

THE TRUE COST OF HOMEOWNERSHIP

Owning a home can have many costs associated with it monthly. These are items potential buyers need to be informed of and take into consideration on their path to owning a home. So, what are all of the costs to consider? A mortgage payment, which includes principal, interest, taxes, and insurance, is a part of all WHEDA loans, however there are several potential costs to consider and prepare for.

Expenses in addition to your mortgage payment of principal and interest, taxes, and insurance may include:

COST	DEFINITION
Mortgage insurance	<p>CONVENTIONAL LOANS:</p> <ul style="list-style-type: none"> <input type="checkbox"/> If you finance more than 80 percent of your home’s value, you will be required to have mortgage insurance. <input type="checkbox"/> Depending on you qualifying income, you will have either Standard mortgage insurance or Charter level mortgage insurance. <input type="checkbox"/> Your first mortgage loan to value, and your credit score determines your monthly mortgage insurance payment. <input type="checkbox"/> Once your loan reaches 78% loan to value, you can have it removed. <p>FHA LOANS:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Regardless of your loan to value, FHA loans require two different types of mortgage insurance: <input type="checkbox"/> Up Front Mortgage Insurance Premium (UFMIP) – which is currently 1.75% can be financed into the mortgage or paid at closing. It is a one-time fee <input type="checkbox"/> Monthly Mortgage Insurance Premium – This can be either .85% or .80% of your first mortgage amount and is paid monthly, most times for the entire term of the loan
Taxes and insurance changes	<ul style="list-style-type: none"> <input type="checkbox"/> WHEDA only offer 30-year fixed rate first mortgages, so your principal and interest amounts remain the same throughout the life of the loan. <input type="checkbox"/> However, real estate taxes and homeowner’s insurance may fluctuate annually. These costs may go up or down, so it is best to plan for increases.
Homeowners association (HOA) fees	<p>CONDOMINIUMS</p> <ul style="list-style-type: none"> <input type="checkbox"/> When you buy a condominium, you are obligated to pay a monthly HOA fee, along with all other owners, to the condominium’s Homeowner’s Association (HOA). <input type="checkbox"/> Homeowners associations provide benefits such as amenities and upkeep to the common areas of a condominium complex. <p>NEIGHBORHOOD HOA</p> <ul style="list-style-type: none"> <input type="checkbox"/> Some neighborhoods will have a Homeowners Association that collects an annual fee from all homeowners. <input type="checkbox"/> This may be used for things such as upkeep of common areas, such as maintaining landscaping, cleanup, and spring planting.
Ongoing house maintenance	<ul style="list-style-type: none"> <input type="checkbox"/> With homeownership comes the responsibility for home repairs, yard work, maintenance, and unplanned expenses such as furnace replacement. <input type="checkbox"/> You will need to plan for these to ensure the integrity, safety, and value of your home.

Buying a property turns a structure into a home - YOUR home! Take good care of your home and remember it is an investment in you and your family’s future.