

YOUR HOME

OCTOBER
2013

TIPS AND TRENDS FOR HOMEOWNERS, BUYERS AND SELLERS

DESIGN DO'S AND DON'T'S

Before you start your next home renovation project, consider your space needs first. HGTV and DIY Network offer these tips for taking on room projects that will give your home a fresh look.

First, think long term. Since most homeowners are likely to stay in the home at least five years before they see real appreciation, avoid installing the hottest design trends of the moment for expensive items like flooring, bathroom tile and backsplashes. Instead, design with affordable and more disposable accessories such as pillows and throw rugs, which can be changed out easily and quickly.

Don't purchase furniture before you move in to the home. Live in the space for a few months and get accurate measurements of each room before spending your hard-earned cash on oversized items that may not fit. The same holds true for selecting paint colors. A room's natural lighting changes throughout the day, so paint colors that stand out during daylight hours may appear muted at dusk.

When it comes to your kitchen, focus on quality, not quantity. Not everyone can knock down a wall to install a kitchen island. Develop a good space plan that includes efficient storage for your dinnerware and small appliances.

Need a second opinion? Seek the advice of a novice home designer who can give you a fresh perspective at an affordable rate. Finally, make sure all decision-makers are on board with the project and budget. Otherwise, you'll have to start all over.



NEW RULES FOR REVERSE MORTGAGES

The Federal Housing Administration (FHA) has announced new rules that determine how much and when homeowners can tap the equity in their homes through a reverse mortgage. Starting Sept. 30, 2013, the new rules will limit the amount of money that can be taken out in the first year of a reverse mortgage. For example, if a borrower is eligible to withdraw \$200,000, they would only be allowed to receive \$120,000 – or 60 percent – in the first year. This will mean that some borrowers will have access to 15 percent less of their home equity than they do under the current program. Homeowners are currently allowed to withdraw all the money they are eligible for at one time, which strains the program's cash reserves. The changes to the FHA's rules aim to encourage borrowers to tap their home's equity more gradually.



Starting Jan. 13, 2014, the FHA will also implement changes regarding who can qualify for its reverse mortgage program. Borrowers will need to prove that they will be able to pay property taxes and insurance over the life of the loan. Consequently, borrowers will face greater scrutiny from lenders pertaining to their income and credit history when applying for the program.

fast fact >> >>

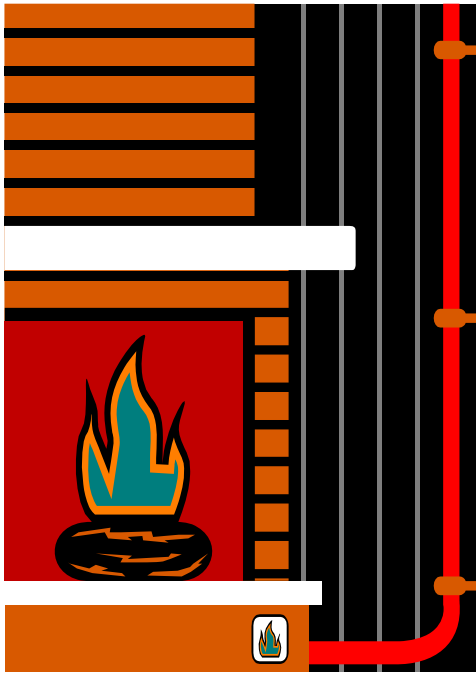
More than half of all homeowners (52 percent) plan to spend at least \$1,000 to improve their homes by adding a home office or child's playroom.

Source: Zillow survey, August 2013



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HEAT SAFETY TIPS

As energy costs continue to rise, some homeowners are using alternate sources to heat their homes. While wood-burning stoves, space heaters and fireplaces are popular options, especially in colder climates, they can be fire hazards. *FireSafety.gov* offers some tips to help homeowners use these heat alternatives safely.

Wood stoves made of plate steel or cast iron are best. Use only seasoned wood for fuel, and avoid green wood, artificial logs or trash. Inspect and clean the pipes and chimneys annually, and check monthly for damage and obstructions. Keep combustible objects at least three feet away from the stove.

Space heaters that feature the Underwriters Laboratories certification are recommended. Use a heater with a thermostat control mechanism that can switch off automatically if

the heater falls over. Don't dry clothes or store objects on top of the heater. Like wood stoves, keep combustibles at least three feet away. Always unplug the device when it is not in use.

Clean fireplaces frequently to prevent creosote from building up in the chimney. Also inspect the chimneys for obstructions or cracks. Never burn trash, paper or green wood, which can cause heavy creosote buildup. Don't wear loose-fitting clothes near open flames, and make sure the fire is completely out before leaving the house or going to bed.

Finally, make sure smoke detectors are working properly, and replace batteries every six months.

Say Yes to CRS

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