



Accessible Home Ownership Seminar



March 3, 2007





Accessible Home Ownership

♿ Dare to Dream

♿ Getting on the Path

♿ The “Financial” House

♿ Finding the Right Loan

♿ Finding the Right Real Estate Agent

♿ Finding the Right Home

♿ Dare to Dream (Part 2)

♿ What’s Next?





Dare to Dream

- ⌘ Disability – NOT a barrier to home ownership
- ⌘ Key is building the RIGHT team
- ⌘ By being here today you have **ALREADY** taken the first step!



The Path to Home Ownership



- ⌘ Put your financial “house” in order
- ⌘ Get “Pre-Approved” for a mortgage loan
- ⌘ Find a Realtor who is an Accessibility Specialist



Your “Financial” House

- ⌘ Credit Scores and Reports
- ⌘ Money Management and Budgeting
- ⌘ Saving for a Down Payment (Cash is king!)
 - ⌘ Earnest Money
- ⌘ Free resources available in most communities to you with these issues



Why is Your Credit Important

- ⌘ How you manage debt affects your ability to get financing
- ⌘ Credit reports used to evaluate your ability to pay back money you have borrowed
- ⌘ Bankruptcies, foreclosures, and legal judgements against you can disrupt your ability to get a loan
- ⌘ **REQUIRED:** A credit score of at least 600 and no recent adverse activities



Why Budgeting is Important

- ⌘ Home ownership brings with it new expenses and obligations
- ⌘ Budgeting is just a method of keeping track of what you bring in (income) and what you spend (expenses)
- ⌘ Your ability to budget and manage your money is a key indicator of:
 - ⌘ Your ability to manage the obligations associated with a mortgage...very important consideration for lenders



Why Saving is Important

- ⌘ “100% Financing” DOES NOT MEAN you do not need any cash to buy a home
- ⌘ There are “out of pocket” costs associated with buying a home including:
 - ⌘ Earnest Money
 - ⌘ Appraisal
 - ⌘ Inspections
 - ⌘ Packing, Storage, and Moving
- ⌘ The more savings you have, the more flexibility you have in purchase negotiations



Finding the Right Loan/Lender

- ⌘ Lots of Options
- ⌘ Each client's situation is unique
- ⌘ Today you will learn about TWO loan products....products designed specifically for the disability community and for first time home buyers



The Home Choice Loan

- ⌘ Designed for people with disabilities and their families
- ⌘ Very low 3% interest rate
- ⌘ Zero down payment required
- ⌘ Potential for “layering” with down payment assistance programs



The Home Choice Loan

- ⌘ Generous terms and conditions:
 - ⌘ Credit scores as low as 600 allowed
 - ⌘ “Built-in” down-payment assistance loans
 - ⌘ 3% of purchase price comes “standard”
 - ⌘ Additional 3% available for closing costs for low income borrowers
 - ⌘ No payments for 30 years or until home sold
 - ⌘ Accrued interest is NOT compounded
 - ⌘ Borrower can have more monthly debt than is allowed for regular loans



The Home Choice Loan

⌘ Limitations on the Borrower

- ⌘ Borrower may be person with disability or family member or even a permanent live-in caregiver...but they **MUST** live in property
- ⌘ Borrower must be a first time home buyer
- ⌘ Borrower's income may not exceed limits for the county where the property is
- ⌘ No bankruptcies in the past 4 years



The Home Choice Loan

- ⌘ Limitations on the Loan/Property
 - ⌘ Maximum loan amount of \$417K; no secondary loans allowed; no seller financing
 - ⌘ Limits on purchase price (varies by county)
 - ⌘ No multi-unit properties, such as duplexes or triplexes
 - ⌘ No mobile homes or any property not permanently attached to its foundation



The Home Choice Loan

- ⌘ How family/friends can help with this loan
 - ⌘ Unlimited gifted funds allowed
 - ⌘ Cash/Savings
 - ⌘ Refinance of their homes
 - ⌘ Reverse mortgage
 - ⌘ Cannot “co-sign” or provide monthly payment assistance for the purpose of helping borrower qualify for the loan



The Home Choice Loan

⌘ Other Factors to Consider

- ⌘ Low interest rate and great terms DO NOT mean 0 monthly payments....borrower must still have capacity to make the loan payments each month
- ⌘ In the Bay Area, a gross household income of AT LEAST \$2500/month is usually required for even the smallest “entry level” condos
- ⌘ Process of getting this loan takes longer than for typical home loans
- ⌘ I help my clients with this process



Section 8 Home Ownership

- ⌘ Allows Section 8 voucher holder to use voucher for mortgage payment instead of rent payment
- ⌘ Includes mandatory training program and financial counseling
- ⌘ Not offered by all Housing Authorities
- ⌘ Work requirement in program waived for people with disabilities



Your Home Search

- In the next few slides, we will discuss:
 - ⌘ Finding the right Realtor
 - ⌘ Defining Accessibility
 - ⌘ Finding Accessible Property
 - ⌘ Market Conditions





Finding the Right Realtor

Typical Agent

- Delivers Information
- Tells and Sells
- Expects client to operate at their speed
- Expects you to determine how properties meet your accessibility needs
- Not knowledgeable about services to the disability community

Accessibility Specialist

- ⌘ Advises and consults
- ⌘ Educates and Guides
- ⌘ Operates at your speed
- ⌘ Previews properties for you, and determines their accessibility
- ⌘ An expert on services to the disability community



More specifically...

The Beard Real Estate Team offers:

- ♿ Access to our team of specialists (lenders, contractors, accessibility consultants)
- ♿ Experts on the HomeChoice loan
- ♿ Experts who know what makes a home “accessible” for people with different mobility challenges
- ♿ Experts on finding accessible homes where they exist, and finding homes that can be easily modified



As well as...

- ⌘ A team of consultants connected to sellers of accessible homes
- ⌘ An organization that is involved in the disability community
- ⌘ The benefit of personal understanding of the affect of disability on home ownership decisions and personal lifestyle



Defining Accessibility



- ⌘ Each client's needs are unique
- ⌘ We will customize the home search to you specific needs



Finding Accessible Property

The Bad News:

- ⌘ Mostly older homes and neighborhoods
 - ⌘ Narrow hallways
 - ⌘ Lots of steps
 - ⌘ Poor access to switches and receptacles
- ⌘ No laws/rules requiring houses to be accessible
- ⌘ No laws/rules requiring accessible homes to be sold to people with disabilities



Finding Accessible property

The Good news:

- ⌘ Newer condo construction must be ADA compliant
- ⌘ Many condos in our area are mostly accessible
- ⌘ Some houses can be made accessible with just minor modifications
- ⌘ Working with the Beard Team means less time wasted looking at listings for inaccessible property



Finding Accessible property

Accessible Properties for under \$643K

⌘ Estimated current total # of listings: 100

⌘ Alameda County: 38

⌘ Contra Costa County: 62

⌘ Numbers underestimated

⌘ Many agents do not identify accessibility features when they list properties

⌘ Many many MORE properties are NEARLY accessible (ie one or two small steps at entrance)



Affordability

What does it mean in dollars and cents?

- ⌘ Lots of mostly-accessible studio and 1 bedroom condos in the \$250-\$300K range
- ⌘ With the HomeChoice loan with zero down payment, that means a monthly payment of less than \$1800/ month!
 - ⌘ (not counting effect of any layered down payment assistance)



Market Conditions

- ⌘ It's a good time to be a buyer!
 - ⌘ Increased inventory
 - ⌘ Increased time before sale (DOM)
 - ⌘ Prices are dropping in some areas...especially for condos and townhomes



Dare To Dream (Part 2)

⌘ Let's talk about...

⌘ Renovations

⌘ Financial Assistance

⌘ Property Tax Benefits

⌘ Special Needs Trusts



Renovations

- ⌘ My business partners can make your home as accessible as it needs to be
- ⌘ Different cities offer assistance programs for low-income home owners to pay for renovations to enhance accessibility



Property Tax Benefits

- ⌘ Transfer assessed property value to next home owned
- ⌘ Exclude affect of renovations from increasing home's assessed value for taxes
- ⌘ Potential to postpone property taxes
- ⌘ Small credit available from the State for very low income home owners



Special Needs Trusts

- ⌘ A method of owning a home
- ⌘ Provides for home ownership while protecting a disabled person's continued eligibility for government benefits, such as SSI and MediCAL
- ⌘ Prevents the government from putting a lien on the home to claw back benefits
- ⌘ Positive taxation and probate consequences



Additional Resources

♿ www.accessiblehomesforyou.com

♿ Everything you learned here & more

♿ www.calhfa.ca.gov

♿ Loans, loans, and more loans

♿ www.achievingindependence.com

♿ More information about special needs trusts

♿ Call or email us with all your questions!



What's Next?

1. If Necessary, improve your credit score and/or money management
2. Contact me to help determine if you could qualify for a home loan in your situation
3. Hire me to help you buy your first home
4. Own a piece of the American Dream!



Thank You!



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My Commitment is Your Peace of Mind