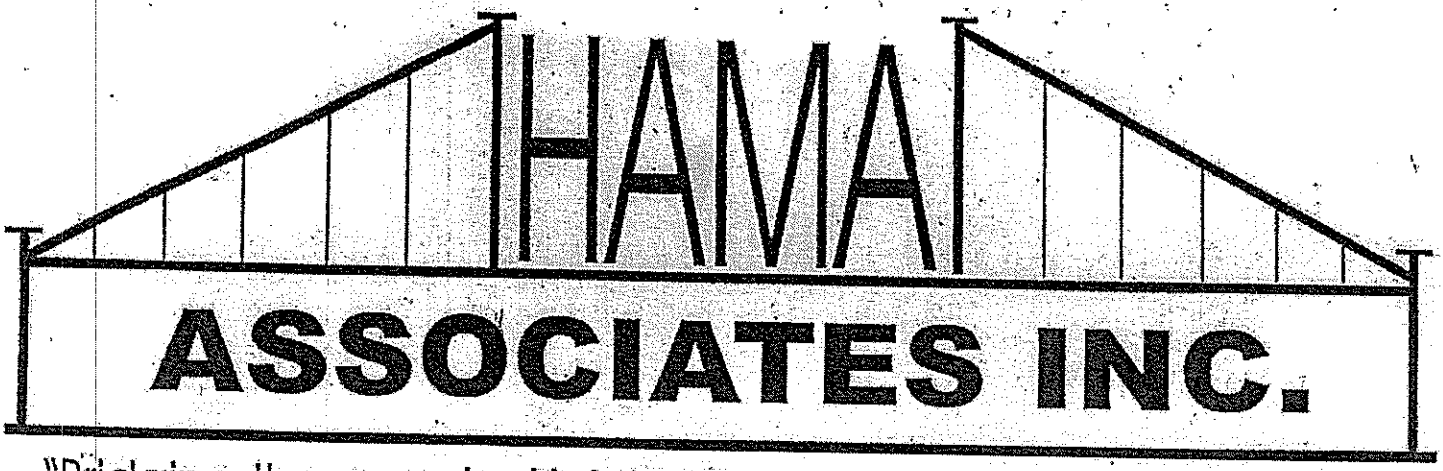

"Bridging the gaps by Helping To Attain and Maintain Assets"

P.O. Box 3044 Binghamton, NY 13902 - Phone: (607) 723-3702 Cell: (607) 765-3491
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PRESENTS

Greater Binghamton
Affordable Homes & Heating
Guide

Sponsored By
HAMA Associates & Center City Coordination Project (C3)

HAMA ASSOCIATES INC.

"Bridging the gaps by Helping To Attain and Maintain Assets"

P.O. Box 3044 Binghamton, NY 13902 - Phone: (607) 723-3702 Cell: (607) 765-3491
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Dear Friend,

Congratulations on your decision to use the Greater Binghamton Affordable Homes Guide by HAMA Associates (HAMA) Inc. HAMA is a not-for-profit corporation seeking to bridge the gaps of financial stability and wealth creation for residents of Greater Binghamton. To this end, for about five years, we have been active in bringing together professionals such as realtors, lenders, credit counselors, attorneys, insurance agents, home inspectors, and others for homebuyer seminars. The goal is to provide the help home seekers need to find, obtain, and maintain homes of their own.

HAMA Associates has now taken this process to the next level by presenting an Affordable Homes Fair and this Affordable Homes Guide. The theme for the fair is "Giving Back to the Community". The fair is co-sponsored by many of the professionals mentioned above who are involved in the home buying process. Their challenge is to find ways of making this process easier, less confusing, and less expensive for homebuyers.

In addition to the fair, we are honored to present to you this copy of the new Greater Binghamton Affordable Homes Guide. This guide is a collection of homebuyer information, assistance, and programs available specifically in the Greater Binghamton area. Although it was compiled by HAMA, it was taken from a variety of sources. So HAMA can neither take credit for its authenticity nor responsibility for any errors or recent changes. The purpose of the guide is simply to provide homebuyers with access to the information, assistance, programs and professionals needed to navigate the path to homeownership. If used properly it can be a great tool, enabling anyone looking for a home to save money and time while making well-informed decisions. If you need more information or help in any part of this home buying process, please call HAMA. We look forward to assisting you in finding, buying and maintaining a home of your own.

Sincerely,

Rev. Henry Ausby
Executive Director
HAMA Associates, Inc.

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12 Steps to Home Ownership

1. ARE YOU READY?

Owning a house is considered by most Americans to be the fulfillment of the American Dream. But because it can also be a very confusing and expensive process, it is vital that you make sure you are ready, willing, and able to buy and maintain a home of your own. You can make sure by getting as much knowledge on the homeownership process as possible. Start by collecting written materials such as found in this affordable homes guide. You may also search the Internet for information. To have all you questions answered in person, attend an affordable homes fair or a homebuyer seminar. For more thorough information you can attend the homebuyer counseling courses given by Consumer Credit Counseling Services or Metro- Interfaith Housing Counseling Services. These are a few of the many resources available to help you make informed home-buying decisions.

2. GET A REALTOR

The next step you need to take is to establish a good business relationship with a realtor. Keep in mind that a realtor may represent the seller, the buyer, or even act as a dual agent. Except in special circumstances, the seller pays for the realtor's services. And once on the job, the realtor can supply you with information detailing current market conditions, financing options, available properties, and negotiating issues that might apply to a given situation. The realtor will keep you updated and alert to each step in this home- buying process and should be able to refer you to other professionals you will need along the way.

3. GET PREQUALIFIED OR PREAPPROVED

A "pre-qual" is a preliminary look at your financial status by a potential lender to determine that you will probably qualify for a mortgage. Typically, you can get pre-qualified over the phone or on the Internet in a few minutes. "Pre-approval" means you have met with a loan officer; your credit files have been reviewed and the loan officer believes you can readily be approved for a given loan amount with one or more specific mortgage programs. Although it is not a final loan commitment, the approval letter can be shown to listing brokers when bidding on a home. It demonstrates your financial strength and shows that you have the ability to go through with the purchase. This information is important because owners do not want to accept an offer that is likely to fail because financing cannot be obtained.

4. FINDING THE RIGHT HOUSE

While trying to find their dream house, some buyers search the Internet by looking at listings in certain location or in a certain price range. Others drive around the neighborhood looking for for-sale signs or visit open houses. Still others prefer to have a realtor suggest properties and set up showings. Regardless of your choice, it is important that you target your search and focus on homes that offer the most desired features. You realtor can usually get you the most current information on the status, price, and availability of homes in your desired location.

5. BUYING THE HOUSE

The actual buying process begins when you make an offer on a house. While an offer may be written or verbal, in a typical situation you will complete a written offer that the realtor will present to the seller or his representative. The offer will include the conditions, terms, and contingencies that you have specified. Once the seller gets the offer, he may accept it, reject it, or make a counter offer. This sometimes sets off many rounds of bargaining between buyer and seller. It is important that you stay in close contact with your realtor during this negotiating process until you get an agreement that results in a signed contract.

6. GET AN ATTORNEY!

If you haven't already, it is vital that you obtain legal counsel once you have a contract. Most6 contracts will have a 3- day attorney disapproval clause, other conditions, contingencies, and deadlines that a lawyer will make sure you understand and utilize to your advantage.

7. INSPECTIONS, INSPECTIONS, INSPECTIONS

A number of inspections are common in residential realty transactions. They include checks for termites, radon, lead-based paint, structural inspection, etc., and usually must be done within certain time limits. Structural inspections are particularly important. During these examinations, an inspector comes to the property to determine if there are material defects and whether expensive repairs and replacements are likely to be required in the next few years. Such inspections for a single- family house often require two to three hours and the buyer should attend. This is an opportunity to examine the property's mechanics and structure, ask questions, and learn far more about the property than is possible with an informal walk through.

8. GET INSURANCE

Homeowner Insurance provides protection against disasters. It covers both damage to your property and you liability or legal responsibility for any injuries and property damage you or members of your family cause to other people. The essential idea behind this type of insurance is to protect you in the event of a catastrophe. In the event something does go wrong, insurance can be the bargain of a lifetime.

9. PAY FOR AN APPRAISAL

The lender will require that you pay for an appraisal on the property you are buying. Using a comparative market analysis and /or other measures, the appraiser will try to establish whether the value of the property is at least as high as the purchase price.

10. PUT UTILITIES IN YOUR NAME

Prior to closing, you will want to determine the status of the utilities required by the home, including items such as water, sewage, gas, electric, and oil service. You want utility bills to be paid in full by owners as of closing and you want services transferred to you name for billing. Usually such transfers can be done without turning off utilities.

11. HAVE A FINAL WALK-THROUGH

Before closing, buyers typically have a final opportunity to walk through the property to assure that its condition has not materially changed since the sales agreement was signed.

12. THE CLOSING

The closing process brings together a variety of parties who are a part of the "transaction" process. It is usually a brief process where all of the necessary paperwork needed to complete the transaction is signed. The closing is usually held in an office setting, with buyers, sellers, their agents and attorneys at the same table. At the closing, the title to the property is transferred from seller to buyer. The buyer receives the keys and title to the property and the seller receives the payment for the home. Deeds, loan papers, and other documents are prepared, signed, and filed with local property record offices.

WHAT'S NEXT?

Congratulations!!! You finally have your dream house and all the joy and satisfaction that come with it. Remember that responsibility comes with it as well. First of all, those papers you received at closing are extremely valuable, so hold on to them! For most owners a home is the largest single asset they hold, so protect it. And you may enjoy that dream house for many years to come.

TIPS FOR THE BUYER

Contrary to what one may have read or heard, the American dream of owning a home is within the reach of most income earners. **Every day, thousands of homebuyers successfully purchase homes, although, statistically, they cannot afford to do so.**
In order to buy a home, the homebuyer must stretch his or her budget. Some of the sacrifices include the elimination of nonessentials such as vacation travel, luxury items, and expensive entertainment. The benefit of home ownership is worth these slight sacrifices.
The secret to buying a home is to avoid the most serious home buying mistakes.

Don't be discouraged with Home Financing

In most cases, the REALTOR® can recommend flexible lenders who are "portfolio lenders." With a good income and good credit it is possible for borrowers, whose mortgage payments will run over 28 percent of their gross income, to get home loans approved.

Other Financing Methods

It is quite common to pay 20 percent down on a home with an 80 percent mortgage. Some other methods are low or no down payment Veterans Administration (VA) loans, Federal Housing Administration (FHA) loans, private mortgage insurance mortgages, leases with an option to purchase and seller carried back first or second mortgages.
Seller financing may be suggested if the home is vacant or has been on the market for some time.
On other occasions, a seller may need extra income and welcome the interest from the purchase money mortgage arrangement.

Two Types of Homes to Purchase

One type of home to purchase is the home in the perfect condition. This type of home appeals to most homebuyers, as they can just move in and start living without any type of interruption. This type of home sells for top dollar. If the buyer has the expertise, time and patience to put the home in perfect condition after moving in, this type of home can become an excellent investment.

Community Concerns

The ideal home for a family should be located within a top quality school district. In most states, without too much effort, it is easy to obtain comparative school district quality statistics. An important consideration in purchasing a home may be the travel distance to and from work; if one is interested in a home, it may be wise to make a test drive during peak traffic hours in order to gauge the trip.
Other aspects of a community to consider may be such things as activity centers, recreational facilities, shopping centers, theaters and restaurants. These are just a few examples of what to consider about the community when interested in purchasing a home.

Don't Insist on Perfection

It may be possible to find a nice home on the used house market; however, no used home is without some type of flaw. An extremely demanding buyer may lose a purchase to a buyer who realizes that no house is perfect. The best way to solve this problem is to make the purchase offer contingent on a professional physical inspection. In some states, homeowner's warranty insurance policies are available and cover specific items in the home for the period of one year. A buyer may want to consider looking at homes where a seller is willing to

Requirements

The Basics

1. What part of town do you want to live in?
2. What price range would you consider?

   No less than $_____ but no more than $_____ .
3. Are schools a factor and, if so, what do you need to take into consideration (e.g., want specific school systems, want kids to be able to walk to school, etc.)?
4. Do you want an older home or a newer home (less than five years old)?
5. What kind of homes would you be willing to see?

   One story 2 story
   Split foyer Bi-level
   Tri- level Townhouse or condo Mobile home

6. What style house appeals to you most?

   Contemporary Traditional
   Southwestern Colonial No preference
7. How much renovation would you be willing to do? A lot A little None
8. Do you have to be close to public transportation? Yes No
9. Do you have any physical needs that must be met, such as wheelchair access?

   Yes No
10. Do you have any animals that will require special facilities?

    Yes No If so, what?
11. **The Lot**

    Large yard (1 acre or more) Small yard (less than 1 acre)
    Fenced yard Garage Carport
    Patio/deck Pool Outdoor spa
    Extra parking Other buildings (barn, shed, etc)
    Special view? Of what?