Understanding Your Obligations As A Borrower

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Pay your monthly mortgage payments on time
Failure to make payments may result in foreclosure
Make sure you know the terms of your loan
Make sure you know when your payments are due each month
Make sure you know where to send your payments
Know how late your payments can be without triggering a late fee
If you have an adjustable-rate mortgage, know how far ahead of time will you be notified if payment has increased

How To Avoid Foreclosure
“Foreclosure is the legal means that a lender may use to take possession of your home if you fail to make your payments.”

What To Do If You Are Having Financial Problems
Contact your lender immediately to discuss the situation
Be able to explain why you are past due
Have a plan for how you will get caught up
Contact a housing counseling agency
The lender or servicing agent should work with you provided the lender believes that you are acting in good faith and that some temporary assistance will resolve the problem
Beware of equity skimmers

What are some of the expenses that you may face as a homeowner that you never had as a renter?
Repairs
Lawn and garden equipment
Snow removal equipment
Sewer and water bills
Pest control
Power tools
Washer and dryer
Trash cans
Assume you have $1,000 to spend on repairs and improvements. How would you prioritize these projects?

- Repair roof after several shingles blew off during a storm
- Replace older electric water heater with new, energy-efficient gas water heater, anticipated energy savings $18/month
- Replace drafty storm windows
- Replace carpeting that has excessive stains
- Build a deck for leisure and entertainment