

The image features four white, 3D house models with red roofs, arranged in a line on a dark wooden surface. The houses increase in size from left to right. The text is overlaid on the scene.

HOUSING RIGHTS AND RESPONSIBILITIES

GUIDELINES TO RENTING, BUYING AND SELLING PROPERTY

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Licensed in NY State since 1980
Concentration in residential
Listing and sales

Deciding whether to rent or buy

Renting – cost/benefit

Benefit

- Limited maintenance responsibility
- Fixed cost for term of lease
- Quicker move with new opportunities
- Upfront cost of buying can be invested
- Allows time to get to know neighborhoods

Drawback

- Equity buildup accrues to owner's benefit
- Tax shelter benefits the owner
- No freedom to make changes to the property
- Dependent on landlord when problems arise
- Limited control of cost increases

Considerations when renting

- Determining a reasonable rent
 - What are my monthly fixed costs?
(food, clothing, medicine, car, insurance, etc.)
 - How much do I need to save?
 - How much do I need for fun stuff
(entertainment, eating out, gym, coffee, etc.)
 - How much do I need to pay taxes?
 - Do I want to put money aside to purchase?
 - How much will I have to pay for utilities?
 - Rent should be within 30-35% of net income
 - Watch out for online scams – (Craig's list example)
- Making rent affordable
 - Cutting back on non-essentials
 - Sharing space with a house mate

Getting your paperwork in order:

- Driver's license or ID
- Social Security number
- Month of pay stubs to verify income
- A letter of employment
- Rental history for 2 or 3 previous addresses
- Personal references attesting to your character
- Application fee (usually \$50-100)
- Detailed paperwork if you have bankruptcy or liens
- Name and contact details of any co-signers

You will likely be asked to authorize credit and background checks by the rental agent

Rights as a tenant

- Treated according to fair housing requirements (see form)
- Protected classes in New York State: race, creed, color, national origin, sexual orientation, gender identity or expression, military status, sex, age, disability, marital status, **lawful source of income**
- You must receive reasonable rent increase notice:
 - Only at end of lease term unless contractual
 - 30 days notice up to 1 year,
 - 60 days if between 1 & 2 years
 - 90 days if more than 2 years
 - Rent regulated properties require 90-120 days
- Bounced check fees limited to \$20 maximum.
- Landlord cannot raise rent in retaliation for filing a fair housing complaint

Entitled to full disclosure of agency relationships (see form)

Right to living space that is safe and healthy

Right to quiet enjoyment and reasonable notice

Responsibilities as a tenant

- Pay rent in a timely manner
- Keep the property clean and free of trash
- Make some small repairs and maintenance
- Inform the landlord when major repairs are needed
- Keep fixtures clean and sanitary
- Keep peace with other residents and neighbors

Where to go for help

Health and safety	County health department
Fair Housing problems	Department of State
Property Condition	Code Enforcement
Legal Issues	personal lawyer or Legal Aid



Documents when buying or renting

Fair Housing documents
Agency Disclosure
Lead Paint disclosure

Buying – cost/benefit

Benefits

- Long term equity build up
- Diminishing cost over time
- Creation of an asset
- Income tax advantages
- Freedom to decorate and improve
- A place of your own
- Potential for income production

Drawbacks

- Responsible for mortgage payments
- Responsible for tax payments
- Responsible for upkeep and maintenance
- Can be difficult to move on

The financial calculation – four steps:

- Calculate the monthly cost of ownership (principal, interest, taxes and insurance)
- Calculate the tax benefit
- Subtract the tax benefit from the cost
- Compare after tax cost v. market rent for comparable property.

Example: 3 bedroom house for \$100,000, FHA financing 97% at 4% interest, taxes \$3000/yr, insurance \$600/yr:

- 463.09 P & I \$763.09 PITI
- 250 Taxes - 228.93 Tax ded.(30%)
- 50 Ins \$544.16 after tax
- 763.09PITI

- \$3000 down payment
- \$3395 closing cost
- \$3600 tax and insurance escrow
- \$9995 total cash

- Preparing to buy
 - Study the market - buyer's market/seller's market
 - Know your credit score (min. 620, above 700 best)
 - Save for down payment and closing costs
 - Avoid credit purchases and large purchases
 - Do not co-sign on someone else's loan
 - Keep active accounts open with low balances
 - Keep your job (2+ years)
 - Keep your bank
- Pre-approval letter (before actively looking)
- Build or keep credit above 700 if possible
- Keep credit card balances under 33% of max
- Pay on time



Hire a professional Real Estate agent

Hire as your agent – buyer agreement

Agency relationships

Realtor – code of ethics, higher standard

“legal ease” guide you through
maze of paperwork

Parties to a home purchase

Sellers

Buyers

Appraisers

Engineers

Lender representative

Title company

Home inspector

Seller’s attorney

Buyer’s attorney





Who Is Directing YOUR Transaction?

Sellers
Buyers
Appraisers
Engineers
Seller's Attorney
Buyer's Attorney
Title Company
Home Inspector
Bank Representative

Your Real Estate
Professional

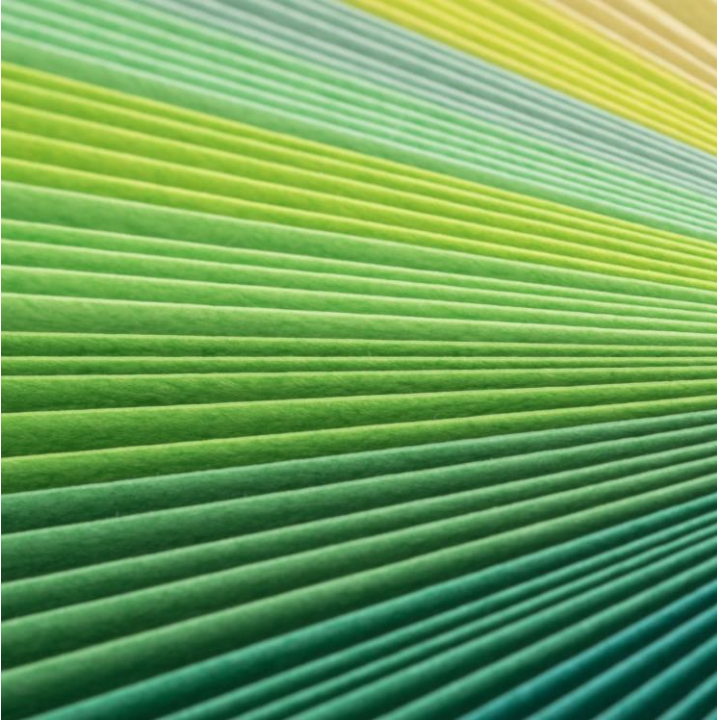
DIRECTOR

Costs to consider when buying

- Down payment
- Appraisal
- Survey map
- Title Insurance
- Property Insurance
- Transfer tax
- Recording fees
- Taxes, utilities and condo fees
- Mortgage default insurance
- Home warranties
- Legal fees
- Moving costs
- Commissions

Be sure you count the cost when considering a purchase

(lender and Realtor will help with this)



LOAN APPLICATION CHECKLIST



- Real estate contract with legal description and deposit receipt.
- Check for appraisal and credit report, varies with lender.
- Name and complete address of last two years of residence.
- Name and complete address of last two years landlord or mortgage company.
- Explanation letter regarding any employment gaps over the last two years.
- Name and address of last two years employers with dates.
- Explanation letter of any credit deficiencies.
- Social Security Numbers of all borrowers.
- Current gross monthly income figures.
- Copy of paystubs covering a 30-day period and last two years W2s and or 1099s.
- If income is derived from other sources, two years tax returns, both business and personal with all schedules, signed.
- If self-employed, current profit and loss on income and expenses.
- If divorced, copy of complete recorded decree and settlement.
- Name, address, and account numbers of all places where assets are held (checking, savings, CD's, IRA's, etc.) 3 month's of most current statements.
- List of stocks, securities with market value – certified copies.
- Estimate of cash value of life insurance.
- Schedule of real estate owned, with value, lien, rental income, payments.
- Year, make, and model of vehicles.
- Estimate value of furniture and personal property.
- Name, address, numbers, balance and payments of installment loans
- If child support is being paid, proof of payments.
- If relocating, information regarding buy-out of house, payment of closing costs, etc. from company.
- If selling current house, copy of listing agreement or contract.
- Homeowner's Insurance documentation.

Additional Requirements for FHA/VA Loan Applications

- Copy of Driver's License and Social Security Cards
- Name and address of nearest living relative.
- Copy of DD214 and/or original Certificate of Eligibility (VA only).
- Child care expenses must be provided.

Help for Sellers in Distress

- I have enjoyed owning my home, but now I am in trouble and can't make my payments -- what do I do?
- First, don't panic
- Communicate with your lender
- Talk to them when they call even if you can't pay now

You have options :

- Reinstatement – all past due amounts paid
- Forbearance – bank agrees to accept back payments
- Refinance – arrange for a new loan
- Modification – lender reworks the payment terms
- Deed in lieu – (hand over the keys)
- Bankruptcy – Wipes out debt obligation
but still responsible for the property
- Short Sale – bank agrees to accept less than is owed
- Foreclosure – bank receives property back

- Things to consider with foreclosure:
 - 120 days before bank can begin the process
 - FHA/VA default stays on credit for 7 years
 - (short sale stays on for 3 years)
 - Must be disclosed on job applications
 - Lowers credit score
 - Shows on credit reports
 - Can impact current job
 - Shows on security clearance reports
 - Can lead to job loss where security clearance
 - Is required
 - Lenders can sue with deficiency judgement
 - (Be sure lender waives this right)
 - Forgiven debt is considered taxable income
 -
 - Consult with a qualified attorney, accountant and/or Realtor
 - with skills and practice in this area.

Questions?



If you need additional explanation or have specific questions about a personal concern, you can reach me at:

Call or text 315-382-0074

Email Jharriff@remax.net