home ownership goals & benefits

The experts agree that the only way to reach a goal is to set a goal. We believe in goal-setting and would like to help you to define your goals in writing.

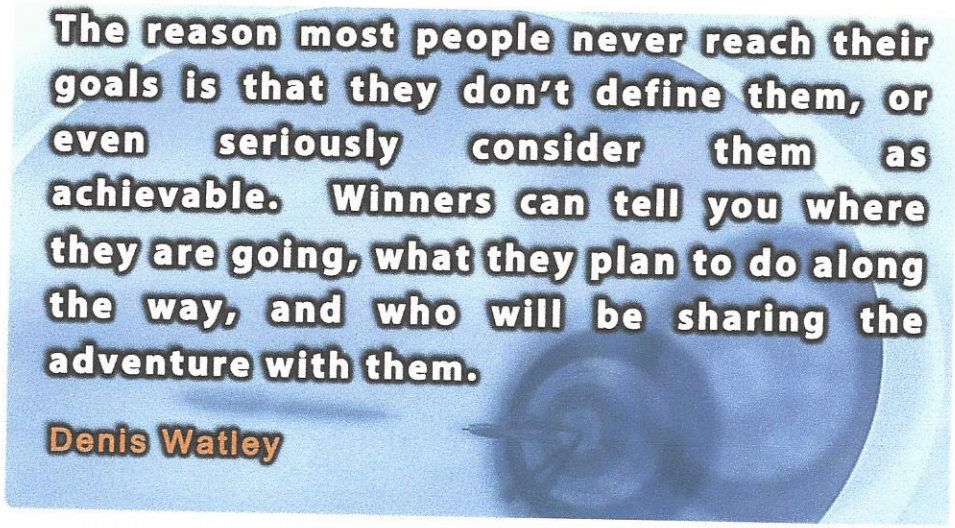
You need to visually see what you want every day so that you are properly motivated to do what you have to do each day to move closer to your goals. It is important for you to have a clear understanding of where you are now and what you want to achieve through our program.

goal-tracker:

We use a goal tracker as a tool to help you complete this basic goal setting exercise. We encourage you to write your name on it and date it.

The experts say that placing your name on the goals gives you ownership of them. Placing the date on your goals gives you a working timeline so you know whether you're progressing forward toward them or not. Every day you should be taking small but measurable steps toward your goal of home ownership.

Then place a checkmark next to each of the following check boxes of those benefits that you would like to secure through our program. Print this page and place it somewhere that you can "see" it every day. When the process becomes tough and you are facing adversity, if you have goals, you are more likely to keep your eye on the target and persevere through it.



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which is better?

Why is owning better than renting? There are a significant number of reasons why it is better to be a homeowner verses a renter.

Some benefits you can see, touch and measure; specifically the monetary and financial aspects of home ownership.

Other benefits are less obvious. You can't see them, but that doesn't mean they don't exist. There are certain aspects to home ownership that you experience, feel and sense. You can't possibly know what you are missing until you know what you're missing. We've taken the time to help you realize just how much better home ownership really is.

Our goal is to help you realize that **home ownership will cost you less money, it will feel better**, and it will be **profoundly more positive on your lifestyle and happiness**.

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privacy:

When you own a home you can enjoy your **privacy** more than say in an apartment complex or living with family. Privacy is defined as the state or condition of being free from being observed or disturbed by other people. How valuable is it to you to be free from disturbances from either your noisy neighbors or that creepy maintenance guy that can show up at your door for a "fire-inspection"? How valuable is the ability to enjoy the peace privacy of your own home?

What about those neighbors? When you live in an apartment complex, how many times will you find yourself hearing the doorbell ring and wondering if it's your door or the neighbors? How frustrating is it to be forced to respond to the loud noise of your upstairs neighbor that insists on playing his or her sound system at the max sound setting? What about repeatedly hearing the footsteps of that neighbor above you when you are trying to sleep?

security:

How safe do you feel when you don't know how many of your neighbors are criminals? When you live in an apartment complex where there are many more people living right on top of each other, crime and security have to be considered.

Consider that infamous walk from your car to your apartment. If the parking lot is not scary enough, you never know which neighbor may pop out of their apartment as you walk toward yours.

Even the most secure apartment complexes can't protect you or your family from your neighbors inviting their friends who might be criminals or have criminal intent into your complex.

comfort:

Apartment living can be uncomfortable and annoying to say the least. Imagine smelling foul odors like cigarette smoke or garbage outside your apartment, or worse, coming through your vents or walls.

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stability:

The social well-being of those that feel they are part of a community are said to be better for home owners versus renters.

Consider the school dropout or crime rates for neighborhoods where there are more home owners than landlords and renters. Statistics show that children of homeowners do better in school and are more stable in their interactions with others.

what about the landlord:

Remember the hit 70's sitcom "Three's Company"? Do you remember the flamboyant and nutty Ralph Furley who was replaced with the nosy original landlord Stanley Roper? Both were funny for the show, but in real life, maybe not so much.

Did you know that apartment landlords have a major financial incentive to get you out. That's because if you vacate your apartment, the landlord will get a 20% increase on a two-year lease for a new tenant. Increases for a one-year lease are determined by a special formula and can vary, but still give the landlord more profit than renewing your lease. Landlords can increase your rent up to 2.5% per month and say it's because of increasing maintenance costs. The number of illegal evictions in the US are estimated to exceed tens of thousands each year.

Real estate experts have observed many landlords illegally keeping security deposits from tenants. Said landlords will look for any excuse they can to keep your money when you move out.

Did you know that no matter whether you live in an apartment or house, your landlord can enter the premises at their discretion? It's the "I was concerned about ...anything" clause. This doesn't foster comfort, safety or happiness does it?

Landlords have been known to be nosy, creepy, absent, racist, incompetent and in some cases abusive. When you own your home, you don't have to deal with anybody treating you poorly, unfairly or telling you what you can or can't do or more importantly increasing your monthly cost of living.

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control of your environment:

Who determines whether you can have that pet you love, change the color of paint on your walls or upgrade your carpet to wood flooring? Your landlord or you?

For the landlord it's about charging you more money to have that pet or denying you the privilege, either way you have no say in the matter.

What about changing the color of paint on a wall? What about switching out those old carpets with nice wood floors? No way, cause you know you can't take those nice floors with you when you move. That just wouldn't make financial sense.

pride & confidence:

When you own your home you acquire a sense of dignity that renters do not feel. You begin to take pride in what you own, and pride in conserving and/or improving your living accommodations.

You become a more steadfast and concerned citizen of your community. You become more self-confident and self-reliant. The mere act of becoming a homeowner transforms your mindset.

Ownership gives you roots, a sense of belonging, a true stake in your community and well-being.

Not everybody has the same standards and it can be uncomfortable dealing with neighbors that don't care about their surroundings. You know the ones that let their dogs poop in the elevators and don't clean it up. Consider the damages to the walls and other areas that you have to see every time you pass that way. What about shared garbage? Your neighbor in apartment 2b throws their old sofa away and it becomes an eye sore?

People take better care of something that is theirs rather than something they are borrowing. You could live in the nicest perceivable apartment complex you know of and people will still puke in the pool, spill their drinks, throw trash around, because it's not their responsibility to clean up what they are borrowing.

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better memories:

Think about all those future events that are going to occur in your household. Consider those special moments that you experience with your family, friends and loved ones. With today's technology, we take more pictures on our android devices than ever before. Fast forward yourself through time and picture yourself in your home flipping through your pictures from the previous decade or so. What feelings are you going to experience?

How important is it for your friends and family to enjoy fellowship at your place? Consider the quality of those social gatherings you have from time to time in an environment where you have no privacy and neighbors that don't have the same standards that you do. Perhaps you would enjoy those holiday get-togethers more if you owned your home?

As you scroll through the images, you see your family and friends, and in the background is your home or the place you were renting. Which is going to bring **better memories, better times**?

more space for less:

You probly didn't realize that you get more living space for the same dollar when you own a home versus renting a home or an apartment. We're all creatures of comfort and size really can make a difference in living accommodations, especially if you can get more of it for less. Real estate experts point out that home owners enjoy 30% to 40% or more in over-all living space for the same cost as a typical renter. Also consider the ability to have more outside yard space for social gatherings, taking your pet out, playing with your children or simply planting that garden you've always wanted.

The national average cost to rent per square foot is .95/sqft. The national average cost of a mortgage payment per square foot is .65/sqft. That's an average difference of 32% in savings.

renter John example:

Renter John pays $1,235/mo for a 3 bedroom 1 bath apartment (1,300 sqft)[.95/sqft]. If renter John became owner John he would pay $962/mo for a 3 bedroom 2 bath home (1,480 sqft)[.65/sqft]. That's a 32% less expensive home with 13% more living space.

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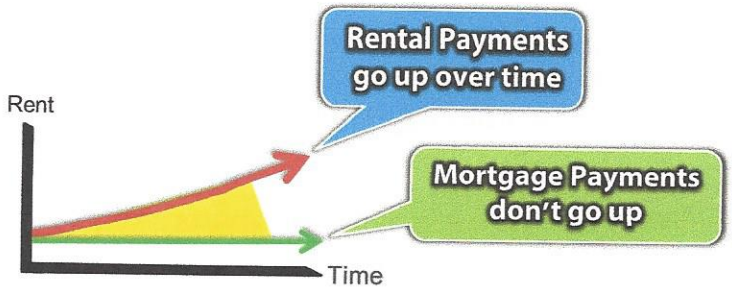
payments that don't go up:

Did you know that mortgage rates are at an all-time low and they are expected to continue to fall as rental rates continue to increase? With housing prices continuing to drop, now is the best time to consider purchasing a home for the pure MONEY SAVING aspect of the transaction.

The fact is **you have to make a monthly housing payment no matter what**. The question is whether making rental payments makes more financial sense than making mortgage payments.



Rental payments increase by as much as 8% or more per year. When you own, you still have to make monthly payments but they don't increase like your rental payments do.

renter John example:

Let's see what the figures look like if rental rates were to increase for renter John at an average of just 5% per year. Assuming the monthly rent of $1,235/mo equals $14,820 in annual rent the following table demonstrates what a renter would pay over a five year period at a 5% increase each year.

5%	Year	Subtotal	New Subtotal
$741	1	$14,820x.05=$741	$14,820+$741=$15,561
$778	2	$15,561x.05=$778	$15,561+$778=$16,339
$817	3	$16,339x.05=$817	$16,339+$817=$17,156
$858	4	$17,156x.05=$858	$17,156+$858=$18,014
$900	5	$18,014x.05=$900	$18,014+$900=$18,914

$4,094 total amount paid over five years

As rental rates increase over the years that is tangible money you could have saved by making payments to your mortgage company that don't go up. It would be smarter to save money over-time by making mortgage payments.

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repairs and maintenance costs:

Yes, homeowners have to pay for unexpected repairs. If an owner fails to budget and save properly an unexpected repair could cause a temporary financial strain on their budget. Whereas; the uneducated renter would exclaim that they don't have to worry about expensive repairs, something breaks or needs improvement; just call the landlord.

It comes down to your ability to manage your own money intelligently. If renter John became a homeowner his expenditures would be significantly less.

5%	Year	Subtotal	Differential	Subtotals
$741	1	$15,561/yr	$4,017	$15,561-$11,544=$4,017
$778	2	$16,339/yr	$4,795	$16,339-$11,544=$4,795
$817	3	$17,156/yr	$5,612	$17,156-$11,544=$5,612
$858	4	$18,014/yr	$6,470	$18,014-$11,544=$6,470
$900	5	$18,914/yr	$7,370	$18,914-$11,544=$7,370
			$28,264 amount saved by being a homeowner	

The question is will homeowner John save his money? Imagine if he just saved 50% of that money from the first 5 years. That would equal approximately **$14,000** which is more than enough funds available for emergency repairs; if they ever occur. It's also enough to cover the cost to pay for a lawn care company to take care of your yard!

The other **$14,000** could be used for a new vehicle, payoff debt or other lifestyle choices. This doesn't even take into consideration the interest profit you could make on your money while you save it in an interest bearing account. Who keeps the interest on your money when it is paid to the landlord?

Almost all apartment complexes and landlords alike factor deposits and increasing rental rates and other ridiculous fees into their expenditures for repairs and maintenance costs. If you can get your landlord to pay in the first place, they already have made more money on you than what it costs to replace that leaking toilet. YOU are paying for their property and those repairs.

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free home warranty:

Homeowners can purchase a home warranty for approximately $400 to $600 per year that protects them from expensive repair bills. A home warranty covers just about everything in your home, especially the most expensive items you could think of; i.e. the roof, plumbing, electrical, the foundation and HVAC systems.

The warranty also covers appliances, flooring, well & septic and much more. If any one of these items break or stop working, you call the warranty company, they send someone out to take care of the issue. They will either repair or replace whatever is broken. Yes, you will pay a small deductible ranging from $50 to $100 but that is designed to keep frivolous claims to a minimum.

Over a five year period the average expenditure for a home warranty would be about $3,000. Deduct that from the previous figures and now you have an extra $11,000 to add to your lifestyle budget.

If you put the monetary differential into an interest bearing account or investment vehicle; the dividends earned from that money would cover the cost of your home warranty each year. Eventually your interest profit would cover both the annual cost of the warranty and the deductibles that might be needed for repairs.

If you properly budget and save your money, the home warranty and deductible costs would end up costing you nothing.

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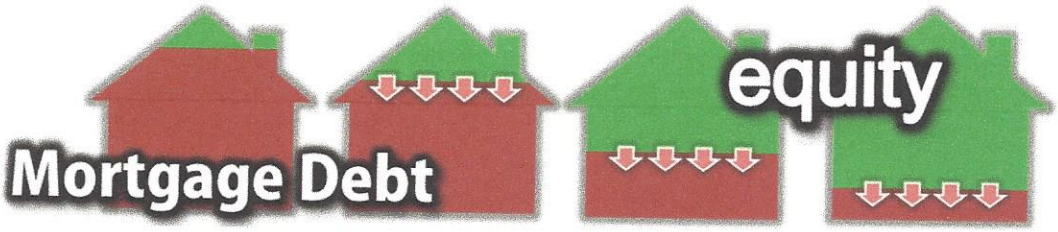
equity and mortgage debt:

Equity is the monetary differential between the value of your home and the mortgage debt you owe. Equity is the difference between what your property is worth and what you owe the mortgage company.

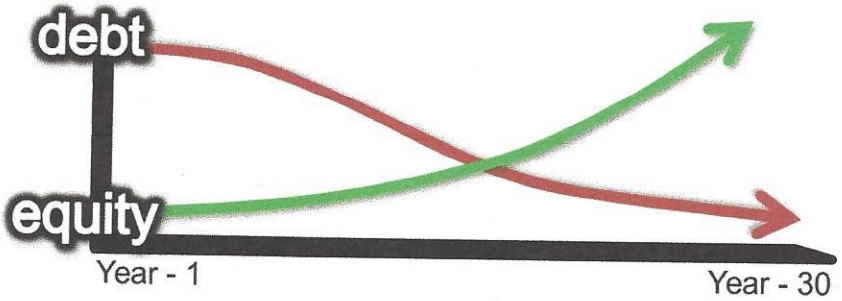


When you first purchase your home you will have approximately 4% equity or money in your home. If the home is valued at $100,000 that means that you have $4,000 of equity in your home. This means that you owe the bank approximately $96,000 in terms of mortgage debt.

You know you have to make a housing payment anyway, right? What you have to focus on is what happens to your money after the payment is made.

When you make rental payments 100% of the payments go to your landlord and they receive the monetary benefit of "equity". If you rent for 30 years, what do you have to show for it? Nothing.

Remember, equity is represented by the difference in the value of your home versus what you owe. Over time as you make more and more mortgage payments, you are reducing what you owe and therefore you automatically create more and more equity in your home.



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11 HOME OWNERSHIP BENEFITS

When you buy a home, once you pay off the mortgage in 30 years, you no longer have a debt payment. You do however, still have housing expenses. You will continue to have insurance premiums and annual taxes to budget for. These insurance and tax costs make up about 15% to 25% of your housing payments. If your mortgage payment was $1,000/mo; then you would expect that your insurance and taxes made up about $150 to $250 of that payment. At the end of 30 years you would still pay this $150 to $250 a month.

A common misconception is that you have to live in your home for the entirety of the 30 years. You have the option to sell at any time. We've helped many families purchase their first home and then three years later sell that very home and buy another one.

Why might you want to sell your home? Your job may change and you may want to move closer to your new employer. Your household size may increase or decrease and it might make sense to sell your home to purchase a different home that is bigger or smaller. There are all kinds of situations that could result in the need or want to sell your home.

Many renters claim that renting is better than homeownership because they can stay mobile or flexible. They believe that they would be "stuck" in a mortgage with debt and would prefer the freedom to move when they want. That just simply is not the reality.

You can sell your home in most cases as quickly as it takes for a renter to properly exit a rental lease agreement.

If you sell your home, the proceeds from that transaction will be applied first to pay off the mortgage. If the value of your home was exactly what it was when you purchased it then you would get all the money you paid for however long you paid it. The longer you live in your home and make mortgage payments the more money you will have should you decide to sell it.

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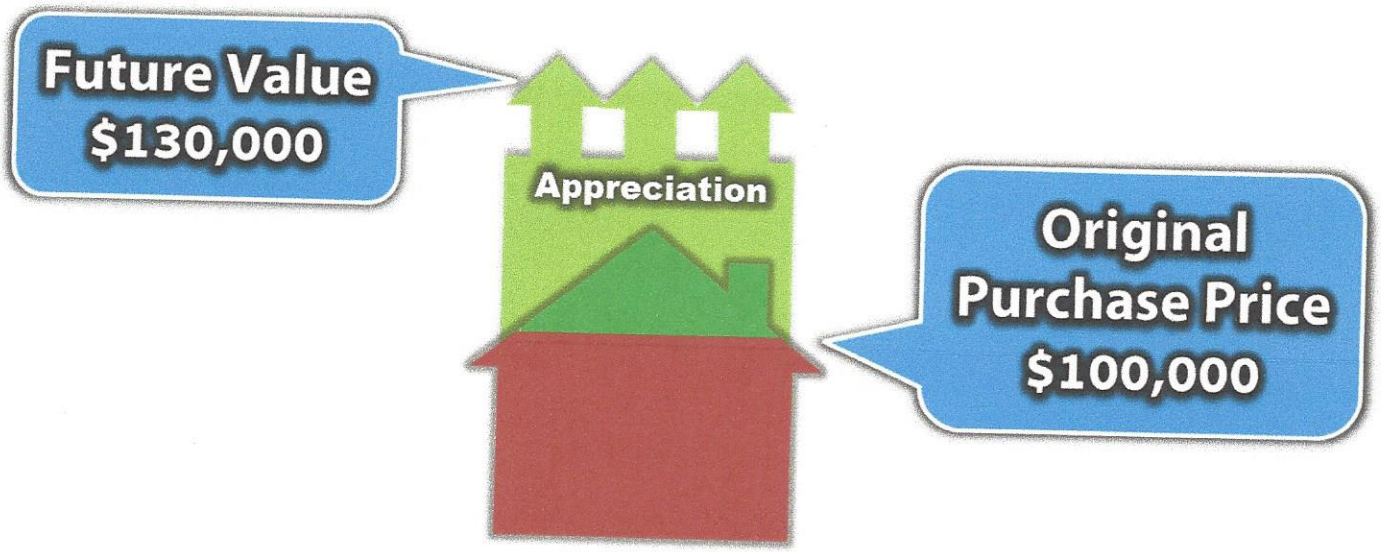
equity and appreciation:

Appreciation is the increase in value of your property due to variables like inflation, supply & demand, improvements and other factors. You can increase your net worth by paying down your mortgage debt and waiting for your home to appreciate.

Your home is considered an asset. Assets are what the middle class leverage to build wealth. You can sell an asset for cash and because you own the asset if it gains value you can make a profit on the sale.

In real estate this profit is called "appreciation". Appreciation is money you earn above and beyond any equity you've built by paying down your mortgage.

If you purchased your home this year for $100,000 and then sold it in the future for $130,000 you would realize a monetary gain/profit of $30,000.



In this same example if you sold your home in the 15th year of your mortgage and owed 50% of your original mortgage, then you would only owe $50,000. You would have approximately $50,000 in equity. Add $30,000 in appreciation and $50,000 in equity together for a grand total of $80,000 in proceeds should you decide to sell your home.

If you rent that same home, you're in essence giving that money to your landlord.

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closing summary:

America is a country that holds the promise that if you are willing to work hard, and give your best, that you should be able to have the opportunity to prosper and build a better life for your family. Home ownership has historically been the number one way for working Americans to pull themselves into the middle class of society.

Home ownership offers consumers the opportunity to build wealth, through equity and appreciation **[a benefit renters simply do not enjoy].**

To strengthen our communities we have to take a good look at the future. Do we want America to become a two-tiered society, where working and middle class families are expected to rent for life, and home ownership is exclusively available to the wealthy? No, we want to restore and maintain the opportunity for hardworking, responsible Americans to own their own homes and build a better future.

The equity built up from decades of responsible home ownership has resulted in many businesses being started, many first generation college students going to college, and many families saving a nest egg for their children to build upon.

You should now understand and agree that homeownership is better than renting.

The numerous benefits of homeownership are both tangible and intangible.

What are you waiting for? Home ownership will cost you less money, it will feel better, and it will be profoundly more positive on your lifestyle and happiness.

Decide today to take charge of your life and well-being.

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