

# HABITAT FOR HUMANITY HOMEOWNER HANDBOOK



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Midland County  
Habitat for Humanity

# HOMEOWNERS HANDBOOK

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# Welcome

**Your dream has come true.** This is your Habitat home: a simple, decent place to live and truly call your own. And there is something extra special about your home. It was built/rehabbed by people who care. It was worked on by friends, and your *own* hands.

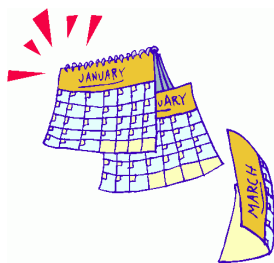
This handbook is a guide to help you be a responsible homeowner and to take charge of your financial well-being. In short, it is meant to help you tend to your home...and live the dream that defines Habitat for Humanity.



# Habitat Home Economics



**Habitat** offers affordable payments on your home loan. This is meant to help ensure that you can afford monthly payments and, eventually, pay off the loan. After you have paid off the loan, the home is yours-free and clear.



## ***Paying on a Timely Basis***

To someday own your home free and clear, you will have to make a single house payment due on the first of each month to Habitat for Affiliate Mortgage Services (our mortgage loan servicer) 618 S. Creyts Rd., Suite C, Lansing, MI 48917. It is your responsibility to make each payment on time. If a crisis-such as losing your job happens, please contact the Affiliate Mortgage Services as soon as possible to help avoid late payments and keep the home.

Your monthly mortgage payment will consist of: the principle payment, the escrow amount and a monthly service fee to maintain the account.

# Homeowners Insurance

While you have a loan from Habitat, you must have homeowners insurance. Even after you pay off your loan, homeowners insurance is still critical. It will protect your home from certain disasters, such as a fire or tornado.

It is your responsibility to purchase homeowners insurance. It is best to get more than one quote.



There are many types and features of homeowner's insurance policies. Most basic homeowner's policies provide *some* coverage for the following:

- The house
- Belongings in the house (such as furniture, clothing, and so on)
- Accidents that occur on your property

Just how much coverage you have depends on the type of policy you own. Having the right amount of insurance is important. When deciding on an insurance policy for your home; research on the internet, or talk with an agent. Then decide what type of policy is right for you and your family.

Review your policy annually to be sure that you have adequate coverage and affordable pricing.

# **ESCROW ACCOUNT**

Your monthly mortgage payment will include money collected each month to deposit into an escrow account. This money is accrued over a 12 month period to pay for homeowners insurance and property taxes as they come due.

Habitat for Humanity Michigan Fund will pay your insurance and property taxes on your behalf as they come due. Your insurance company will request the funds from your escrow account as the premium comes due on an annual basis.

Property taxes are also disbursed from your escrow account on your behalf to the appropriate municipality. The city of Midland and Midland county towns and townships have summer and winter taxes. The summer taxes are due in September and winter taxes are due in February.

Habitat for Humanity Michigan Fund will review your escrow account on an annual basis to be sure that the account is funded adequately to cover the payment for your insurance premium, summer and winter taxes.

When you have paid off your mortgage and you own your home, the homeowners insurance and annual property taxes will be your responsibility to pay. Be sure to plan accordingly for each as they come due.

# Securing Your Financial Future



Buying a home of your own is a major step in securing your financial future. But, owning a home means new financial responsibilities. You may have to pay bills you have never paid before, such as water or heat. You will need to set aside enough money each month to make house payments on time, take care of repairs or maintenance, pay utility bills, and so on. You also need to save for a “rainy day,” whether that means losing a job or having to pay an unexpected bill.

## Spending Plan

If managing money has not been your strong point until now, do not be discouraged. The average family wastes 30 percent of its money (that’s right 30 cents out of each dollar) through poor spending habits. To avoid this waste, you need a plan—a spending plan.

A spending plan is simply a way of making sure your money goes where it needs to go. There are four steps to making a spending plan:

1. Identifying your income
2. Listing your expenses
3. Comparing income and expenses
4. Setting priorities and making changes

For a spending plan to work, it must be accurate, don’t overestimate your income. Also, don’t forget about bills that only come due every few months or so, such as car insurance. In this case, list an average each month. For example, if you pay \$450 for car insurance every six months, you must save \$75 each month to pay the bill ( $\$450 / 6 = \$75$ ).



The following worksheets can help you set up a spending plan. Consider making several copies of these pages so you can use them throughout the year.

It may feel awkward at first to keep track of all your expenses. But, remember, all new things feel awkward. Stay with it! In time, you can start saving for long-term dreams, such as paying for further education (for yourself or your child) or having a comfortable retirement.

## STEP 1

### Identifying Income

Sources	Per Month
Wages (yourself)	\$ _____
Wages (others in household)	\$ _____
Tips or Bonuses	\$ _____
Child Support	\$ _____
Unemployment Compensation	\$ _____
Social Security or Supplemental Security Income	\$ _____
Public Assistance	\$ _____
Food Stamps	\$ _____
Tax Refunds	\$ _____
Interest	\$ _____
Other	\$ _____
<b>Total Monthly Income</b>	<b>\$ _____</b>

## STEP 2

### Listing Expenses

#### Sources

#### Per Month

House Payment	\$ _____
Natural gas or heating fuel	\$ _____
Electricity	\$ _____
Water	\$ _____
Telephone/Cell Phone	\$ _____
Groceries	\$ _____
Snacks/Meals eaten out	\$ _____
Transportation (bus fare, gasoline, car repairs, etc.)	\$ _____
Child Care	\$ _____
Alimony or spousal maintenance	\$ _____
Support to parents or other relatives	\$ _____
Life insurance premiums	\$ _____
Car insurance premiums	\$ _____
Doctor or dentist bills	\$ _____
Taxes	\$ _____
Pet Care	\$ _____
Union dues	\$ _____
Clothing/uniforms	\$ _____
Tithing or charitable donations	\$ _____
Loans	\$ _____
Credit cards	\$ _____
Personal (toiletries, allowances, etc.)	\$ _____
Savings	\$ _____
Home repairs	\$ _____
Miscellaneous (cable TV, classes, etc.)	\$ _____
<b>Total Monthly Expenses</b>	<b>\$ _____</b>

## Comparing Income and Expenses

Write down your total monthly income (from Step 1) \$\_\_\_\_\_

Write down your total monthly expenses (from Step 2) \$\_\_\_\_\_

Subtract expenses from income and list amount here \$\_\_\_\_\_



## STEP 4

### Setting Priorities and Making Changes

Was there money left over at the end of the month? Congratulations! If you treat it wisely, like putting it into savings, you will be well on your way to reaching other financial goals, such as paying for further education or a comfortable retirement. We will talk more about savings later in this handbook.

But, maybe, your expenses were more than your income. Then what? First, look carefully at how you spent the money. Too often our money takes a detour from our goals and we have to take steps to get back on track.

Getting back on track means two things; cutting back expenses, or increasing income, or both. Now that you know your expenses, it will be easier to cut them.

If your spending plan shows that you regularly have many more expenses than income, you probably have a debt problem. Some ideas for getting out of debt are discussed in the next chapter. If your expenses and income are close, but you haven't been able to set aside any money for savings, then refer to the highlighted section *Plugging Spending Leaks*, on the next two pages.

Increasing income is another option you and your family members can consider. Some ideas include:

- ❖ Looking for a better-paying job (this may require improving work skills or getting more education.
- ❖ Taking on a second job
- ❖ Having other family members work and contribute to the household income
- ❖ Turning a hobby into extra income
- ❖ Selling unwanted items (for example, at a yard sale)

# Plugging Spending Leaks

Spending small amounts can add up to big bucks over time. Use the chart on the next page to see where the money might be leaking out of your pocket. Plugging these leaks will put cash in your pocket or allow you to save for a goal. List any other small but frequent, purchases you make and see how much these “minor” purchases cost you over a year.



## SPENDING LEAKS

Item	Cost of Item	Cost per Month	Cost per Year
Soda/Coffee (example)	\$2.00	\$60.00	\$720.00
Snack/convenience store purchases			
Eating Out			
Entertainment			
Media; Netflix/gaming			
Cigarettes			
Gifts			
Dry cleaning			
New Clothing			
Premium cable/satellite channels			
Cellphone + Add Ons			

# Climbing Out of Debt



**Debt** is like a sinkhole; it keeps getting deeper unless you do something about it. It is easy to get into debt; it's much harder to get out of it. Still, there are options. It will take time and commitment. But taking action is far less stressful than watching the debts grow. Follow the steps below and then use the Debt Recovery worksheet on page 17.

- Stop getting any further in debt. For example, if you are in debt because you charge more on your credit cards than you can pay off each month, then stop using the cards until the debt is gone.
- Determine where you are in debt. Do you owe many businesses or just one or two?
- Read the fine print on credit card invoices or other loan agreements. Is the total amount due? What will happen if you miss or are late with a payment? Could an item be repossessed?
- If in debt to a few businesses, call them and try to negotiate for smaller payments-at least for a while. Call them before you miss a payment. This may be a difficult step; still it's less embarrassing than receiving telephone calls from creditors (possibly while you are at work) demanding payment.
- If you owe many businesses, it may be time for outside help. Consider working with a nonprofit debt counseling service, such as Consumer Credit Counseling Service. They can work with you and your creditors to set up a repayment plan. Their telephone number is listed in the business section of the White Pages. You can also locate the nearest office on their Web site at [www.debtadvice.org](http://www.debtadvice.org).



**10**

## **Signs of Debt Problems**

**1**

You spend more than 20 percent-  
\$100 out of \$500-  
of your paycheck to pay off  
car loans and credit cards

**2**

You are borrowing to  
pay off other debts.

**3**

You do not know how much  
money you owe.

**4**

You make only the minimum  
payments shown on each bill.

**5**

You miss payments, or you pay your  
bills late every month

**6**

Creditors telephone you  
Or come to your house

**7**

People or stores refuse to  
give you credit

**8**

You borrow from retirement accounts or  
Use credit cards to pay normal monthly bills

**9**

You write postdated checks-checks with  
a date later than the day you write them-  
or you bounce checks regularly.

**10**

You take an extra job to pay  
expenses.



- Review your spending plan. Look for ways to cut expenses where possible. For example, can you ride the bus or walk to work instead of driving? Can you bring “brown bag” lunches instead of eating out?
- Try to find ways to increase income. Are there other family members who could contribute financially? Can you work extra hours at your job? Is a second, part-time job an option?
- Try to consolidate the debt. It is more effective to pay a larger amount on one loan than it is to pay small amounts on several loans. If you owe money on several credit cards, try to move the balances onto the card that charges the lowest interest rate. Or, check with your bank or credit union and see what loan options are available to you. If you do consolidate the debt, it’s important that you avoid any new loans.
- Above all, do not ignore bills and past due notices. A poor credit record will follow you for years. It could even hurt your chances of getting a job



# Debt

## Recovery Worksheet

Make several copies of this worksheet, one per creditor. Then list how much you owe to that creditor and how much you will pay each month. Soon, if you make steady payments, you will see the amount owed go down. It will be reduced even faster if the amount you pay each month is more than the monthly payment due. Put your worksheets in order starting with the highest interest rate and going to the lowest. When one debt is eliminated, celebrate your progress (without using money). To accelerate getting out of debt, add the payment you were making on this debt to the amount you were paying on the next highest interest rate debt.

Creditor: \_\_\_\_\_

Debt is for: \_\_\_\_\_

interest rate	amount owed	Monthly payment	payment due date	amount paid and date

Or you can try a free online debt calculator:

[www.powerpay.org](http://www.powerpay.org), this site will give you the tools to develop a personalized, self-directed debt elimination plan.

# Avoiding Future Financial Sinkholes

If you are out of debt, or getting out of debt, you will want to avoid any financial sinkholes in the future. Let's look at some common sinkholes and ways to avoid them.

## Furniture-Mania

When moving into a new home, it's only natural to think about having new things-especially new furniture. But buying a house full of new furniture can land you in deep debt. In fact, your taste in furniture easily could change before you pay off the furnishings.

You can fulfill your desire for new things without landing yourself in unnecessary debt by:

- Trying to look at your old furniture in new ways. Move individual pieces into different rooms and have the furniture serve a different purpose. For example, an old chest of drawers could be useful in the kitchen, hallway, or bathroom for additional storage.
- Looking for bargains at garage sales and thrift stores. Check with relatives to see if they have furniture that is no longer wanted.
- Being imaginative. A new coat of paint-especially now that so many interesting painting techniques are easily available-can make the old new again. Change small items, such as knobs or hinges, for a new look. Learn how to refinish furniture.
- Moving beyond the idea that everything has to match or be part of a set. Some of the most interesting homes are made up of unique individual pieces of furniture. Give yourself (and your wallet) time to think about and afford the items that would make your home individual and comfortable.



# Credit Cards

A credit card is a loan - an expensive type of loan since the interest often is more than 16 percent. Few people would take out numerous bank loans at one time, yet the average American family carries seven to nine credit cards from department stores, gas stations, banks and so on. Many of these families have balances across several of these cards at the same time. That's how they get into trouble.



The trouble gets worse if you are only able to pay the minimum amount. Look at how long it will take to pay off a \$1,000 balance on an 18 percent credit card if you make only minimum payments of \$20: you'll be paying for 7 ½ years and spend over \$800 in interest charges!

It is always best not to use credit cards at all. Get into the habit of paying by cash, check, or debit card. Some retailers will even give you a discount if you pay in cash instead of by credit card.

If you must use a credit card, keep this advice in mind:

- Use only one or two cards.
- Keep track of what you charge just as you would a checking account. That way, you won't be shocked when the statement arrives the next month.
- Use cards only for essential needs.
- Try to save for big-ticket items instead of impulsively putting them on the card.
- Always pay more than the minimum balance due. Better yet, pay off the balance each month.
- Use a low-interest rate, low or no annual fee card. Shop around. Rates vary widely. (Retail cards charge the highest interest rates.) You can search for low interest rate cards online at [www.bankrate.com](http://www.bankrate.com).
- If the balance begins to mount, quit using the cards for a while.
- If the balance continues to mount leave the cards at home.
- If the balance still continues to mount, call the credit card companies and close the accounts.

## **Too-Good-To-Be-True Offers**

Be prepared for a lot of companies to offer you money; in fact, they will send a check already made out to you. Just sign the check and take it to the bank. Sounds easy, doesn't it? That's because these offers are loans. Once you sign the check, you agree to pay the money back plus the interest rate they charge. And the interest they charge will be high, sometimes as much as 20 percent-or even more!

Some companies also may tempt you with offers to refinance your mortgage. These offers are especially dangerous since you will be putting your house on the line. Refinancing companies may promise to put some cash in your pocket now, but remember, these businesses will charge you interest on this loan-and the interest rate likely will be high. Frankly, a 0 percent interest rate on your Habitat loan is the best deal you can get-keep it!

Beware of all "easy money" offers-especially those that involve the mortgage on your home. Before you change the financing on your home or take any other major loans, talk with your Habitat affiliate.

## Pawnshops

Some people use pawnshops as a way of getting a quick loan. But the amount of money is only a fraction of the item's value. Many pawnshops now make loans based on car titles. These loans can be particularly risky and you could lose your car.

## Check-Cashing Stores

Check-cashing stores charge you a fee for cashing your check. Often, the charge is \$3 or \$4 for each \$100 of your check. This may not sound like much, but if you regularly cash your paycheck at one of these stores, it could cost you several hundred dollars (or more) each year!

## Payday Loans

Many check-cashing stores also make "payday loans." Payday loans are really short-term loans that come at a very high price. You generally write a check for the amount you wish to borrow, say \$200, plus a fee (typically 15%). The store agrees not to cash the check until the next payday. What happens if you don't have the \$200 plus the store's fee next payday? You can carry over the loan, but you will pay a large fee. This cycle can keep going and going, as long as you pay the fees. In time, you could pay as much as 650 percent in fees and interest charges. Why so much? Because many states have no rules limiting the amount of fees these stores can charge.

### Vivian's Story

In January, Vivian needed money to pay Christmas bills and thought a car title loan from the pawnshop was a good idea. She got \$1,000 from the pawn shop (although her car was worth \$5,000) she gave them her car's title. Vivian promised to pay the loan in six months.

Each month, the pawnshop charged her 10 percent for the loan, plus the loan payment. In May, she could not make her car loan payment. The pawnshop came and took her car away (charging her a repossession fee of \$50.) In June, she had the money to pay off the balance of the loan, plus the \$50 to get her car back. When she went to pick it up, the shop charged her another \$150 for car storage; they also told her they were getting ready to sell her car. In short, this is what the loan cost Vivian:

- Loan amount                      \$1,000  
(pawnshop gets the title to the car worth \$5,000)
- Interest charges                \$600  
(10% a month for six months.)
- Repossession charge        \$50
- Car Storage Charge        \$150  
(\$5 a day for 30 days)
- **Total Cost:**                      **\$1,800**

Vivian was shocked that she came so close to losing her car and paid, in effect, an 80 percent interest rate. After paying the money and getting her car back, Vivian made two promises to herself: (1) never use her car title again to get a loan, and (2) never to spend so much at Christmas that she needed a loan.

## Renting Your Furniture and Appliances

Now that you have a new home, you may want to fill it with all new furniture and appliances. Renting these items may sound tempting. Be careful! By the time you have paid enough rent to buy the items you will have paid 3 to 10 times as much as they cost. Look at how renting costs can add up.



Flat Screen TV (Department Store Price) (32 inch LED)	=	\$ 400.00
Weekly rental	\$15.99 x 65 weeks	= \$ 1,039.35
6% sales tax	\$.96x65 weeks	= \$ 62.40
Delivery fee	\$25 (once)	= <u>\$ 25.00</u>
<b>Total Cost of renting a TV</b>	=	<b>\$1,126.75</b>



## Saving Simply



**You** may think there is no way to save any money. But most people can save small amounts. If you can spend just \$1 a day less than you did today, that's progress. The important thing is to start and, then, be consistent.

Here are a few ideas to get you started:

- Try putting \$1 a day, plus pocket change, into a can or jar. (At the end of the month, you will have about \$50. In a year, you will have about \$600.)
- When looking for a better job, consider only employers who offer good benefits, such as health coverage or life insurance. If your employer provides these benefits, you won't have to pay for your own coverage.
- Put a refund, raise or bonus into savings.
- Include "savings" as part of your spending plan. Make it a priority above spending for things like renting movies or eating out.
- Send in product rebates.
- When you need items, shop at the thrift stores and garage sales.
- Break costly habits, such as smoking, and save the difference.
- Take advantage of tax breaks for low-income families. (See the highlighted section, Tax Tips on page 26).
- Try to have money automatically deducted from your paycheck and deposited into a savings account.
- After paying off a loan, put that same amount each month into savings.

For other ideas, review the highlighted section, Plugging Spending Leaks on page 12.

If you are like most people, you probably have many goals for your savings. It may be difficult to decide how to target this saved money. Which goal should come first? In general, there are three areas for which you need to save:

1. An emergency fund
2. General savings
3. Retirement

## **Emergency fund**

How would you make your house payment if you were laid off from work or had to pay a large doctor's bill? The best way is to save now so the money will be there



for an emergency in the future. Your emergency fund is to be used only for true emergencies, not for going out to dinner or buying a new TV.

Try to set aside a specific amount each month. It is usually better to put the money in a bank account, where it can earn interest, rather than leaving it at home, where you can get to it easily.



## General Savings

Your general savings can be used to buy Christmas gifts, furniture, or a vacation. If you buy things using only the money in general savings, you won't have to pay loan fees or high credit card interest rates.

Again this money should be put into a bank account. Ask your bank to put a block on the account so you cannot take this money out from an automatic teller machine. This step can help avoid "impulse" buying.



## Retirement

Retirement may be many years away and you may be too busy to think about it. Or, maybe you think Social Security will be enough to support you. Don't bet on it! Social Security may help, but it won't take care of all your expenses. The good news

is that if you start early, you will have more money when you retire. And it doesn't take a lot of money to get started.

For example, say you put \$50 each month into a tax-deferred retirement account. Also, say the account earns 8 percent interest on the \$50 that you add each month. (Eight percent- or \$8 for each \$100 that you put in-is quite possible if some money goes into stocks and mutual funds.) Here is how your money would grow:

- \$30,000 in 20 years (approximately, before taxes)
- \$75,000 in 30 years
- \$175,000 in 40 years

Many employers offer retirement plans. Some types of retirement plans allow workers to put their own money away for retirement. These are the most popular types of retirement plans today. Some employers even "sweeten the pot" by matching the amount you put in. For example an employer might put 25 cent, 50 cents, or a dollar into your retirement account for each dollar you put in up to 6 percent of your pay). This is like getting a bonus. So it pays to put in as much as you can afford.



## What's Your Priority?



Money only goes so far. How should you target your saved money? Assuming you already have health coverage and some amount of life insurance, start with an emergency fund. It's vital that you have money (at least a few months' worth) set aside to make your

house payment and take care of other necessities. Then, as the emergency fund grows, work on your general savings and retirement.

Don't worry about not being able to do everything all at once. In time, saving will become a habit and it will be easier to set money aside in all three areas.

## **TAX TIPS**

**The earned income credit can help low-income individuals or families reduce their taxes- and maybe get a refund.**

If you use the 1040EZ form (and have no dependents); you can claim the earned income credit on line 8 of the form; if your income qualifies. (For example, in 2016, your income must have been less than \$14,900 for a single person.)

If you use the 1040 or 1040 A form and have a qualifying child or children, you can claim the earned income credit on line 63 of the 1040 form or line 41 on the 1040A form if your income qualifies. (For example, in 2003, your income must have been less than \$39,300 if you had one qualifying child.)

To determine your credit, you can **(1)** use the earned income credit worksheet that is included in your tax instruction booklet, or **(2)** have the IRS figure the credit for you by writing EIC on the earned income credit line on the tax form.

For more information, call the Internal Revenue Service at (800) 829-1040.

C You can also access IRS forms and information at [www.irs.gov](http://www.irs.gov).

**1**

Care for your home and your community, and cultivate good relationships with your neighbors.

**2**

Make your house payment the top priority in your spending plan.

**3**

Avoid debt as much as possible; it can narrow your choices and your long-term potential.

**4**

Invest in your mise, not in possessions. “Things” deteriorate over time; knowledge and skills last.

**5**

Develop long-term goals and dreams. Make a path to them with your time and your savings.

**6**

Protect your family’s future by having an adequate amount of life insurance and a will. Don’t limit their future if they must face it without you.

**7**

Live simply, and let your purchases reflect who you are: your values and beliefs. This is a good model for your children.

**8**

Seek opportunities to expand yourself in your career. Take classes, learn from your supervisors, and be willing to change.

**9**

Encourage your children to work for what they want. It is never too early to develop a good work ethic and savings skills.

**10**

Look for ways to give back to your community. There is no such thing as a “self-made person.” Your future is now brighter because of the caring and active involvement of others. Seek opportunities to keep that caring in motion.

## **Finding Balance**

We've talked some about many things in this handbook. That's because homeownership brings with it new possibilities and potential. Many good things will find their way to you gradually. Don't try to get everything all at once. Enjoy what you have now. Give yourself time to grow into your home and the new life it promises.



## **Before the Move**

### **Establish Utilities In Your Name:**

Electric: \_\_\_\_\_

Gas: \_\_\_\_\_

Water: \_\_\_\_\_

Phone Service (land line): \_\_\_\_\_

Cable or Satellite Service: \_\_\_\_\_

Internet Service: \_\_\_\_\_

**Notify the following of your new address:**

- ☐ Place(s) of Employment
- ☐ Post Office
- ☐ Insurance Companies
- ☐ Credit Card Companies
- ☐ Social Security Administration
- ☐ Health and Benefits Plans
- ☐ Investment Accounts
- ☐ Professional Organizations
- ☐ Family
- ☐ Friends

**Tip:** Collect all of your mail for several months prior to moving to be sure you notify everyone who sends you important mail.

## **Being a Good Neighbor**

*A Good Neighbor  
Doubles the  
Value of Your  
House.*

Living in your Habitat home makes you a part of a wide neighborhood. In fact, this particular neighborhood stretches across the globe. You also

are part of a local neighborhood. Think of your new living situation as a great opportunity to get involved and to know the people who live near you. You'll also want to be a good neighbor yourself, some others are happy to live near because of the pride you show in your home and yard. Have consideration for others; you represent Habitat. Take Pride! Let's look at a few ways to be a good neighbor.

## Pets

As a homeowner, you have the right to own pets. Dogs, cats, birds, and other animals can be wonderful companions. Some animals, like dogs, also can discourage burglars. But untrained or ill-kept animals can ruin relationships with neighbors and damage your home. No one wants to live near someone whose dog is barking constantly or breaking loose to knock over and rummage through garbage cans. And poor training or care is not fair to the animal, either.



Before getting an animal, know what it will take to make it a good member of your family and your neighborhood. Are you willing to devote the kind of time and money it will take? Will you train your animal? Will you supervise the animal's behavior with visitors or small children? Will you see to proper housing, food, and medical care for the animal? If you can't honestly answer "yes" to any of these questions, then wait until you can do so before adding an animal to your family.

## Zoning Laws

Most neighborhoods have rules, or ordinances, that describe the structures and activities that are-or are not-allowed in the area. There also may be a homeowner's group that has rules you must follow. You need to know about these rules. Specifically, find out about these issues:



- The number of unrelated people who can live in your home
- The type of business you are allowed to run in your home
- Regulations about renovations or additions, such as adding on rooms, deck or shed
- Regulations about fencing
- Parking on the street

## Neighbor Relations

It is always more pleasant to live in a community where people like and help each other. To make that happen, you can be proactive by taking the following steps:



- Introduce yourself to your neighbors.
- Pitch in and help neighbors in need. If your neighbor's car battery is dead, maybe you could offer a jump start; or, if an elderly couple lives nearby, perhaps you could shovel the walkway to their home after removing the snow from yours. Simple friendly gestures go a long way toward forming good neighbor relations.
- Always respect your neighbor's rights. Let them know you are willing to talk through any problems.
- Keep your yard clean. Show pride!
- Consider organizing a Neighborhood Watch program on your block. Your local police department can give you details to get started.
- Join your neighborhood or homeowner association, if there is one. Help shape the decisions that affect your community.







# Home Care And Repairs

In the past, did you call the landlord when something went wrong at home, like the heat didn't come on? Well, now you are the landlord, and when something is broken and must be fixed or replaced, you are in charge. You don't need to feel overwhelmed. Your Habitat affiliate can give you a list of subcontractors who can fix everything from plumbing to electrical, from heating/cooling to appliances, or even floor covering problems. Your Habitat office also can tell you what elements in your home are under warranty.

Over time, minor repairs will arise. You will save a lot of money if you know how to do basic repair work yourself. Ask talented friends to show you how to fix leaky faucets, torn screens, or broken fences. Sometimes local community or recreational centers, or even hardware stores, hold no-cost or low-cost classes on basic home repairs. The internet could also be a good source of information on many types of repairs.



It's just as important to take steps to keep problems from arising. Let's look at some basic home care issues.

## Home Maintenance Checklist

Owning your own home is a great financial investment. Taking a little time each month to maintain your home will help prevent problems, preserve its value, and prolong the life of the appliances and structures that support it. This document provides a sample schedule for recommended monthly home maintenance tasks, as well as a list of tasks that should be performed bi-monthly, seasonally, etc.

### ***Other Helpful Hints:***

Create a filing system for your home. For example, have a folder of major home appliances and systems, where instruction manuals and warranty information can be saved. Create folders for monthly bills so historic data can be used to help develop budgets and usage patterns. Keep all important documents organized in a safe place, possibly a fireproof lockbox.

When hiring contractors for major home repairs; consider asking Habitat, friends, family, and neighbors for their recommendations. For significant work, many contractors provide free quotes. It is best to gather at least three quotes when selecting a contractor.

### **January**

- ☐ Wash walls and baseboards.
- ☐ Review and Test “Family Emergency Plan”- for fires, weather and other emergencies.
- ☐ Clean Laundry Appliances- exterior and interior- including lint traps and exhaust lines.
- ☐ Because humidity levels are low- wooden items shrink and any cracks or gaps open wider. Fix squeaky floors, stairs or loose trim.
- ☐ Test smoke detectors

### **February**

- ☐ Repair any cracks or nail holes in drywall and plaster.
- ☐ Lubricate hinges, door locks, and cabinet hardware and appliance parts, with penetrating oil such as; WD40, 3 in 1 oil, etc...
- ☐ Clean Kitchen appliances- including the refrigerator drain pan and coils- along with the range hood filter.
- ☐ Clean Stovetop and Oven.
- ☐ Straighten and clean closets.

### **March**

- ☐ Check all sinks and plumbing fixtures- repair or replace any leaking parts.
- ☐ Unscrew and clean debris from faucet aerators.
- ☐ Check and re-caulk sinks and tub as needed.
- ☐ Clean Bathroom exhaust fans and light fixtures.
- ☐ Replace filters; furnace, ERV/HRV, range hood, & heating/cooling systems.

### **April**

- ☐ Connect outdoor hoses and open valves supplying water to outdoor pipes.
- ☐ Inspect outside of house from rooftop to foundation walls, and make any necessary repairs to the roof and siding.
- ☐ Empty gutters and check that downspouts direct runoff away from the building.
- ☐ Check grading around the house and adjust as needed so rainwater runs away from the house.

- ☐ Check and clean any window wells- remove any debris that may prevent well from draining properly.
- ☐ Examine caulk interior and exterior, around windows and doors for cracks- and repair as needed.

## **May**

- ☐ Test and Replace batteries in smoke detectors.
- ☐ Shampoo and clean all area and floor rugs.
- ☐ Check porches and railings for loose boards and replace or reattach with screws or nails as necessary.
- ☐ Clean porches, sidewalks and driveway. Remove any weeds that may be growing in those areas.
- ☐ Wood porches or decks can be treated with sealer or stain as needed (every two years).
- ☐ Clean and prepare air conditioners and fans as needed.

## **June**

- ☐ Complete any indoor or outdoor painting or touchups.
- ☐ Wash windows (interior and exterior) and ready door and window screens.
- ☐ Fix windows and exterior doors, such as latches and storm doors.
- ☐ Wash Curtains and blinds.
- ☐ Prune or trim any tree branches that may fall during a storm.
- ☐ Weed the flowerbeds.
- ☐ Replace filters; furnace, ERV/HRV, range hood, & heating/cooling systems.

## **July**

- ☐ Inspect and clean outdoor lighting.
- ☐ Hose down vinyl siding.
- ☐ Clean and organize shed/garage.
- ☐ Inspect shed/garage and basement/crawl for any evidence of pests and resolve issue.

## **August**

- ☐ Check driveway, sidewalks and pads for holes and cracks in the concrete. Seal or repair as needed.
- ☐ Clean Kitchen appliances- including the refrigerator drain pan and coils- along with the range hood filter.
- ☐ Clean Stovetop and Oven.
- ☐ Weed the flowerbeds.

## **September**

- ☐ Check and adjust grading around the house as needed so rainwater and upcoming snow runs away from the house.
- ☐ Check and clear gutters and adjust downspouts to direct water away from the home.
- ☐ Have the furnace checked and serviced before the winter heating season.
- ☐ Replace filters; furnace, ERV/HRV, range hood, & heating/cooling systems.

## **October**

- ☐ Clean and store patio furniture, grills and lawn art.

- ☐ Clean and install storm windows.
- ☐ Disconnect outdoor hoses- and turn of water supply to outdoor faucets.
- ☐ Test and replace batteries in smoke detectors.

#### **November**

- ☐ Touch up any interior paint smudges and scratches.
- ☐ Clean lighting fixtures and ceiling fans.
- ☐ Empty, clean and organize all kitchen and storage cabinets.

#### **December**

- ☐ Polish and clean all furniture and wood in home.
- ☐ Evaluate electrical needs of the home and review if an electrician is needed.
- ☐ Replace filters; furnace, ERV/HRV, range hood, & heating/cooling systems.

#### **MONTHLY**

- **Fire Extinguisher:** Check that it's fully charged; recharge or replace if needed.
- **Sink/Tub Stoppers and Drain Holes:** Clean out debris.
- **Garbage Disposal:** Flush with hot water and baking soda.
- **Water Softener:** Check water softener salt drum and replenish salt if necessary.
- **Forced-Air Heating System:** Change filters once a month if user's manual recommends fiberglass filters.

#### **EVERY 2 MONTHS**

- **Wall Furnace:** Clean grills.
- **Range Hood:** Clean grease filter.

#### **EVERY 3 MONTHS**

- **Faucet:** Clean aerator.
- **Tub Drain Assembly:** Clean out debris; inspect rubber seal and replace if needed.
- **Floor and Outdoor Drain Grates:** Clean out debris.

#### **EVERY 6 MONTHS**

- **Smoke Detector:** Test batteries and replace if needed.
- **Toilet:** Check for leaks and water run-on.
- **Interior Caulking:** Inspect caulking around tubs, showers, and sinks; replace any if it is deteriorating.
- **Forced-Air Heating System:** Change semi-annually if user's manual recommends high efficiency pleated or HEPA-style filters.
- **Garbage Disposal:** Tighten drain connections and fasteners.
- **Clothes Washer:** Clean water inlet filters; check hoses and replace them if they are leaking.
- **Clothes Dryer:** Vacuum lint from ducts and surrounding areas.
- **Wiring:** Check for frayed cords and wires; repair or replace them as needed.
- **Range Hood:** Wash fan blades and housing.

#### **EVERY SPRING**

- **Roof:** Inspect roof surface, flashing, eaves, and soffits; repair if needed.
- **Gutters and Downspouts:** Clean them out or install no-clean version. Inspect and repair weak areas; check for proper drainage and make repairs if needed.
- **Siding:** Inspect and clean siding and repair if needed.
- **Exterior Caulking:** Inspect caulking and replace any that is deteriorating.

- **Windowsills, Doorsills, and Thresholds:** Fill cracks, caulk edges, repaint; replace if needed.
- **Window and Door Screens:** Clean screening and repair or replace if needed; tighten or repair any loose or damaged frames and repaint if needed; replace broken, worn, or missing hardware; tighten and lubricate door hinges and closers with penetrating oil; WD40, 3 in 1 oil, etc...

## EVERY FALL

- **Roof:** Inspect roof surface, flashing, eaves, and soffits; repair if needed.
- **Gutters and Downspouts:** Clean out. Inspect and repair weak points; check for proper slope.
- **Chimney or Stovepipe:** Clean flue (more frequently if needed); repair any cracks in flue or any loose or crumbling mortar.
- **Siding:** Inspect and clean siding and repair if needed.
- **Exterior Caulking:** Inspect caulking and replace any that is deteriorating.
- **Storm Windows and Doors:** Replace any cracked or broken glass; tighten or repair any loose or damaged frames and repaint if needed. Replace damaged hardware; tighten and lubricate door hinges and closers.
- **Window and Door Weather Stripping:** Inspect and repair or replace if it is deteriorating or if it does not seal.
- **Thermostat:** Clean heat sensor, contact points, and contacts; check accuracy and replace thermostat if it is not functioning properly.
- **Outdoor Faucets:** If you live in an area with freezing winters, shut off valves to outdoor faucets. Open spigots and drain, store hoses.

## ANNUALLY

- **Septic Tank:** Have a professional check the tank (watch for backup throughout the year). In many areas, it is recommended that the tank be pumped every year.
- **Main Cleanout Drain:** Have a "rooter" professional clean out the main line, particularly if there are mature trees in your yard whose roots could have cracked the pipe in their search for moisture.
- **Water Heater:** Drain water until it is clear of sediment; test temperature pressure relief valve; clean burner and ports (gas heater).
- **HVAC System:** Have a professional tune up your heat/air conditioning system.

# Windows

Broken windows should be repaired right away. They are dangerous to your family and make it easier for someone to break into your home. You will have to decide if the problem needs to be fixed by a glass company or if you can learn to repair it yourself. If you choose the do-it-yourself path, be sure to wear work gloves, long sleeves, pants, and sturdy shoes.



## Screens

Screens will last longer if you avoid pushing on them. If the screen is torn, take the screen and its frame to a hardware store or glass shop and they can fix it or show you how to repair it.

## Painting

For homes with wood siding or trim, expect to paint these areas every five to seven years. If the outside needs paint, don't put it off. The paint helps protect the wood and can keep you from more costly problems. Also, peeling paint takes away from the appearance of your home and your neighborhood.

Inside painting can be done as needed. Cigarette smoke, kids unwashed fingers, crayons, cooking grease, and pets do the most damage to interior paint. Painting is one of the simplest home repairs, and you can easily learn to do it yourself. But, painting must be done carefully or else you'll face new problems. Your local hardware store can give you painting tips and make sure you are using the right paint for the right surface. Before painting, make sure hinges and doorknobs are removed or covered, and never paint windows so they cannot be opened.



## Caulk

Walk around the house and inspect each caulking joint at window and door frames, between two different siding materials (like brick, aluminum or vinyl siding), or around piping which enters the home. Original caulking will shrink and crack over time due to normal weathering. Confirm that caulked joints are still properly sealed and haven't cracked, pulled apart, or fallen out. If necessary, clean the old joint out with warm soapy water and a toothbrush and reapply the same caulking material to achieve a proper seal. Consult with your local hardware to select the right type of caulking.

## **Carpeting**

Have a doormat ready where people can wipe their shoes before coming into the house. Maybe you have an area where you can leave shoes that you wear outside.

At some point, carpets will become dirty and need to be cleaned. Most neighborhood supermarkets and hardware stores have carpet cleaners for rent. Carpet cleaning companies often have special rates and discounts. Before hiring one of these companies, check its reputation with the Better Business Bureau, or BBB. The phone number for the BBB can be found in the business section of the White pages.

## **Lawn Care**



Your home may include a grass lawn. If you don't already have a lawnmower, consider buying a used mower from a garage sale or flea market. Many lawnmower repair companies also have rebuilt mowers for sale. Keep your mower in good condition to help lessen pollution and protect your lawn. A mower should have a tune-up (clean the motor, change the spark plugs, and sharpen the blades) every one to two years.



## **Trees**

Trees on your property also will need care. Pick up broken branches and rake leaves. Before trimming limbs, make sure they are not near power lines. In general, limbs within three feet of power lines need to be trimmed by professionals or the power company. Call your power company for exact details.

## Smoke Detectors

Your Habitat Home features several smoke detectors. Sometimes, smoke from cooking will trigger the alarm. In this case, ventilate the area.



Get into the habit of checking your smoke detector every 6 months to make sure it is working. Most detectors have a “test” button. If the detector is working it will make a noise when you press the test button.

When the battery on the detector wears out, you will hear a single chirp every few minutes. To protect you and your family, replace the battery immediately.

## GFI Outlets



In rooms with water outlets, such as bathrooms or kitchens, some of the electrical outlets will have GFIs (ground-fault interrupter). A GFI is simply a safety feature on the outlet that helps prevent electrocution. A GFI outlet has two buttons: test and reset. Occasionally, one of the buttons will “trip” or switch off, and stop an appliance from working.

When this happens, you can push the reset button. If a GFI keeps switching off it may mean that you simply have too many appliances or lights running at one time.



## Toilets

If, after flushing the toilet, water keeps running, you have a problem. Remember you are paying for the water that keeps going down the drain. Fixing the problem may be as simple as jiggling the handle-removing any “kinks” in the system. If that doesn’t work, parts inside the toilet tank may need replacing. These repairs are easy and cheap for the do-it-yourselfer. Ask skilled friends or someone at a hardware or plumbing store for repair tips.

## Washer and Dryer

Washers and dryers will last longer if you don’t overload them. Make sure the lint on the dryer filter is removed before every use. If the washer seems to be leaking, the water can be turned off with the hot and cold water valves behind the washer. In an emergency, if this doesn’t work, turn off the water valve for the whole house.

## Refrigerator

Dust and grime often cling to the condenser coils on the bottom or back of the refrigerator. Cleaning these coils occasionally with your vacuum or duster, will help the refrigerator run more efficiently and last longer.



# Water Heater



Many people set the temperature on their hot water heater too high. That is why they have to use so much cold water in the shower to make it a reasonable temperature. It is both costly and dangerous to have the temperature set too high. You can lower the temperature by adjusting the controls at the bottom of the water heater tank.

Another tip that will keep your water heater last longer is to drain the tank, at least partially two or three times a year. This clears out sediments that can corrode the water heater. Make sure you follow the manufacturer's directions for draining the water heater.



## Pipes

Water pipes occasionally leak or break. Since most of your pipes are either in the walls or under the house, you may not be able to see the leaking pipe. It's a good idea to occasionally inspect what pipes you can see and to stay alert to signs of dampness or pooling water. Also, check your water bill. A sudden increase in your bill (not linked to seasonal changes like watering a garden) may point to a water leak.

If you do spot a leak, call a plumber and turn off all water entering the house. This can be done by shutting off the main water valve. We'll talk more about the main water shutoff valve in the next chapter.



# Pest Control

The best way to control insects and other pests is to practice good housekeeping. Keep the amount of clutter in and around your home to a minimum. On the outside of your home, keep garbage in containers that can't be opened by rats or raccoons. Don't let trash pile up in your yard.

On the inside, clean the kitchen and bathrooms frequently. Keep countertops clean-crums draw insects. Don't leave dirty dishes sitting around, especially overnight.

Keep on the lookout for more dangerous pests, such as termites or wasp nests. Termites can damage the structure of you home; wasps are aggressive (especially around their nest) and can sting repeatedly. Both of these pests are best dealt with by a professional exterminator.

# Roofs

The roof is the umbrella to your home. A leak in this protective covering is something to take care of immediately. Roof leaks generally show up first as a stain or rotting wood under the eaves. If these small leaks are not fixed quickly, they can lead to serious, expensive damage to your home. Contact your Habitat affiliate to see about a possible warranty and other advice, such as the name of a reliable roofing contractor.

Every Spring and Fall, visually inspect all surfaces from the ground if possible. Look for torn broken, missing or cracked shingles, accumulated debris, gaps in flashing, exposed joints, and obstructed vent pipes. Shingle granule deposits found in gutters are normal and common to new roofs. Look in attic for water stains on underside of roof or wet insulation. Consult with a qualified roofing contractor, as necessary, for correction of any roofing problems. After any snow, ice, high winds and heavy rains, check for water stains under overhang and in attic. Always call your homeowners insurance company first for any storm-related damage.

**Many attics do not have floors. If you step on the insulation or ceiling you may be seriously injured.**



# Attic

Inspect the attic twice a year for any changes in construction. Prior to entering the attic, purchase a paper mask from your local hardware store to avoid lung irritation from possible airborne insulation fibers. Bring a flashlight. Gain access through the trap door and check that all air vents are unobstructed and intact. Make sure there are no animals nesting in the insulation. If you walk around, be careful not to step on the drywall ceiling below, and watch out for nails sticking through the roof. Never store anything in the attic unless it was designed for that purpose.

## **Gutters and Downspouts**

Your home may have gutters and downspouts attached to the edge of the roof. These are meant to collect runoff and then move the water away from the home's foundation. If the gutters or downspouts are blocked with leaves and tree limbs, the water runs over the gutters and can damage the home's foundation. Routinely clean any debris out of the gutters and downspouts. This is especially important in fall when trees lose their leaves.



## **Septic Tank and Leach Field**

If your home is located in an area that does not have a sewer system, you will have a septic system for your waste water. With that you need to know the location of the septic tank and drain field. Have your septic tank inspected annually by a licensed contractor or health department official. Inspection will reveal problems before they become serious, and tell you when the tank needs to be pumped. Periodically check the drain field for a foul odor, excessive wetness or overly lush grass growth, which may be warning signs of a failing system. Never drive or park over any part of the system. Do not plant anything but grass over or near drain field, as tree roots may clog the drain field.

## **And Finally-the Kitchen Sink**

Remember your Habitat home doesn't come with a garbage disposal, so don't stuff food scrap or pour hot grease down the drain!



It may be wise to start an “emergency account” to save money for when the time to replace items as they have come to the end of their life expectancy.

## **How Long Things Last**

<b>Item</b>	<b>Years</b>
Carpeting	11
Concrete walk	24
Furnace or heat pump	15 - 20
Paint (interior)	5 - 10
Paint (exterior)	7
Range (gas or electric)	15
Refrigerator	10 - 15
Roof (asphalt shingle)	25
Washer – Dryer	5 - 10
Water heater	10

## **Places in the Home**





There are certain places or paths in your home of which you and your family members should be aware.



## Breaker Panel

Make sure you know where the electrical breaker panel is located. Your Habitat affiliate can point this out to you. Also, note which appliances, switches, and outlets are controlled by each breaker. It's a good idea to label each breaker with its corresponding room.

## Emergency Exit

Make sure every member of your household knows how to get out of the house in case of an emergency, such as a fire. Occasionally, hold a drill and have everyone practice his or her escape route. In an emergency, time is precious and confusion is costly. A familiar exit plan can save time and lives.



## Main Water Shutoff Valve

Every adult member living in your home should know where the main water shutoff valve is and how to turn it off. Usually, the valve is on the front (street) side of the house. It has an ordinary faucet handle or valve lever. When this handle or lever is turned all the way off, the water to the whole house is shut off.

If a water pipe ever bursts, you need to turn off the main valve quickly. This fast action will limit the water damage to your home and belongings. If leaks are occurring in your yard (between your house and the street) contact your utility company immediately.

## **Gas Shutoff Valve**

It's a good idea to know where the gas shutoff valve is in your house. It's also important to get a professional to turn off and turn on the gas flowing into your home.





## Utilities

You are responsible for paying your utilities. They are not included in the monthly house payment. If you have air conditioners, heaters and clothes dryers, be careful. These can be expensive to run. Ask your affiliate and utility company for a list of energy saving ideas.

Your home has been rated with an Energy Star rating, this results in an energy efficient home.

## Protecting Your Home

Your home is your most valuable possession. It's also the place where your loved ones live. Safeguard your home and your family by taking the following steps:

- ❖ Lock up doors and windows
- ❖ Avoid smoking in bed
- ❖ Check for loose or broken electrical cords
- ❖ Know how to shut off gas and water lines
- ❖ Check smoke detectors regularly
- ❖ Make sure someone will watch your property if you leave on vacation
- ❖ Be cautious and use common sense.





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