

March 8, 2019



DAVE WINDSOR ANSWERS YOUR REAL ESTATE QUESTIONS

Always Shop Within Your Means

Dear Dave: Our Lender just qualified us for a home at \$400,000 using my VA and we can go Triple Zero Down. My wife and I are having a disagreement over how much to actually spend. Can you give some advice please?

Answer: When I was in the Saraji Jungle Training camp in Queensland, Australia during the Vietnam war, I used my spare time memorizing dozens of biblical Proverbs. One of my favorites was "A wise man is mightier than a strong man".

Being wise in all things is far better than building muscles at the gym. Strong men, in politics or on the battlefield, can still fall to the 'smarts' of the intelligent and thoughtful. The debate you are having in your family is a good one.

The short answer to your question is to always shop well within your means. If you need to go 'Triple Zero Down' to buy your home and are stretching to \$400,000 you are pushing to the maximum. People that do this are often maxed out on their credit also.

First of all, you will be borrowing \$400,000 PLUS the VA funding fee (another \$8,600). Depending on your credit score, the Lender may be charging you discount

points. 680 is the minimum credit score to obtain a Federal loan without discount points. Depending on how low that score is, you could easily pay \$5,000 in points or, if you don't have the cash, lenders will bump your interest rate instead. A lot of homebuyers fall into this trap - Spend the maximum for the least cash at premium rates!

The result is, not only are burrowing to the max, but you will likely still owe more than the house is worth in 3 years time when you may need to move again.

Just because you, or any other buyer, qualifies to a shopping number it does not mean that is what you should spend. In fact, it would be wise to spend less. \$350,000 will also buy you a 4 bedroom, 2 bath home with a 2 car garage. The Lender wants you to borrow the maximum as they profit from that but be wise and always shop well within your means.

Dear Dave: How often should we have our heating system serviced?

Answer: Both boiler systems (hot-water baseboard) and forced air systems should be serviced once a year.

The fall is an ideal time to conduct the annual inspection and, to beat the rush, I suggest you call your heating technician in August or

September. Many of these companies offer discounts for early appointments and you should take advantage of this.

Other than an annual service, you should keep an eye on your system for signs of corrosion in and around the boiler, or unusual noises from the equipment. If you have gas forced air heating, filters must be changed or cleaned frequently (once a month in winter, once every 2 months in summer) or you could damage the system and shorten its life.

Dave
Windsor

