

February 10, 2013
Catching Up On Your Questions

Dear Dave: I had a foreclosure on my last home 2 years ago. Can I apply for a new home loan yet? If not, when?

Answer: Good question - many people have been through a foreclosure, or even a bankruptcy. The banking industry will forgive you, but it takes time.

From the date of your foreclosure, or the discharge date of a bankruptcy, you will have to wait 2 years for VA financing, 3 years for FHA, 4 years for FNMA (Fannie Mae) or FHLMC (Freddie Mac) conventional financing, or 5 years for AHFC (Alaska Housing).

The only exceptions are sometimes made due to extreme extenuating circumstances, such as death in the family or long-term illness. You should also keep in mind that, even after the time prescribed has elapsed, you are not guaranteed for a loan but you will have your application considered.

Dear Dave: When selling a private home is there a statute of limitation for disclosing problems with the property and does it apply to the land?

Answer: If you have a problem with residential real estate as a buyer, whether it be the land or structure, and you believe that the previous owner should have disclosed knowledge of that defect, you have 2 years from discovery of the problem to take legal action under the Disclosure Statute.

In other words, if you are the seller of property and you failed to disclose a known defect with the land or building, you could be in trouble for 2 years after the homebuyer discovers that defect even if it is several years after the sale took place.

Dear Dave: We just remodeled our kitchen and the granite on the island would not stay connected properly because of floor movement. Our contractor blamed the builder and said that the distance between the floor joists was the very maximum permitted by code, but too wide. I would like to know what you think about this.

Answer: All people considering a kitchen remodel that includes granite should have the floor structure examined to be sure it will carry the weight. Granite is very heavy. In fact, an experienced remodel contractor will want to look in the crawlspace before bidding you on a granite counter, though some won't think of it.

There are many brands and specifications of floor joist used in construction so you may need an engineer to clarify. However, if you are planting a 1000 pound slab on an island in the middle of the kitchen you must check the floor strength. The perimeter of a kitchen is less problematic.

Dear Dave: We are having ice damming on our roof but an inspection has shown that the roof is properly constructed, ventilated and insulated. We are still not convinced that the ice formation is

simply from sunshine or warm temperatures. Have you got any ideas on any other causes of the ice formation?

Answer: If you are correct about the ice not forming from radiant heat or temperature changes from external sources, the only alternative is that heat is escaping into the attic from the house.

Despite a proper installation of R38 over the ceiling, there can be other avenues for heat to escape into the attic. For example, a vent, duct or flue passing through the attic could be releasing significant heat. Another notorious cause of problems like this is ‘canned’ light fixtures. Recessed light fixtures leak heat like crazy so, if your ice damming is over a section of the ceiling where such lighting has been installed, the escapement of heat needs to be restricted as much as possible with additional insulation. Heating system flues can be insulated also to avoid heat transfer to the attic.

Dear Dave: We have purchased a new construction home and are writing up a list of defects for the builder before our 12 months of warranty expire. Is it common for settlement cracks to occur in the sheetrock?

Answer: Good question, but is it truly a “settlement” crack? If the crack is from “settling” of the home you have a serious problem. A house “settles” if the foundation is unstable and this, in turn, may be a soil condition issue.

However, what most people call a “settlement” crack is not from settlement. It most often should be described as a “shrinking” crack. That is, the lumber used in construction is not fully cured when the building is being framed and often “shrinks” after the sheetrock is attached. Therefore, you should not be surprised to see cracks or nail pops in the first year.

Indeed, I would be very impressed if there were no cracks in the first year. All builders I know are happy to repair such problems.

Dear Dave: We are participating in the Mortgage Cancellation Relief Program. We were told that the amount of our mortgage balance forgiven may or may not be considered taxable as income. Can you clarify?

Answer: No, the amount forgiven in 2012 is not taxable on your 2012 return and, indeed, if your application drifted into the current year, any amount forgiven in 2013 will not be treated as taxable income either.