

# Home-buying Basic Information

Congratulations! You're ready to start looking for your own home. As you start the process, let's talk about some of the facts you need to know.

## WHY OWN?

You wouldn't have signed up for this program if you thought owning your own home wasn't worth the effort. After all, you won't have a landlord to call to fix things, you have to plan to replace roofs, floor coverings, concrete, appliances, etc., and it is more cumbersome to move when you own your own home. So why have the hassles?

No question about it, home ownership is a big investment, maybe the largest you'll ever make. But over time, it's an investment that pays for itself many times over. Here's how:

## Tax and Financial Advantages

- \_ Mortgage interest is tax deductible
- \_ Real estate taxes are tax deductible
- \_ Local tax benefits are available in many areas
- \_ Your monthly payment, while it may change due to escrows, typically remains less than average rent increases.
- \_ You can enjoy tax-free profits up to \$500,000 from the sale of a primary residence that you have occupied for two of the last five years, if you are married and filing jointly.
- \_ Rent is an expense which will never be recovered. Monthly payments on your own home will stop once your loan is paid off.
- \_ Interest on home equity loans is also deductible.

## Investment Benefits

- \_ You build equity over time, which you take in cash when you sell your home.
- \_ The profits from home investments are often greater than many other investments.
- \_ Because you can borrow against your equity, home equity can be a source of emergency funding.
- \_ Land appreciation adds to the value of your home
- \_ For many, home ownership is an important part of retirement planning.

## Personal Satisfaction

- \_ You gain more living space
- \_ You enjoy the satisfaction and pride of home ownership
- \_ You can decorate however you want because IT'S YOURS!!!
- \_ Home ownership helps you put down roots and achieve stability
- \_ Home ownership is, for many people, a sign of independence and achievement.

## **WORKING WITH AN AGENT**

The FRPM Home Ownership Program is completely voluntary. However, in order to receive the accumulated credit, you will be required to work with Tony A Drost, owner of FRPM and Realtor® with Swope Investment Properties. Attached is an Agency Law of Idaho Brochure. Prior to signing any documents, you must review this informative brochure and sign and date the bottom.

## **FINDING YOUR HOME**

Once you have met the qualification requirements for a loan, you can contact Tony A Drost directly. Tony will meet with you and initiate a search for a home that meets your loan qualifications and your individual wants and needs. Be as open and honest with Tony as you can about what you like and dislike about the homes he shows you. If you don't like a home you see, he won't be offended if you say no, and he will begin to understand what your preferences are which will narrow down the list to finally find the one that's right for you. Also, if you happen to see a "for sale" sign on a home you like, call Tony. Sometimes homes are not immediately placed on the multiple listing services, and the agent may be able to call the listing company to get you into the house more quickly than if you wait for it to be posted on MLS.

Remember, Tony A Drost is providing the initial \$500 credit and the additional monthly credit of 5%, but in order to receive it, you must work only Tony A Drost as your exclusive agent. In addition, Eagle River Mortgage will provide an initial credit of \$250 and 2.5% of the monthly rent, but only if you use them to obtain financing for the purchase of the home. Also remember that you will need to time your search and move-out to comply with the obligations of the lease. We want to help you purchase a home, but we can't negate the legal agreement for the lease of your current residence. Communication with our office during the buying process will be crucial.