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WEB REVIEW: FINANCE

Affordable housing **Find Funds Fast**

A searchable online database allows users to track down affordable housing grants and funds.

BY CHRIS LEPORINI

Helping first-time buyers achieve their homeownership dreams can bring you rewarding personal moments in your real estate career, as well as generate steady revenues for your business. New buyers constitute a significant portion--42 percent--of total home sales, according to the *2000 NATIONAL ASSOCIATION OF REALTORS® Profile of Home Buyers and Sellers*. But finding affordable housing poses obstacles for new buyers in many areas, especially for those with low-to-moderate incomes. HomeBuyerFunds.com contains information you can use to give these customers a leg up on purchasing a home. The site claims to be the nation's largest clearinghouse of financial resources for current or future homeowners. Its searchable database collects financial aid resources for home purchases and improvements, including grants and funds from government agencies, non-profits, and financial institutions.

The heart of the site is its "Funds Finder," an easy-to-use tool that allows users to track down affordable housing programs in their area. First, click your state on a U.S. map or from a pull-down menu. Next, select whether you are searching for funds for purchase, rehabilitation, or construction. Finally, select the county and city or town in which the property is located. The tool scours HomeBuyerFunds.com's database for listings that meet your clients'

criteria. Each listing includes a brief summary of the program, including its sponsoring institution or agency, geographical target area, and purpose, as well as contact numbers to seek out more information. The database assembles a broad range of resources, from free grants to 0-percent interest loans. Some of these programs are government-sponsored initiatives, such as the U.S. Department of Housing and Urban Development's "Officer Next Door" and "Teacher Next Door" programs, which allow qualified police officers and teachers to receive 50 percent discounts on HUD-owned homes. Others are charitable organizations such as AmeriDream, which provides downpayment assistance to low-to-mid-income buyers.

HomeBuyerFunds.com also offers several online calculators. These tools can prove an invaluable financial planning tool for first-time buyers unfamiliar with the homebuying and mortgage process. They include

· [**Maximum Mortgage Amount Calculator**](#)

Estimates how large of a mortgage a buyer can afford based on criteria including regular income, expenses, and debt, as well as desired loan terms and interest rates.

· [**Downpayment Calculator**](#)

A simple calculation that uses the home's purchase price and desired downpayment percentage to compute the downpayment amount.

· [**Closing Costs Calculator**](#)

Tabulates the amount of cash a buyer will need for a home purchase, including the downpayment; appraisal, credit report, and inspection fees; closing costs; and "settling in" costs (such as a new dishwasher, washing machine, or roof).

· [**PITI Payment Calculator**](#)

Estimates the monthly principal and interest payment on a loan, using the term of the loan in years, interest rates, and loan amount.

· [**Housing to Income Ratio Calculator**](#)

Computes a buyer's Housing to Income Ratio based on the PITI Payment and gross income. Lenders prefer not to allow monthly housing costs (including property taxes, insurance, and mortgage payments) to exceed 28 percent of a buyer's monthly gross income.

· [**Total Debt to Income Ratio Calculator**](#)

Determines how much money buyers owe, compared to how much they earn. Generally, total long-term debt shouldn't exceed 36 percent of monthly gross income, the site advises.

Programs to aid first-time homebuyers are out there; sometimes it

just takes a little research to dig them up. HomeBuyerFunds allows you to assist customers in investigating which funds are available in your area. You can use its database to help new buyers overcome affordability obstacles and receive the satisfaction of being the first to tell them, "Welcome to your new home."

Have a favorite real estate Website that you would like to see reviewed? Send your suggestions to Chris Leporini at cleporini@realtors.org. All decisions on which sites will be reviewed are completely at the discretion of RealtorMag Online's editorial staff. Please note: this column does not review individual practitioner or brokerage sites.

The column's focus includes free sites, as well as sites that charge for goods and services, but which still offer a free component of practical, sustained value to real estate practitioners, such as a free newsletter or regular news information.

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