## SPOKANE SPOKESMAN-REVIEW MORTGAGE GUIDE

*Check rates daily at http://spokesmanreview.interest.com*

Bankrate.com

| Program | Rate | Points | Fees | % Down | APR |
|---|---|---|---|---|---|
| **BANK OF AMERICA** | | | | | |
| | | | | http://www.bankofamerica.com | |
| 30 yr fixed | 3.875 | 0.735 | $826 | 20% | 4.020 |
| 15 yr fixed | 3.125 | 0.107 | $826 | 20% | 3.286 |
| 5/1 ARM | 3.125 | 0.123 | $826 | 20% | 3.051 |
| 30 yr jumbo | 4.000 | 0.300 | $926 | 20% | 4.072 |
| *(C) Seattle, WA 98119* | | | | | |
| **SAMMAMISH MORTGAGE** | | | | | 800-304-6803 |
| | | | | http://www.SammamishMortgage.com | |
| 30 yr fixed | 3.875 | 0.000 | $795 | 20% | 3.915 |
| 15 yr fixed | 3.250 | 0.000 | $795 | 20% | 3.320 |
| 10 yr fixed | 3.125 | 0.000 | $795 | 20% | 3.226 |
| 20 yr fixed | 3.750 | 0.000 | $795 | 20% | 3.805 |
| BBB A+ Rating-Local since 1992 - CL #118653 | | | | | |
| *(A) 3015 112th Avenue, NE, Suite 214, Bellevue, WA 98004* | | | | | NMLS# 118653 |

Legend: The rate and annual percentage rate (APR) are effective as of 2/18/15. © 2015 Bankrate, Inc. http://www.interest.com. The APR may increase after consummation and may vary. Payments do not include amounts for taxes and insurance. The fees set forth for each advertisement above may be charged to open the plan (A) Mortgage Banker, (B) Mortgage Broker, (C) Bank, (D) S & L, (E) Credit Union, (BA) indicates Licensed Mortgage Banker, NYS Banking Dept., (BR) indicates Registered Mortgage Broker, NYS Banking Dept., (loans arranged through third parties). "Call for Rates" means actual rates were not available at press time. All rates are quoted on a minimum FICO score of 740. Conventional loans are based on loan amounts of $165,000. Jumbo loans are based on loan amounts of $435,000. Points quoted include discount and/or origination. Lock Days: 30-60. Annual percentage rates (APRs) are based on fully indexed rates for adjustable rate mortgages (ARMs). The APR on your specific loan may differ from the sample used. Fees reflect charges relative to the APR. If your down payment is less than 20% of the home's value, you will be subject to private mortgage insurance, or PMI. FHA Mortgages include both UFMIP and MIP fees based on a loan amount of $165,000 with 5% down payment. VA Mortgages include funding fees based on a loan amount of $165,000 with 5% down payment. Bankrate, Inc. does not guarantee the accuracy of the information appearing above or the availability of rates and fees in this table. All rates, fees and other information are subject to change without notice. Bankrate, Inc. does not own any financial institutions. Some or all of the companies appearing in this table pay a fee to appear in this table. If you are seeking a mortgage in excess of $417,000, recent legislation may enable lenders in certain locations to provide rates that are different from those shown in the table above. Sample Repayment Terms – ex. 360 monthly payments of $5.29 per $1,000 borrowed ex. 180 monthly payments of $7.56 per $1,000 borrowed. We recommend that you contact your lender directly to determine what rates may be available to you. TO APPEAR IN THIS TABLE, CALL 800-509-4636. TO REPORT ANY INACCURACIES, CALL 888-509-4636. • *http://spokesmanreview.interest.com*

# Happy about Home Ownership at TAX TIME

**Jack Kestell**
**2015 President**
*Spokane Association of REALTORS®*

**OPINION**

A flurry of complicated forms in the mailbox and waving green Statues of Liberty on many street corners remind me that it's tax season once again. As a REALTOR®, I remind my clients that there are several reasons to be happy about home ownership this time of year. If you don't yet own a house, these reasons could nudge you closer to calling a REALTOR®.

First reason: the federal government pays you to buy a house. It's called a Mortgage Interest Deduction. When you buy your home on time with a home loan (called a mortgage) – as the vast majority of homeowners do - the interest you pay on that loan is tax deductible. Interest payments are typically the largest component of your mortgage payment in the early years of home ownership so this can be especially valuable as you establish your new home. Points, sometimes called loan origination fees, are tax deductible in the year you pay them. Property taxes on your primary and vacation home are also deductible on your federal tax return. So, that school or fire department levy on which you voted "yes" this past week can come right off your tax return next year.

Second reason: earn capital gains without paying taxes. When you own a mutual fund, certificate of deposit or other investment, the federal government wants its share of your gains every year. It's called a capital gains tax. The company paying interest to you must, by law, report that interest to the federal government. If you don't, or forget to, report that income on your federal tax return, you expose yourself to an audit by which the IRS will take its share of your capital gains and assess a penalty because you didn't pay when you should have. A typical Spokane home, for example, started last year being worth $160,000 and ended the year being worth $164,900 – a capital gain of $4,900. You don't have to report that, or pay anything to, anyone.

Third reason: if you like your capital gain you can keep your capital gain. Unlike some government promises that turn out not to be true, this one is almost too good to be true – but it is. When you sell your primary residence after living in it for at least two years, you can keep every penny you earn from selling it, up to $250,000 if your are single, up to $500,000 if you are married. This covers most any home you could buy in Spokane. You can do this as many times as you want. If you buy a fixer, spend at least two years living in it while fixing it up, then sell it for a significant profit, all of that profit can go tax free into your bank account to buy your next house!

Finally, if you are a renter, consider this: when you take on a 30 year fixed mortgage on a house (as most home buyers do), the cost of where you live will never go up in 30 years. Consider the power in that. While your renting friends complain every few years about another rent increase, you will never have one – for 30 years.

Buying a house can seem a daunting task with all the numbers and words that come at you. It can seem like climbing a mountain. You have a trail guide waiting for you at base camp. That trail guide toward home ownership is a REALTOR®. A REALTOR® can explain all the numbers, define all the words, and get you in a home.

My colleague REALTORS® are ready to do hard work for you. Talk with a REALTOR® today!

**GET TO KNOW YOUR LOCAL REALTORS!**

*I have been a REALTOR® in the Spokane market for 14 years and strive to provide extraordinary service to my clients. I believe in giving back to my community and am a leader and activist for Spokane. Your dreams matter to me, my goal is to provide a wonderfully memorable real estate experience. Give me a call and let's get started.*

Micheal Chappell
**509-218-0382**
MikeSpokane.com
Windermere REAL ESTATE

**GET TO KNOW YOUR LOCAL REALTORS!**

*Under all is the land and they are not making any more of it!*
*I have sold property from the Canadian Border south to the Blue Mountains, timberland north of Spokane and farmland in the Palouse and west to Grand Coulee Dam as well as recreation properties at Lake Roosevelt.*
*So whether buying or selling rural property, call "the Specialist" and I look forward to working with you this year!*

*Greg Schuster*

**Contact Greg Schuster, Broker**
**Rural Property Sales**
**Coldwell Banker Tomlinson**
**509-993-2545**

COLDWELL BANKER
TOMLINSON

# BEFORE BUYING A HOME, MAKE SURE TO CHECK IT ... TWICE

## A Professional Home Inspection is a Must-Do Before the final Purchase contract

**By Erik J. Martin**
*CTW Features*

What you don't know could hurt you – at least in the case of a real estate transaction. That's why every homebuyer should ensure a contract is contingent upon a satisfactory home inspection.

Especially for older construction, building standards and construction materials have drastically changed. Plus, many properties on the market now have been vacant or in disrepair due to the foreclosure crisis and economic downturn.

With those uncertain variables in play, it's critical to hire a professional home inspector.

"A home inspector in the early 1970s didn't have to concern themselves with lead-based paint or asbestos – those materials had yet to be deemed unsafe," says Reggie Marston, president of Residential Equity Management Home Inspections in Springfield, Virginia. "In the early 1980s, no one was concerned with radon gas or anti-tip brackets on stoves. In the early 1990s, mold was not on everyone's high priority list, and composite building materials were just starting to be installed."

Those are just a handful of the problems that today's home inspectors can detect. It's also essential to check staples like the HVAC system, wiring, roof and foundation.

In addition, home inspectors are uniquely qualified to catch hard-to-see problems like code violations.

Hidden hazards can include improperly spaced balusters on railings, defective garage-door safety features and inoperable windows that reduce the number of fire exits in a residence, says Kurt Salomon, past president of the American Society of Home Inspectors. Once, he says, an inspector found residual chemicals in a house that had been used as a secret meth lab.

And, the rash of repossessed homes has only made their jobs harder. Since many foreclosed properties have sat vacant for months – even years – damage from water, mold, deterioration and vandalism are prime concerns.

According to a 2012 poll conducted by ASHI, nearly 90 percent of all American homeowners surveyed said home inspections boost their confidence in a home purchase. Eighty-four percent said they would be more likely to purchase a foreclosed or short-sale property if it passed a home inspection.

"The purpose of a home inspection is not to assemble a list of normal wear-and-tear or cosmetic items but to identify the home's most pressing problems to be addressed in an effort to save the buyer money in the long run," Salomon says.

After the inspection, the buyer and seller negotiate to see if any of the problems will be fixed or if there will be price allowances for necessary repairs. Even if the contract doesn't change, Salomon says, "The buyer will still benefit from having the knowledge of defective or unsafe components and systems."

Some sellers will have a home inspection completed prior to listing a home, says Susan Aviles, broker with Aviles Real Estate Brokerage in Mount Pleasant, South Carolina.

In other cases, a real estate agent may insist that a home inspector of the buyer's choice conducts the inspection. Either way, Aviles says, she would never recommend that a client forgo a home inspection.

Regardless of the age of the structure or appearance, an inspection is necessary. Even brand-new homes could have issues with builders cutting corners or recent DIY home improvement projects gone awry.

When shopping for a home inspector, choose one who meets state licensing/certification regulations (visit www.ashi.org for more details). He or she should have several years of experience and come highly referred by someone you know.