HOME: FINANCIAL TIPS FOR CURRENT HOMEOWNERS

FINANCIAL TIPS

START AN EMERGENCY FUND

Homeownership provides housing stability and freedom but can come with unexpected expenses. Set aside money for an emergency fund in case an appliance breaks. Some experts recommend saving 1% of your home value annually. Example: \$120,000 home value: save \$1,200 annually (\$100 monthly).

PROPERTY TAXES FLUCTUATE

A mortgage interest rate typically stays the same through the lifetime of a loan; however, property taxes may change. Property taxes are based on the assessed value of your home (as determined by your county tax assessor) and can be appealed if the value is not in line with other similar homes in your neighborhood. Take note of assessment increases and budget more money for the next property tax payments.

LOOK FOR OPPORTUNITIES TO LOWER YOUR PAYMENTS

- Communicate with your lender if you fall behind on mortgage payments. Lenders may be able to offer you a loan modification to lower your payments. Do not ignore mailings from your lender.
- Consider refinancing your mortgage loan if interest rates are low. You may lower your payment but will have to pay closing costs. Those costs may be folded into your new loan.

FAIR LENDING RIGHTS

KNOW YOUR FAIR HOUSING RIGHTS

Terms of a refinance loan should be dependent on factors like home value, credit score and income. In refinancing, lenders should never use characteristics such as race, national origin, gender (includes pregnancy), familial status and disability. Fair housing testing through Prairie State Legal Services or other organizations can reveal evidence of lending discrimination.

WATCH OUT FOR

- Scams – be wary of “refinance” or “loan modification” programs that require an upfront payment or advise to stop paying a mortgage.
- Home equity lines of credit (HELOC) – although HELOCs begin at a low interest rate, the rates can increase over time, resulting in a large debt if a homeowner is not careful to repay.
- Reverse mortgages – these loans are a line of credit to the homeowner. Unlike a traditional mortgage, the debt grows larger over time and is paid off at the next sale of the home, normally after the homeowner dies.

CONTACT US:



Prairie State Legal Services
Fair Housing Project
855-347-7757

PSLS offers:

- legal advice & representation
- training & outreach on fair housing/lending issues
- investigations of fair housing/lending complaints

HUD-CERTIFIED COUNSELING AGENCIES:

Lake County Housing Authority
847-223-1170 x 2060

LCHA offers personalized counseling in the areas of:

- Budgeting & banking
- Credit & debt
- Fair housing
- Homeless intervention
- Landlord – tenant mediation
- Mortgage default/foreclosure prevention
- Pre-purchase/Home buyer
- Referrals
- Rental counseling

Community Partners for Affordable Housing
847-263-7478 x 15

CPAH offers individualized courses and services in the areas of:

- Rental housing
- Home buying
- Down payment assistance
- Home repair & accessibility
- Foreclosure prevention
- Financial counseling

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