



# HOMEOWNER RESOURCE GUIDE



## THANK YOU

TO HABITAT FOR HUMANITY OF CHICAGO AND  
HOMEWISE, INC. FOR THEIR ASSISTANCE IN THE  
COMPILATION OF THIS GUIDE.



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## Introduction

### ***You bought a home. Now what?!***

Congratulations on becoming a homeowner! Buying a home is an exciting achievement. Now that you have reached this milestone, it is important to continue your healthy financial habits.

In this guide, you will find helpful tips on how to be a successful homeowner, including:

- Ways to save money for both expected maintenance and unexpected repairs
- Ideas to help you protect and improve your credit score, in case you need a future loan for your home, personal or professional needs
- Information about how best to protect this investment, your home, by keeping up with regular maintenance

Keep this manual in a convenient location so you can continue to refer to it when questions or issues arise. This resource, along with your monthly savings habits, will help guide you down a successful path of homeownership and home maintenance.

As you begin your journey as a homeowner, keep in touch with us, your Credit Union, and let us know how we can support you.

Again, congratulations and best wishes,

# Savings, Spending plan, and your SAFE account

**The most important step you can take to build financial security in your life is to develop a savings habit.** Savings can protect you from having to borrow from higher-cost credit cards or loans when you run into unexpected housing-related expenses such as a leaky roof or repairs to your heating and air conditioning systems.

**Pay yourself first by making automatic deposits into your SAFE Home savings account each month!**

The SAFE Home Savings Account For Emergencies allows you to make automatic deposits that help you prepare for future home repairs or emergencies. You can change the amount you've chosen to save each month depending on your goals and financial situation, but just starting the process of paying yourself first is key to building a lifelong savings habit.



## Helpful Tip

Research shows that US households need to save between 1-2% of the purchase price of their home to cover maintenance and repairs. This means that if you paid \$150,000 for your home, you should be saving at least \$1500-\$3000 a year for your housing maintenance needs.

## A Spending Plan to Meet Your Goals

One of the best things you can do to reach your goals and avoid financial stress is to step back and make a PLAN for where you want your money to go. The more you line up your spending choices with your financial goals, the easier it will be for you to reach those goals!



## How do I create a successful spending plan?

- Establish your savings goals for yourself and/or your family. It may be helpful to think about short-term and long-term savings goals. Short-term savings might include savings for clothes, holiday gifts, or a new refrigerator. Long-term savings might include savings for your child's education or your retirement. Whatever your goals may be, it's important to set aside money at the beginning of each month rather than waiting to see how much you have left over. Remember, pay yourself first!
- Think about what you take home after taxes. This is your **net monthly family income**. Base your spending plan on this income amount.
- Figure out what your regular expenses are by keeping track of your regular weekly or monthly bills. Then estimate how much you spend on non-bill related items by tracking your purchases or looking at your bank statements. Be sure to include:
  - Your mortgage, insurance (car and home), groceries, health care, transportation costs, utilities, and other bills. And don't forget to track the fun stuff like gifts for family members, personal grooming, and clothes shopping and eating out!
- Make a one-month budget (include your SAFE Home savings). You can use the budget worksheet on page 11 to get started.
- Track your expenses and income for one month to see if the amount you calculated equals what you actually spent and saved.
  - What surprised you? Do you see any areas where you would like to cut back your spending or change your spending habits in order to reach your goals in other areas?
- Continue to update your spending plan whenever you have a change in job or family circumstances. Remember, your spending plan should work for you to help meet your family needs and your financial goals.



### Helpful Tip

Don't get discouraged if your tracked expenses and spending choices don't line up perfectly with your budget at the end of the month. They rarely do! In fact, most people need to adjust their spending plan from month to month since it is common for expenses and spending priorities to shift frequently.

**Bottom line:** The more attention we pay to where our money goes, the more control we have over our financial lives.

## Keys to Successful Planning

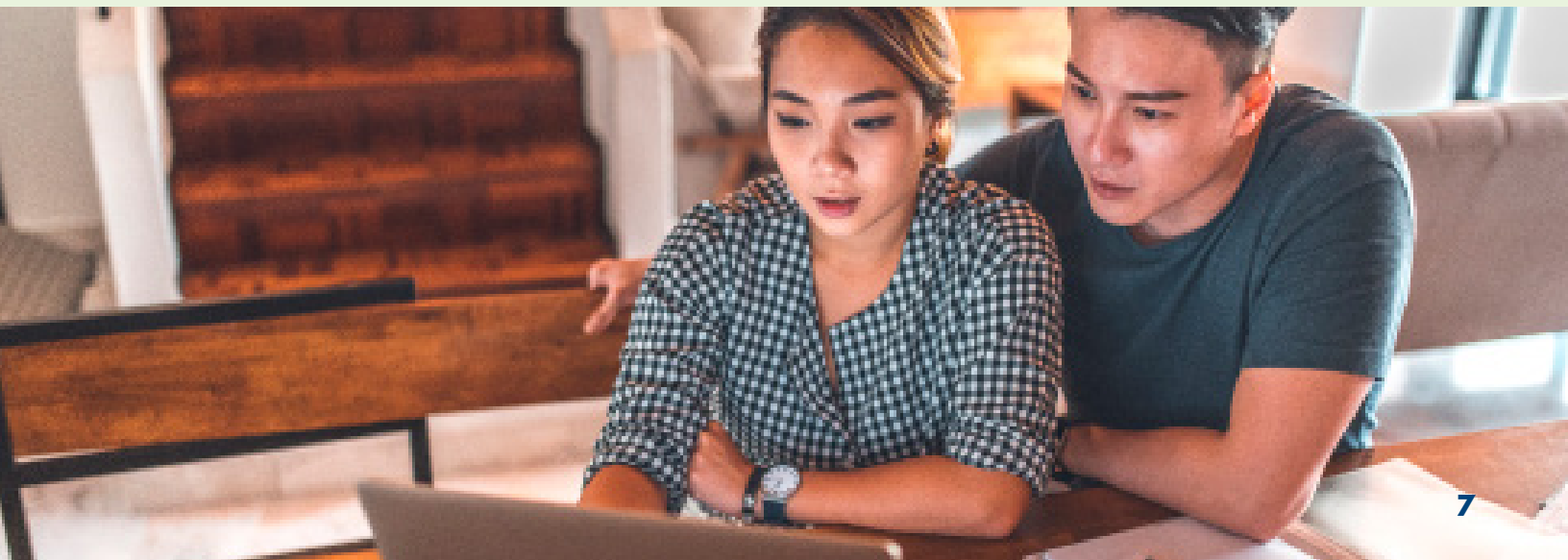
- Include the whole family when deciding how the money will be spent, who will pay the bills, and who will maintain the spending plan. Passing along good financial habits to kids and teens is one of the best ways to prepare them to become a successful adult.
- Pay yourself first! Develop savings goals and establish a savings habit. In general, you should try to save 10% or more of your income. If you can't manage 10% right away, don't worry! Just start by saving a smaller amount on a regular basis and increase that amount over time. Consider contributing a portion of your next salary or pay increase to savings. Income tax refunds can also be a great source of funds to boost your savings.
- Decide what your family's most important goals are. Think about the difference between **WANTS** and **NEEDS** for you and your family.
- Think about the value of a purchase based on your TIME. For example, if you make \$10/hour and want to buy a \$30 item, is it worth three hours of your time?
- Make a plan to pay down your debt. Once you pay it off, celebrate! And be sure not to let it build up again.
- Keep good records. If you use a debit card or checks, keep track of checks you write and purchases you make so that you do not overdraw your checking account.

**Budgeting is a long-term process. It will take time to make it work for you and your family. If you are determined and patient, you will succeed!**

**Need extra help creating and managing a budget? Contact your local credit union branch!**

**Financial Coaches:** [Self-Help Credit Union](#) | [Self-Help Federal Credit Union](#)

**GreenPath Financial Wellness:** [Self-Help Credit Union](#) | [Self-Help Federal Credit Union](#)



## Planning for Home Repairs

While the costs of homeownership may seem overwhelming at first, you can plan for most of these costs in advance.

### Start Early

The best time to start planning is right now! Are you planning on purchasing new furniture or new services for your home such as an alarm system? Watch your budget! These types of monthly bills can prevent you from saving for necessary repairs.

### Maintenance Checklists

Staying on top of regular maintenance not only adds to the enjoyment of being a homeowner, but also ensures your safety, protects your house's value, and serves as a positive example for your family and your community. **Check out the seasonal checklists on page 31.**

**You can be creative in how you keep up with home maintenance.** For example: Is your birthday in April? Pick the weekend after your birthday to do an annual springtime checkup. Do your kids love trick-or-treating on Halloween? Pick the weekend after Halloween to do an annual fall checkup. Try using your monthly electric bill as a reminder to change your furnace filter during the months that you use your heat or air conditioning.

### Save for Predictable Maintenance and Repairs

**You will eventually need a major repair or appliance replacement.** It is a great idea to start saving for specific appliances when they have at least 3 years of estimated useful life remaining.

Use the values in the Household Appliances Lifespan and Replacement Cost table on page 29 as a guide.

- Shop around and compare costs well before regular repairs are required. When you need to hire a contractor, get estimates for labor and materials from at least three companies. To protect yourself, be sure that your contractor is licensed in your state (ask for a license number) and insured against things that may go wrong.
- Ask neighbors for recommendations, or you may want to look for reviews online. Angie's List® is a membership-based website that collects user reviews of contractors. Before you sign any agreement, know what it will cost, what the important dates are, what the contractor will be responsible for and what you will be responsible for, and whether a warranty will be provided. You may be able to purchase materials on your own to bring down costs.

### EXAMPLE

Ben bought a home with a refrigerator that is 11 years old. Since most refrigerators last 14-17 years, Ben wants to start saving for a new one now.

He finds a good deal on a refrigerator for \$500. If he divides this cost over 36 months (3 years), he will need to save about \$14 a month to be able to buy the \$500 refrigerator in 3 years.





## Home Improvements

At some point, you will probably want to do something to improve your home, whether it is as inexpensive as adding a screen door or as costly as a complete kitchen remodel. Some home improvements can be very expensive, and the cost of such improvements should be factored in to your overall savings spending plan, even if you have no plans for making improvements within the next few years. **However, we don't recommend using your SAFE Home account money for home improvements, Self-Help offers personal loans, HELOCs and line of credits that can help with covering costs.** If your gutter rips away from your home in a windstorm, your brand-new water-damaged kitchen won't look so nice! Visit a Self-Help branch or website for more information.

## 20 Ways to Save

Here are a few tips to help you save money. Keep in mind that not every idea will work for every person. See if you can fit at least a few of these ideas into your life!

1. Pay yourself first: Save at least 1-2% of your home sales price each year through your SAFE Home Account. Save more if you can.
2. Ask yourself, "Do my spending patterns line up with my goals?" Update your Monthly Family spending plan regularly. Review your bank statements so you know which habits cost you money, and re-evaluate their importance.
3. Plan and limit your ATM withdrawals. Withdraw from your own credit union or bank ATM so you don't get charged extra fees.
4. Eliminate charges for non-sufficient funds (NSF) by keeping up with your checking account.
5. Keep track of due dates for utilities and bills so you never have to pay a late fee.



6. Automate bill payments and savings contributions wherever possible. Set up direct deposit, automatic bill pay and automatic deposits to your savings and retirement accounts through your bank or credit union.
7. Catch coins — collect your spare change in a jar.
8. Keep your credit cards someplace secure where they are not easily accessible.
9. Review insurance coverage and deductibles. If you raise your deductibles, your premiums will go down. Talk to an insurance agent about what works best for your needs.
10. Use one company for auto and home insurance to save money.
11. Use consignment shops or shop at garage sales.
12. Save on utilities by conserving energy and water. Replace your light bulbs with LED bulbs. Look for Energy Star appliances when you need to replace them. See page 26 for tips.
13. Consider 'Budget Billing' on your utilities which gives you a consistent monthly bill throughout the year.
14. Include occasional bills, such as car insurance, vacations, and holiday gift giving, in your budget.
15. Consider trading or bartering services with another person instead of paying with money.
16. Establish a gift-giving agreement with friends and family for the holidays so you don't overspend.
17. Call your credit card company and request a lower rate.
18. Use the library instead of bookstores.
19. Use a list when shopping for groceries.
20. Have separate checking and savings accounts. Make sure that everyone who has access to these accounts understands how and when they can be used.

**YOUR ideas for saving:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## My Budgeting Worksheet

Complete this worksheet as a family to better understand your monthly expenses. It is helpful to identify whether each expense is **fixed** (the same every month) or **variable** (changes each month).



ASSETS

# Monthly Income and Expenses

	MONTHLY EXPENSES	CURRENT	PLANNED	NOTES AND NEXT STEPS
<b>SAVINGS</b>	Savings for emergencies	\$	\$	
	Savings for retirement			
<b>HOUSING</b>	Rent/mortgage			
	Real estate taxes (if not included in mortgage)			
	Insurance			
	Utilities (water & sewage, gas, electric, oil, etc.)			
	Other home maintenance and upkeep needs (lawn care, etc.)			
	Primary phone (landline or cell)			
	Secondary phone (landline or cell)			
	Internet			
	Cable			
	<b>FOOD</b>	Groceries		
Other food ("take-out", eating out, vending, etc.)				
<b>CHILDCARE</b>	Babysitting/daycare			
	Clothing/diapers/formula			
	Child support (if not already deducted from paycheck)			
	School supplies/education expenses			
<b>MEDICAL CARE</b>	Other childcare needs			
	Premiums, copays, prescriptions (health/dental/vision)			
<b>PERSONAL CARE</b>	Vitamins/supplements or other health-related needs			
	Laundry, cleaning supplies, personal hygiene, toiletries			
<b>TRANSPORTATION</b>	Car payment			
	Car insurance			
	Car gas & tolls			
	Car repairs & maintenance			
	Other transportation costs (taxi, metro, etc.)			
	Life/disability/other			
<b>INSURANCE</b>	Check cashing fees			
	Money order fees			
	Payday loan payments			
<b>FINANCIAL TRANSACTIONS</b>	Bank fees			
	ATM fees			
<b>MISCELLANEOUS</b>	Job-related expenses not deducted from pay			
	Tithing/donations or other voluntary commitments			
	Allowance used to support someone else (elderly or disabled relative, etc.)			
	Subscriptions and memberships (newspaper, magazine, gym, online services, etc)			
	Personal appearance (hair, nails, cosmetics, etc.)			
	Entertainment & leisure activities (family outings, dating, etc.)			
	Cigarettes, alcohol, petcare, etc.			
	Other:			
	Other:			
	<b>TOTAL EXPENSES</b>		\$	A



ASSETS

# Monthly Income and Expenses

	MONTHLY INCOME		NOTES AND NEXT STEPS
	CURRENT	PLANNED	
Take-home pay (net) 1	\$	\$	
Take-home pay (net) 2			
Informal job			
Rental, room & board received			
Commissions/bonuses			
Tax refunds (calculate average monthly income)			
Government benefits			
TANF			
Food stamps/WIC			
Veteran's benefits			
SSI/SSD			
Housing assistance			
Medical assistance			
Childcare assistance			
Unemployment insurance			
Pension/annuity			
Child support/alimony			
Support/gifts from family/friends			
Other:			
<b>TOTAL INCOME</b>	<b>\$</b>	<b>B</b>	

<b>SURPLUS OR DEFICIT</b>	Total Income <b>B</b> – Total Expenses <b>A</b>	<b>\$</b>
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Have fun! Allocate your surplus below. If you have a deficit, work through your expenses to identify items that can be adjusted or eliminated.

**CASH CUSHION**

\$ \_\_\_\_\_

Designated to cover small unexpected expenses

**GOAL MONEY**

\$ \_\_\_\_\_

Savings committed to achieve goals (see **5 STEPS TO MY GOAL** Worksheet)

**DEBT SERVICING**

\$ \_\_\_\_\_

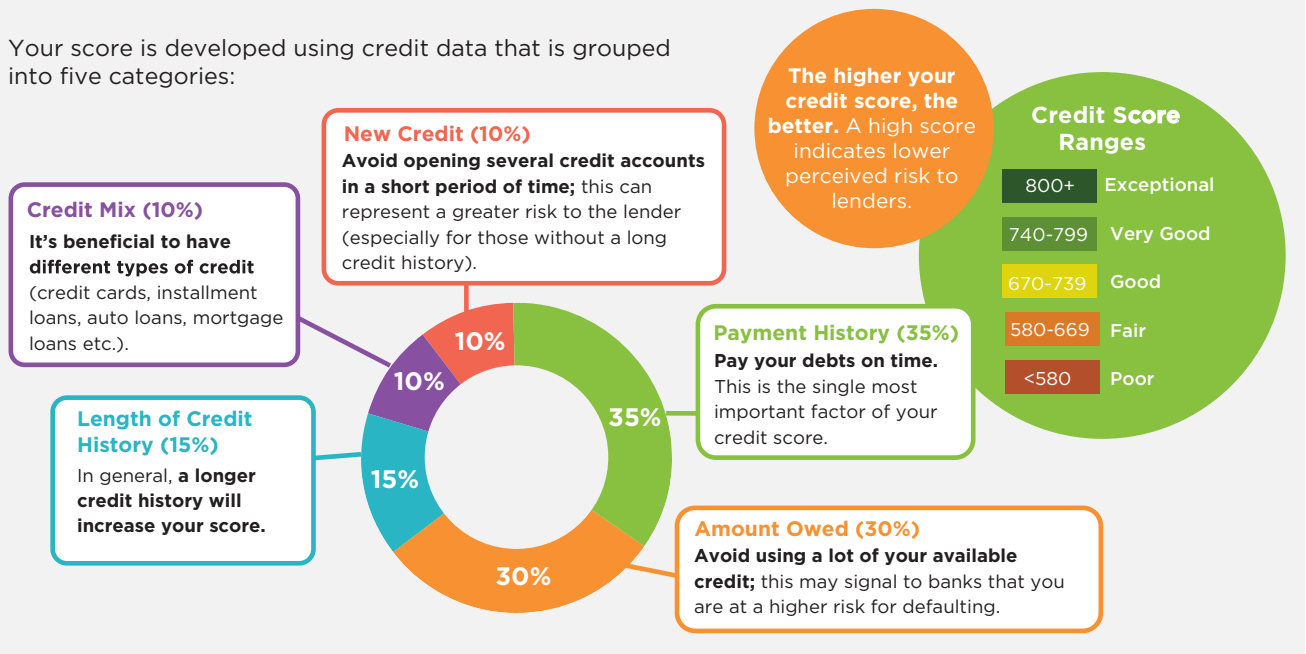
Designated for debt repayment (see **DEBT MANAGEMENT** Worksheet)

## Understanding Your Credit

From getting approved for a loan to lower interest rates, there are many benefits to improving your credit. Use this tip sheet to learn about the factors that affect your credit score and how you can improve your score (and overall financial health!)

### How Is My Credit Score Calculated?

Your score is developed using credit data that is grouped into five categories:



### Steps for Improving Your Score

Looking to improve your credit? Building stronger credit takes time. But with patience and a commitment to managing your credit over time, it can be done:

- 1 Get Your Current Credit Report**  
If you haven't already, get your free credit report at [annualcreditreport.com](http://annualcreditreport.com) to see where you currently stand.
- 2 Reduce the Amount of Debt You Owe**  
Stop using your credit cards and contact a GreenPath counselor to develop a personalized plan to pay off your highest-interest debt first.
- 3 Start Practicing Your New Healthy Credit Habits**  
Things like opening new accounts sparingly, managing credit card use responsibly and keeping credit card balances low are all important factors in improving and maintaining your credit score.

**Ready to Take the Next Step in Building Your Credit?**

Contact GreenPath Financial Wellness today for free credit counseling and learn how a Debt Management Plan can help you to get out of debt, lower interest rates and save money.

**877-337-3399**

GreenPath<sup>™</sup>  
financial wellness

## Ordering Your Credit Report

Under the Fair & Accurate Credit Transactions Act, consumers can obtain one FREE copy of their credit report every 12 months from each of the three credit bureaus at: [www.annualcreditreport.com](http://www.annualcreditreport.com), or by calling (877) 322-8228, or by writing to: Annual Credit Report Request Service, PO Box 105281, Atlanta, GA 30348-5281.

Annual Credit Report Request Service, PO Box 105281, Atlanta, GA 30348-5281. You can also pay for a copy of your report by contacting one of the three credit bureaus below.

## Free Financial Coaching Resources

As a member of Self-Help Credit Union, you have access to free financial coaching services. Our expert financial coaches provide one-on-one personalized support and guidance in a trusting environment so you can tackle your short- and long-term goals. We're here to help you reach your financial goals!

Whether you're looking to buy a home, start a business, build up an emergency fund, or accomplish any other financial goals you may have, your coach will work with you to develop an action plan specific to your needs that will help you make it happen. Find a FICO® Credit Score Review Near You!

If you're looking to build or manage your credit, we offer free FICO® credit score reviews in many of our branches! One of our trained Self-Help staff will meet with you to review:

- Your FICO® credit score and credit report
- The top 2 factors impacting your score
- Education about what goes into your FICO® Score and managing your credit
- One-page action plan with steps for you to build your credit profile and increase your score

After 90 days, check back to receive a new credit report and review your progress.

**Financial coaching resource:** [Self-Help Credit Union](#) | [Self-Help Federal Credit Union](#)

## Get free one-on-one support to meet your financial goals

Reach out to the financial coach in your region and start working towards your financial goals today!

Our expert financial coaches provide one-on-one personalized support and guidance in a trusting environment so you can tackle short and long-term goals:

- Starting a savings habit
- Build a stronger credit profile
- Pay down unwanted debt
- Qualify for a home or auto loan
- And reach many other financial goals!

Find the financial coach that is available in your region and call or stop by to set up a virtual or in-branch appointment today.

**Find a financial coach:** [Self-Help Credit Union](#) | [Self-Help Federal Credit Union](#)

[www.Equifax.com](http://www.Equifax.com)  
(800) 685-1111

[www.TransUnion.com](http://www.TransUnion.com)  
(800) 916-8800

[www.Experian.com](http://www.Experian.com)  
(888) 397-3742

# Home Insurance and Taxes

## Understand your monthly mortgage statement:

The first step to maintaining your mortgage is to pay your mortgage on time, every time.

- Understanding your monthly mortgage statement will help.
- Know why your mortgage payment might change
- Your mortgage payment may change for a few reasons – for example, taxes, and insurance could change.

## What is escrow?

Your Self-Help mortgage has 4 components: the principal (the actual loan amount), interest, taxes, and insurance. **Taxes and insurance make up the escrow portion of your mortgage.** Self-Help uses an escrow account to hold money to pay for property taxes and insurance. So each month when you send in your mortgage payment, part of that money is set aside to pay your property taxes and insurance premiums.

**Self-Help calculates escrow accounts yearly.** Remember that your taxes and insurance costs change over time. We take a look at these costs as well as the amount of money in your escrow account. Your escrow account needs to have a minimum balance in case of an unexpected expense. During our review, we will determine how much will be in your account for the next year.



## There are 2 possible results of the escrow analysis:

**1. Escrow shortage:** If the money in your escrow account is likely to be *less* than the minimum required amount, you will have a shortage. This could be due to higher than expected insurance and tax costs in the previous year, OR if we expect those costs to increase next year.

→ We will split this amount over 12 payments, or you have the option to pay the shortage in part or total.

**2. Escrow overage:** If the money in your escrow account is larger than the minimum required amount, you will have an overage. This could be due to lower than expected insurance and tax costs last year, OR if we expect those costs to decrease next year.

→ We will likely send you a refund check, depending on the amount of the refund. You can let us know if you'd like to apply these funds to your mortgage.

If you have questions about your escrow analysis when you receive it in the mail, feel free to call Self-Help Federal Credit Union at 1-877-369-2828, and choose extension #1317 (#1307 for Spanish) or call Self-Help Credit Union at 844-218-7380.

If you believe your insurance premium is too high, contact your insurance company and consider shopping around for a better rate. If you believe your taxes are too high, call your county tax assessor office. Many areas offer lower tax rates for elderly, disabled, and low-income individuals.



## Tips on Homeowners Insurance

### How Much Coverage Do You Need?

When you buy homeowners insurance, you will be asked to decide how much to insure your home for. Your insurance agent can help you decide what amount of insurance coverage is needed to cover the house, including the physical structure as well as personal items. We recommend that you make sure you are covered for the amount it would cost to rebuild your home in case of a disaster, not just the loan amount.

**Replacement-cost policies** cover the full cost of replacing damaged areas of your home with new property of like kind and quality, up to your policy's limits, regardless of depreciation (lost value over time). Make sure to also include coverage for your personal items.

**Read Everything Before You Sign!** After the application is complete but before you sign it, read it again to make sure that all information is correct, and nothing has been left out. Never sign a blank form. After you sign the document, keep a copy for your records.



## Shop Around

Always get at least three quotes. It'll take some time but could save you a good sum of money. Start with the company that carries your car insurance — some companies will take 5 to 15% off your premium if you have multiple policies with them. Ask your friends, check the internet, or call the state insurance department. Be sure to use the same information and coverage limits so you are comparing apples with apples.

## Raise Your Deductible

A deductible is the amount of money you have to pay toward a loss before your insurance company starts to pay a claim. For example, your policy might require you to pay \$1,000 towards a \$5,000 total claim before they will pay anything. The higher the deductible, the more money you can save on your monthly premium (cost).

Nowadays, most insurance companies recommend a deductible of at least \$500. If you can afford to raise your deductible to \$1,000, you may save as much as 25% on your yearly premium payment. Be sure you have \$1,000 in emergency savings should you need this to cover a deductible of \$1,000.

## Think twice before filing a claim.

Filing a claim may cause your homeowners insurance premium to increase for years to come. It may not always be worth it to file a claim. That's why it is important to know what your policy does and does not cover. And remember, damage due to lack of home maintenance is not covered.

Also, it may not always be worth it to file a claim.

## Keep an Inventory of Personal Property

List all of the items you own, the dates purchased, model or serial numbers, and the price. If possible, take pictures of important and valuable items. Keep these records in a safe place away from home, preferably in a safe deposit box. Update this list periodically. This will help you to file and settle your claim quickly.

## Changing Insurance Coverage

You have the right to cancel your policy with a particular provider at any time. If you cancel your policy, you may get a refund of some of your premium.

In general, it is a good idea to check every couple of years with other insurance providers to see if you can get a better rate. If you do choose to switch insurance companies, make sure you have done your homework and lined up another company and policy to take over when you cancel your first policy. Send your new insurance information to Self-Help Federal Credit Union so they will send premium payments to the correct company.

## EXAMPLE

Alicia had \$600 worth of damage in her home from a water leak. Her insurance policy deductible is \$500. She can file an insurance claim which requires her to pay the \$500 deductible before covering the additional cost. However, she decides to pay the full \$600 herself and does not file a claim.

Alicia knows that her monthly premium will likely increase after she files the claim. She decides that even if her insurance company would cover the \$100, it is not worth it. Over time, she would be paying more for insurance each month.





### Helpful Tip

#### Review the Limits in Your Policy and the Value of Your Possessions at Least Once a Year

You want your policy to cover any major purchases or additions to your home, but you don't want to spend money for coverage you don't need. Keep in mind that, as the value of your home increases and as building costs increase, you need to increase your dwelling coverage amount as well. Talk to your insurance agent for more details.



## Protecting Your Investment

### Successful Homeownership

Your home will undoubtedly be your greatest asset — a home is the largest investment most of us make in our lifetime. Protecting this investment ensures that it will remain in good quality, and also increases the likelihood that it will increase in value over time.

Successful homeownership includes becoming involved in and knowledgeable about your community. Get to know your neighbors and work with your community to build a safe and friendly neighborhood. Some neighborhoods have associations you can get involved in; others have more loosely organized groups.

A successful homeowner learns how everything in the house works and knows the kind of routine maintenance it needs. We will discuss this more in this section.

Successful homeownership also means continuing to manage your money wisely, paying your mortgage on time each month, and also saving for a rainy day.

#### Here are some valuable tips to keep in mind:

- Always pay your mortgage by the first of every month — make it your top-priority bill to pay, even when you're having financial difficulty. You can arrange for an automatic withdrawal of the payment out of your account on the first of every month.
- Typically, once a payment is 15 days late, a late fee is charged (usually 4% of the principal and interest amount, or whatever is written in your mortgage note).
- If you have financial trouble and are struggling to make mortgage payments, contact Self-Help Federal CU at the **first** sign of trouble to make payment arrangements. We understand that it can be scary to do this, but we want to help. The further you get behind, the more difficult it will be to bring payments up to date.

# Learn what you can do if you have trouble paying your mortgage.

If you can't pay your mortgage or are worried about missing a mortgage payment, call Self-Help, your mortgage servicer right away. You should also contact a HUD-approved housing counseling agency to get free, expert assistance on avoiding foreclosure.

## How to get options if I can't pay my mortgage loan

First, call Self-Help's Mortgage Loss Mitigation: Self-Help Federal Credit Union (855)956-3595 serving CA, WA, IL, WI or Self-Help Credit Union (800)747-3209 serving NC, SC, VA, FL, GA

**When you call your mortgage servicer, be prepared to explain:**

- Why you are unable to make your payment
- Whether the problem is temporary or permanent
- Details about your income, expenses and other assets like cash in the bank
- If you are a servicemember and have received permanent change of station (PCS) orders (this is important to mention, because you could qualify for loss mitigation options because of your military move)
- Fill out a mortgage assistance application, if your servicer gives you one

Many mortgage servicers have programs to help people avoid foreclosure. Your mortgage servicer assesses your application and considers the options that could be available to you. They tell you what loss mitigation options, if any, they can offer you.



Pipkins family, North Carolina

## Call a HUD-approved housing counseling agency

Through the Department of Housing and Urban Development (HUD), you can find an agency to help you. The counselor can:

- Discuss your situation and whether you qualify for any programs or additional help
- Help you understand the loss mitigation options your servicer offers and which options might work best for you
- Guide you through the process of working with your servicer and any other programs and paperwork you might need.

### What options might be available?

Some options that your servicer might make available include:

- Refinance
- Get a loan modification
- Work out a repayment plan
- Get forbearance
- Short-sell your home
- Give your home back to your lender through a “deed-in-lieu of foreclosure”

## Watch out for scams

Foreclosure scammers might tell you they’ll save your home from foreclosure, when they’re really just taking your money.

**Watch for these scam warning signs:**

- You’re asked to pay upfront for help
- The company guarantees it will get the terms of your mortgage changed
- The company guarantees you won’t lose your home
- You’re asked to sign over title to your home or to sign other documents you don’t understand
- You’re instructed to send your payment to someone other than your mortgage company or servicer
- The company offers to do a “forensic audit”
- You’re told to stop paying your mortgage

The company says they’re affiliated with the government, or uses a logo that looks like a government seal but is slightly different. Information for this page is from <https://www.consumerfinance.gov/ask-cfpb/if-i-cant-pay-my-mortgage-loan-what-are-my-options-en-268/>



## Home Maintenance

Homeownership comes with many responsibilities, including minor tasks like changing light bulbs and vacuuming carpets, to larger tasks like eventually replacing your roof. Some tasks need to be performed daily or monthly, and some need to be performed yearly, or even every 10 years or so.

The better you get to know your house, the sooner you will be aware when something isn't working or needs to be repaired. Make sure to notice cracks, peeling paint or rust as soon as they appear. Taking care of your house regularly will ensure that it remains functional and comfortable while saving you money for many years to come. Also be aware of potential security hazards. It is a good idea to change the locks on your house when you move in, and also to add exterior lights where needed.

**Fixing and maintaining your house, like many things in life, is much easier and cheaper when you catch problems as they first arise.** This section will provide you with guidance for regular cleaning and maintenance, as well as safety precautions and energy-saving advice.

## Plumbing

Water damage can occur in a matter of seconds and is expensive to repair. Knowing what to do in the event of a leak or broken pipe is a very important part of being a homeowner.

### Water Leak

All fixtures except showers/tubs have a separate shut-off valve inside the house. A valve allows you to turn on or off the passage of water or air.

***These valves should be used when the problem is with your sink or toilet.***

- Kitchen and bathroom sinks have individual hot-and cold-water shutoff valves located under the sink, usually inside of the cabinet.
- Toilets have a single valve located behind the toilet.
- Dishwashers have a water valve located under the kitchen sink.

In a plumbing-related emergency, **first shut off the water supply.**

The main shut-off is located where the water pipes first enter the building, typically between the water heater and an exterior wall. If the problem is occurring throughout the house, turn this valve off.



→ If it is round, turn it to the right.



→ If it has a handle, turn the handle so that it is perpendicular to the pipe.

If your **water heater** is leaking, turn off its water supply. The valve is usually close to the water heater. The gas or electrical supply also needs to be turned off. You may need a wrench to turn off the gas to the water heater. The electrical supply can be turned off at the breaker box.



### Helpful Tip

#### Small Drips Add Up

- Fix leaky toilets/sinks immediately – you could save \$70/year.
- Install aerators on sinks – you can save 13% on your water bill

## Frozen Pipes

Frozen pipes can explode (since water expands when it freezes) and damage your entire house. When pipes burst, part or all of a house must be gutted in order to be repaired.



To keep this from happening, be sure to remove hoses from outdoor spigots and insulate exposed pipes with newspaper, foam or blankets. Exposed pipes can be found in your garage, attic, exterior of the home, and really anywhere there is little or no insulation.

A slow drip can also relieve the pressure caused by freezing pipes and decrease the chance of a burst pipe.

## Other Plumbing Tips

### *Clogged Drains:*

Be careful about what you pour down your kitchen sink or other sinks.

If you have a garbage disposal in the kitchen sink, do not think of it as a trash can. **Make sure you DO NOT put the following items in the garbage disposal:**

- Cooking oils, chicken/turkey bones or skins, potato peels or rice, fruit pits (including avocado), coffee grounds, egg shells. These items will clog the drain.

Also, it is a good idea to run water while you are running the garbage disposal. Make sure the unit is off if you attempt to do any repairs to it.



### Helpful Tip

#### Going out of town?

Keep your thermostat set to at least 50°F if your home will be vacant in the winter.

## Heating and Cooling System (HVAC)

Your HVAC system is made up of a number of parts. It is important to make sure you schedule maintenance at least once a year to keep your system in working order.

Spending a little money each year to maintain your system can prevent you from having to make expensive repairs down the road.



### Changing your Air /Furnace Filter

Change this filter regularly. Change it shortly after you move in and again every 1-2 months thereafter. Clean filters also help your furnace or heat pump run more efficiently. See the resources in the back of this manual for a log you can use to keep track of when you change your furnace filter.



**Do not run your system without a filter!**



## Appliances

Your stove, oven, refrigerator, dishwasher, microwave, washer and dryer may last for many years. However, replacing these appliances can be expensive. See the Appliance Average Lifespan and Cost chart in the back of this manual for an estimate of the cost of various new appliances and how long you can expect each to last.

**Money you put into your SAFE account is useful for repairing and replacing your appliances.**

### Warranties

If you buy new appliances, they are each covered by a Manufacturer's Warranty (short-term guarantee). To take advantage of this Warranty, it is important to fill out and send in the Warranty Registration cards for **each individual appliance**.

It is also important to keep a copy of the Registration Cards in a safe place so that the important information that is found on these documents can be retrieved easily in case you need to use your Manufacturer's Warranty.



### Helpful Tip

#### Smart Thermostat Settings to Save Money

**Summer:** In a basic one-story house in a warm climate, if you set the thermostat at 68 degrees instead of 78 degrees, you'll be wasting about \$500 worth of electricity each summer.

**Winter:** A homeowner in a mild climate can save \$400 in the winter if she sets her thermostat to 68 degrees instead of 76 degrees. Every degree above 70 increases energy costs by about 4% in the winter. In Chicago, the costs are even greater.

- Always leave your thermostat fan set to "AUTO" not "on".
- **DO NOT** use the "Emergency Heat" setting on your thermostat. It is the most expensive setting.



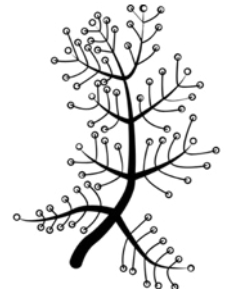


## Outside

### Roof & Gutters

Check your gutters for leaves and debris at least twice a year. Remove anything that might block the flow of water from your roof to your gutters and away from your house. Clogged gutters can cause leaks in your roof, ceiling, windows, and basement.

Cleaning roof gutters and making sure downspouts are properly directed away from your house can greatly reduce water problems, including dampness in basements and crawl spaces. If you do not have a safe way of gaining access to your roof or do not have a ladder that is tall enough, it may make sense to hire a handyman or landscape professional to do the work for you.



### Pests

If you see evidence of pests (insects, small creatures, etc.), try to figure out how they're getting in and attempt to stop entry. Cracks and holes in your home's foundation can be patched with mortar and/or sealed with urethane spray foam, but if mice or rats chew through, stuff the hole with steel wool. If you are unable to keep pests out of your home, use borax and baited traps at ants' entry point, baits and gels for cockroaches, and snap traps and steel wool in holes for mice. You can also buy humane mouse traps. If you are unable to solve the problem, call a pest control company for consultation.

### Grass

Each city or town has height restrictions for grass – overgrown grass provides an ideal habitat for rats and other pests. These height restrictions are usually very high – six inches or more – and mowing grass that has grown to six inches is very difficult for all lawn mowers. You might also live a neighborhood with a homeowners' association (HOA), which can fine you if your grass grows too high.



### Helpful Tip

#### Save Money – Reduce Your Energy and Water Bills!

- Look for the Energy Star and Water Sense labels when you buy new appliances.
- Only run your washing machine or dishwasher when you have a full load.
- Save about \$150/year by washing clothes in cold water.



## Home Safety

Soon after you move in, have a family meeting to design a home safety program. Each family member needs to learn and practice the program. From fires to frozen pipes, a little preparation can save a lot of time, money, and stress.

### Fire Extinguisher

Fire extinguishers cannot put out all fires, but they buy you some time. It is especially important to have one in the kitchen, where grease fires can erupt, and it is ideal to have one at another place in the house for ordinary flammables. **Having a fire extinguisher on hand can be a lifesaver if you have a household fire.**

Fire extinguishers typically have 10 seconds of extinguishing power. Once the fire is out, don't walk away! It may reignite. Call the fire department if you cannot put out the fire.



### Smoke and Carbon Monoxide Detectors

A smoke detector (alarm) is designed to sense smoke at the early stage of a fire and sound an alarm. The main cause of death in house fires is from smoke inhalation.

A carbon monoxide detector is designed to sense carbon monoxide in your home. Carbon monoxide can enter your bloodstream and prevent your body from using oxygen. Carbon monoxide poisoning starts with lightheadedness but can lead to chronic memory loss and death. Almost any time anything is burning, some amount of carbon monoxide is produced. It has no smell, taste, or color, so it is important to have reliable alarms that detect a dangerous buildup of carbon monoxide indoors.

Smoke and carbon monoxide detectors may be contained in the same unit. Smoke detectors should be mounted in every room used for sleeping plus one on every level of the home. Carbon monoxide alarms should be mounted outside sleeping areas and on every level of the home. If your home is not already well-equipped, your local fire departments will install these devices for free.



Smoke and carbon monoxide detectors are either battery operated or electric with a battery backup.



If the unit is beeping intermittently, change its battery. All smoke detectors take one 9-Volt battery (the rectangular kind with both terminals on top).



Dust your smoke detector occasionally. Dust buildup can cause a nuisance alarm – intermittent beeping – which notifies you that the alarm is not able to detect smoke properly.

Be sure to check your alarms for proper operation monthly and replace batteries **every year when the time changes**. The actual smoke detectors should be replaced every ten years. When you check your smoke detectors, be sure your windows and doors operate properly and be sure everyone can unlock windows and move screens in case of fire. There should be at least one window in every bedroom that can be easily opened for escape in case of fire.

## Home Safety Checklist

**Plan for home safety: Check off each item as you complete it:**

- \_\_\_\_\_ Install smoke detectors. Put smoke detectors outside each bedroom and near the kitchen and living room. If battery-operated, change the batteries twice a year.
- \_\_\_\_\_ Carbon-monoxide detectors are a critical way to protect you from this colorless, odorless, deadly gas. Install one near where you and your family sleep.
- \_\_\_\_\_ Keep fire extinguishers in your kitchen and garage.
- \_\_\_\_\_ A chain-link safety escape ladder stored in a closet or under a bed can give you a way to escape from a second-story window.
- \_\_\_\_\_ Ask the fire department to provide a fire inspection and develop an emergency evacuation plan.
- \_\_\_\_\_ Buy a first-aid kit and check it once a year to make sure medicines are not out of date and that the kit is complete.
- \_\_\_\_\_ Make sure emergency numbers are posted in an area available to all family members.
- \_\_\_\_\_ Know the locations of the main electrical switch and the main cutoff valves for water and gas and how to shut them off.

## Energy Savings Tips

You have the power to reduce the size of your electric and gas bills! Keep more of your money instead of sending it to the power company.

- **Turn off ceiling fans when you are not in the room.**
- **Use CFL or LED bulbs**
- Are you still using the kind of light bulbs that get really hot? If you switch to efficient CFL or LED bulbs, you can save \$20 per year for each bulb. Many electric utility companies have free offers for efficient light bulbs. Call the customer service number on your power bill and ask them what programs they have to make your home more energy efficient.



Be sure to safely dump any old CFL light bulbs – they contain mercury and cannot go in the regular trash.

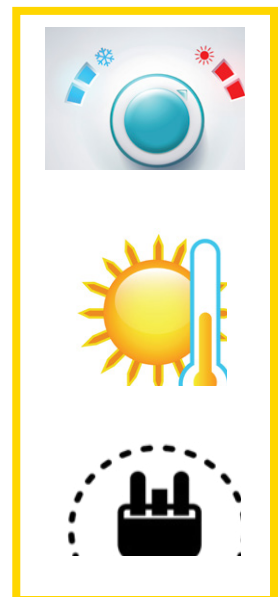
**Learn How to Dispose of CFL Light Bulbs Here:**

<https://www.epa.gov/cfl/recycling-and-disposal-after-cfl-burns-out>



Your outdoor porch lights could save \$50/year when you switch to efficient LED bulbs. Be sure to turn them off during daytime!

- **Switch your washing machine temperature setting from hot to warm.** This simple step can cut a load's energy use in half. About 90% of the energy used for washing clothes in a conventional top-load washer is for heating the water. Cold water alone will thoroughly clean all but the dirtiest items.
- **Turn off heated dry on your dishwasher** and air dry instead.
- **Perform activities such as mopping and washing dishes in the coolest part of the day.** These tasks add moisture - and heat - to your home in the summer.
- **Get your HVAC unit serviced regularly** to ensure it's working efficiently and to avoid costly surprise repairs during times of extreme heat or cold.
- **Adjust your thermostat two degrees to the warmer (in summer) or colder (in winter) when you are not home.** Every degree you adjust reduces your energy bill.
- Choose smart settings for your thermostat while you are at home! To reduce your energy bills, aim for 68 degrees in winter and 76 degrees in summer. If that's not comfortable for you yet, try changing the settings by one degree every few days to give your family time to adjust. Make sure you are dressing for the weather -- such as wearing sweaters and slippers indoors in winter.
- **Close your blinds during the day in summer to keep your house cool** and keep out hot sun light.
- **Unplug electronics when not in use.** You could be throwing away money if you leave your electronics plugged in all the time. Consider when you are not home unplugging your phone charger, hair dryer, radio, etc.



## Healthy at Home

Breathe easy with these tips from the Environmental Protection Agency and Housing & Urban Development. When you are taking action to be more energy efficient, make sure you are keeping your indoor air safe as well.



### Keep your space dry

Be aware of the humidity (moisture in the air) in your home.

- Use exhaust fans when you bathe.
- Use a fan or open the doors and windows when you cook.
- Run the air conditioning system when it is humid outside, but don't use a really cold setting.
- If you air-dry your clothes, do it on an outdoor rack, not indoors.
- Make sure air is circulating: don't block any vents and move boxes that are near to vents.
- Open your windows to increase ventilation.

### Keep harmful chemicals out

- Many household products have harmful fumes, including bug spray, nail polish remover, and many cleaning products. Store them in a shed or a sealed container if possible.
- Consider safer cleaning products: baking soda (for scrubbing) and vinegar (to cut grease) instead of commercial products.

### Don't invite bugs in

- Keep your kitchen garbage in a tightly covered can
- Clean up food immediately
- Keep food stored in tightly covered containers
- If you see bugs, use pest control items labelled as "traps" rather than sprays.

#### Read more at these helpful guides:

##### "Help Yourself to a Healthy Home"

a guide from Housing and Urban Development.

[https://www.hud.gov/sites/documents/DOC\\_11880.PDF](https://www.hud.gov/sites/documents/DOC_11880.PDF)

##### "Self-Help Green Loans"

[Self-Help Credit Union](#) | [Self-Help Federal Credit Union](#)

##### "Ten things you should know about mold"

a guide from the US Environmental Protection Agency

<https://www.epa.gov/mold/ten-things-you-should-know-about-mold>

<https://www.energy.gov/sites/default/files/2022-08/energy-saver-guide-2022.pdf>

## Resources

When shopping for appliances, remember that there are actually three prices involved, the purchase price, the price for repairs and maintenance and the operating cost of the appliance. Operating cost will depend on the cost of fuel (kilowatt-hour, cubic foot, etc.) in your location, how much you use the appliance, the way you use it, and the overall energy efficiency of the appliance. You'll need to consider how any given appliance will affect your utility usage. Household energy-efficient appliances are often the cheaper option in the long run.

Energy Star-certified appliances consume less energy during active use and on standby than comparable conventional products. Refrigerators, clothes washers, dryers, and dishwashers are common household appliances with Energy Star labels.

## Household Appliances - Lifespan and Replacement Cost

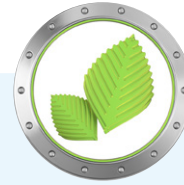
Household Item	Average Useful Life (years)	Avg. Cost for Replacement
<b>APPLIANCES</b>		
Refrigerator	14 - 17 years	\$400-\$1300
Stove and Oven	13 - 15 years	\$500-\$1200
Dishwasher	9 - 12 years	\$300-\$700
Clothes Dryer	10 - 15 years	\$500-\$800
Clothes Washer	7 - 10 years	\$400-\$700
Garbage Disposal	8 - 13 years	\$100-\$200
<b>HVAC SYSTEM</b>		
Gas Furnace	15 - 20 years	\$1800-\$3200
A/C Compressor	10 - 15 years	\$600-\$1200
A/C Condenser	10 - 15 years	\$400-\$1200
<b>PLUMBING</b>		
Gas Water Heater	8 - 12 years	\$500-\$700
Sump Pump	6 - 8 years	\$250-\$500
<b>INTERIOR</b>		
Paint	5 - 10 years	\$10-\$40 / gallon
Laminate Flooring	8 - 15 years	\$2-\$10/ sq. ft.
Carpet	8 - 12 years	\$2-\$10/ sq. ft.
Tile	75 - 100 years	\$5-\$15/ sq. ft.
Windows	15 - 30 years	\$150-\$500 each
<b>EXTERIOR</b>		
Asphalt Shingle Roof	15 - 25 years	\$4000-\$6000

## Air/Furnace Filter-Replacement Log

Date of Filter Change	Notes	Date of Filter Change	Notes

## Seasonal Home Maintenance Checklists

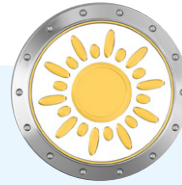
# SPRING



MARCH-MAY	DATE CHECKED	DATE CHECKED	DATE CHECKED	DATE CHECKED
<b>PLUMBING</b>				
Reconnect outside faucets and hoses.				
<b>INTERIOR</b>				
Check attic for signs of roof leaks. Check insulation and remove or add if needed. Check for proper ventilation. Also check for evidence of birds, squirrels, raccoons, etc.				
<b>ELECTRICAL AND APPLIANCES</b>				
Replace air filter as recommended.				
Make an appointment with an HVAC technician to service system.				
<b>EXTERIOR</b>				
Clean gutters and downspouts.				
Scrub mildewed areas on decks, porches, and stairs. Treat for water stain, mildew, and fungus as needed. Reseal deck if necessary.				



# SUMMER



JUNE-AUGUST	DATE CHECKED	DATE CHECKED	DATE CHECKED	DATE CHECKED
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## PLUMBING

Clean drains with boiling water and baking soda.				
Look around hot water heater for signs of leaking				
Check interior and exterior faucets and pipes for leaks.				

## ELECTRICAL AND APPLIANCES

Replace air filter as recommended.				
Clean refrigerator drain pan and coils.				

## EXTERIOR

Seal off any holes to prevent entry of small pests.				
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# FALL



SEPTEMBER-NOVEMBER	DATE CHECKED	DATE CHECKED	DATE CHECKED	DATE CHECKED
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## PLUMBING

Drain outside faucets and hoses. Disconnect and store hoses.				
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## INTERIOR

Check attic for signs of roof leaks. Check insulation and add more if needed. Check for proper ventilation. Also check for evidence of birds, squirrels, raccoons, etc.				
Remove window AC units or protect with cover.				
Replace air filter as recommended.				
Make an appointment with an HVAC technician to service system.				
Test smoke and carbon monoxide detectors. Replace batteries if needed.				

## EXTERIOR

Remove dead leaves from lawn.				
Trim shrubbery around house.				
Have a chimney sweep inspect your chimney and damper.				
Clean your gutters and downspouts.				

# WINTER



DECEMBER-FEBRUARY	DATE CHECKED	DATE CHECKED	DATE CHECKED	DATE CHECKED
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## PLUMBING

Flush hot water heater to remove accumulated sediments. Look around hot water heater for signs of leaking.				
Inspect all visible pipes and faucets for leaks.				
Clean drains with boiling water and baking soda.				

## INTERIOR

Service fire extinguisher as needed.				
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## ELECTRICAL AND APPLIANCES

Replace air filter as recommended.				
Remove and clean or replace kitchen exhaust fan filter.				
Clean refrigerator drain pan and coils.				

## EXTERIOR

Remove any snow/ice from concrete stairs/walkways as soon as possible to avoid damage.				
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