



## From the Broker's Desk

Nancy C. Rowe

As buyers are encountering the restrictive leading guidelines currently in place, many are turning more to FHA insured loan programs. The Federal Housing Administration, commonly referred to as FHA, was created in 1934 under the umbrella of the Department of Housing and Urban Development, referred to as HUD. The goal of FHA is to assist potential buyers in securing a mortgage to buy property. FHA is not a lending institution but FHA insures that portion of the loan that exceeds 80% so that lending institutions are more willing to loan to those buyers who might not qualify under conventional guidelines. FHA will insure loans with as low as 3.5% down payment and allows most of the closing costs/fees to be included in the loan. FHA will also allow a seller to pay closings costs or accept gift funds from a family member or organization for the closing costs. FHA does cap the amount of the mortgage that is available by analyzing the economy of each State/County. The limits for the counties of upper East Tennessee are: \$271,050 for a single family house; \$347,000 for a duplex; \$419,425 for a tri-plex; \$521,250 for a four-plex. Like the mortgage caps, debt ratios allowed on FHA loans are specific to each State. There are several FHA programs and each program has a specific set of guidelines. The most common is the **203b** program which allows for a fixed rate loan, 3.5% down payment and the only program allowing 100% of closing costs to be paid by a relative, non-profit or government agency. An **Adjustable Rate Mortgage** offers a lower initial payment with a lower interest rate but computing adjustments is more complicated as consideration must be given to an index on which the mortgage is being based, the margin of flexibility with the index and the interest rate cap structure within a specified term. One and three year ARMs have an annual cap of 1% increase and a life of the loan cap of 5 percentage points. Five, seven and ten year ARMs have an annual cap of 2% and a life of the loan cap of 6 percentage points. With the baby boomers reaching retirement age, advertisements for the **Reverse Mortgage** or HECM are rampant. This program is limited to homeowners 62 or older and allows the borrower to convert equity in the house into income or a line of credit. The program isn't as simplistic as it sounds and homeowners should research thoroughly before entering into a reverse mortgage. **245** program is a graduated payment mortgage for those anticipating a significant income increase within the next ten years. Payments start small but increase substantially over the 5 or 10 year program and the interest pay back will be greater over the life of the loan. **203k** program targets properties in need of repair. The regular 203k covers properties in need of structural repairs while the streamlined 203k is for non-structural improvements. There are guidelines on what repairs will qualify, the amount of money that will be loaned and the types of properties that qualify. Applying for a 203k loan is time consuming with ample documentation required. **234C** program allows for the purchase of a condominium if certain criteria can be met. Under **Title 1**, manufactured housing can be financed but, as with condominium lending, there is criteria that must be met and lower loan amounts and terms are applicable on manufactured housing. There are other FHA programs available so speak with your loan officer when discussing a new mortgage or a re-finance to determine if an FHA insured loan would best address your needs. The experienced Agents of WILLOW Realty are always available to answer questions or discuss lending options.

## 12 Steps to Prepare For Holiday Shopping Now

©from mydollarplan.com / Madison Dubai

Too early to begin holiday shopping? ... OK, maybe, for some of you. But it's not too early to begin planning for holiday shopping! The more prep work you do, the better result you will have with your money and stress in the next six weeks.

**Make your list.** Hopefully you saved your list from last year as a starting point. If not, make a list of all the people you would like to give a gift to.

**Make a budget.** Determine the total amount you want to spend for everyone this holiday season.

**Check how much you have.** Have you been saving all year? We use an ING account to deposit holiday money all year, that way when December rolls around we are set. If your budget and the amount you have don't match, either revise your budget or determine how much you need to save each week between now and the end of the year.



**Resist the temptation.** The holidays are the most common time of year to whip out your credit card and tell yourself you will pay it off after the holidays. Don't do it! Remember how crummy it makes you feel in the New Year?

**Allocate your budget.** Assign your budget to each person on your list. Remember the total can't exceed your amount in number 3! Subtract or reallocate until you can make it match. This is another reason we are starting early... you haven't gotten sucked into the spending mentality yet, so you can stop any spending impulses before they begin!

**Let it sit.** Think about your budget and your list for a few days. Every time I do this, I find that I want to adjust the recipients and the amounts I plan to spend.

**Make the gift list.** Brainstorm three items or categories for each person on your list. If you have three, you'll be more likely to find one of them on sale at some point.

**Mark the top three.** Put a star by the people that you will purchase the most expensive gifts for. These are the gifts that you want to focus your time on finding super deals for; more expensive

gifts usually means more opportunity to save!

**Carry your list.** Have it with you at all times. When you are out and about and see an incredible deal, pull out your list. If it matches one of the gifts or categories on your list, buy it! If it doesn't fit your list... don't buy it!!!

**Begin handmade items.** Remember when you thought it was silly to start planning now? If any of the gifts are ones that you can make by hand, the last thing you want to do is spend the night before up late finishing them. Make those now and get them out of the way.

**Group similar items.** Can you give the same gift to any of your recipients in a tactful way? For example, can you give an ornament to all the teachers? Anytime you can give a similar gift, it will be cheaper and require less shopping.

**Take advantage of shipping deals.** Now is the time to try a free month of Amazon Prime if you haven't yet. That way, if you find a spectacular deal you won't have to worry about filler items and you can still get fast shipping when you order by the Christmas Shipping Deadlines.



I am struck by the simplicity of light in the atmosphere in the autumn, as if the earth absorbed none, and out of this profusion of dazzling light came the autumnal tints.  
~Henry David Thoreau

## Pumpkin Soup

© thepioneerwoman.com

- 2 whole Pie Pumpkins
- 1 quart Vegetable Or Chicken Stock
- 1/2 cup Heavy Cream
- 1/3 cup Maple Syrup
- Dash Of Nutmeg
- Salt To Taste
- Extra Cream, For Serving

Preheat oven to 300 degrees. Place pumpkins on a cookie sheet and roast them until slightly shriveled and soft. Allow to cool slightly, then slice in half and carefully scoop out seeds and pulp. Scoop yummy flesh into a bowl. Set aside. In a pot, heat up the pumpkin flesh with the stock and maple syrup until simmering. Mash out the big chunks, then transfer the mixture to a blender or food processor (or use an immersion blender) and puree until velvety smooth. Add cream and nutmeg, then blend again. Reheat if you need to, or just go ahead and serve in a hollowed-out pumpkin of whatever size you'd like.

