

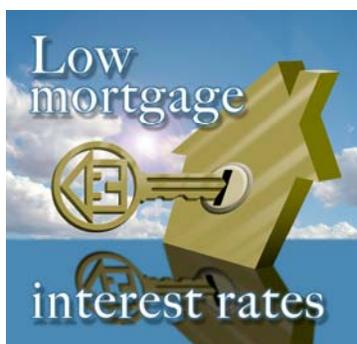


# HOUSECALLS

## Lower Down Payments and Interest Rates Make a Home More Affordable Now

During much of the last dozen years, there was a great chorus of people claiming they were locked out of homeownership. Prices were just too high.

Those conditions have changed. A median-priced home now represents a smaller percentage of household income than it has in the past 10 years or more.



### Smaller Down Payments Available

High down payment requirements have been a problem for many would-be buyers. Now, many banks credit unions will accept a down payment as low as 5 percent. Mortgage brokers know of lenders who will accept a lower down payment as well.

### Now's the Time to Jump In

Some buyers are still on the fence. They think home prices could fall further by a few percentage points, maybe by even 10 points, though that's unlikely. Even so, low interest rates can make up the difference. Interviewed by Bottom Line Personal, Metrostudy CEO Mike Castleman, Sr., he gives this example.

### Low Interest Rates

Say you decide not to buy a home this year because you are afraid real estate values will decline. But if today's low interest rates climb by just one percentage point, your monthly payment on a 30-year fixed rate mortgage would still be lower than if you paid 10 percent less for the property at today's rates.

If interest rates climb much more than one percentage point, your monthly mortgage payments will be higher even if you paid 10 percent less.

### Where Home Prices Stand

Nationally, prices are slowly edging up. Even in some of the most distressed areas of the country, prices at mid-summer have begun to rise, including markets in South Florida, Phoenix, Austin, Houston, Dallas, Fort Worth and other large cities. The pent-up demand for homes in many areas will cause prices to rise more quickly in months and years to come.



## Home Appreciation

According to Realty Times, the normal appreciation rate on a home is 6.5 percent a year.

That means during the course of 10 years, a \$100,000 home could be worth \$174,000.

It's the only investment you get to enjoy and personalize during the entire time of your investment.



## Use coupons

Shopping with coupons is easier than ever. Besides the old-fashioned newspaper coupons, shoppers can now save just by going online. Websites such as retailmenot.com have coupon codes for online purchases and printable coupons to take with you to the store. Today, 37 percent of consumers say they use coupons.

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