

OPINION: 4 myths about buying a home in New Bedford

1. You need a lot of money for a downpayment

Gone are the days requiring a buyer to pony up a whopping 20% downpayment to get in on the American dream. In fact, programs are available that offer downpayment assistance, making it possible to get into a home of your own for zero percent down.

The Federal Housing Authority (FHA) also offers mortgages for qualified purchasers with a downpayment as low as 3.5%. Conventional loans can now be written with only 3% down, making the selection of homes available for very little initial investment even wider. If you happen to be lucky enough to have VA loan eligibility, you can also qualify for a mortgage with zero downpayment.

2. You need great credit to purchase a home

While it is true that good credit helps to secure a better rate on a mortgage, some may be surprised to find that FHA loans can be written for purchasers with credit scores of just 580. Although many low downpayment or downpayment assistance programs will require an applicant to have a credit score of 600, many would agree that a score of 600 is quite attainable by most.

There are several agencies and organizations designed to help individuals address issues with their credit, and the majority of banks offer credit workshops as well. This variable should not be seen as an insurmountable obstacle. Credit scores are a constantly changing figure, once we know how to get that number to rise, it becomes an easy victory.

3. People in New Bedford pay more property taxes than anyone else

Our tax rate here is \$16.47/1,000. While that is higher than

our surrounding towns, New Bedford's property values are much lower. Regardless of what you may have heard, we still have the most affordable homes around.

City	Average taxes (yearly)	Average monthly housing payment with taxes.
New Bedford	\$3964.33	\$1468.00
Fairhaven	\$3502.17	\$1710.00
Fall River	\$3637.71	\$1483.00
Taunton	\$4728.00	\$1812.00
Dartmouth	\$3626.44	\$2029.00
Boston	\$6242.84	\$3320.00

**figures calculated using current market rates for mortgages and average home prices reported for year 2018 by individual city's assessments and verified through closed sales recorded with the county registrar of deeds. All tax calculations utilized current, 2019 tax rates reported by each city's website.*

4. With the additional costs of water, insurance and taxes most pay more for a house

The average home is valued at approximately \$240,000. This means that using today's numbers for both interest rates offered by banks on mortgages (3.92% amortized over 30 years with a downpayment of \$0) and the current tax rate imposed on residential property by the city of New Bedford (\$16.47 per thousand), the payment on a home with a mortgage of \$240,000 would be about \$1,135 and the taxes would be \$3952.80 per year.

Bringing the total payment, with taxes to \$1,464.40/month. The only figure left out of that calculation is homeowner's insurance. Due to the amount this variable can change from one instance to the next, I'm unable to provide an average here, but I can tell you that Realtor.com estimates the monthly cost at \$65. Adding in that amount, we reach a grand total of \$1529.40/month. The average household pays \$1523/month according to rentjungle.com. though I can't speak for others,

my personal water bill for my home is roughly \$60/month.

When making the decision to purchase a home, there are several factors to be considered. The age and condition of the property must be examined, as well as the price and location. We also must be realistic with our financial situations and our ability to meet payment obligations now and in the future.

Purchasing a home may be a long term goal for some, possibly something to come following a higher paying job or addressing issues with credit scores. But for others, this could be more of a short-term possibility. Either way, making homeownership a goal that is persistently worked toward is a wonderful idea for the financial stability and peace of mind of your family and future generations.

Some available resources:

- *MassHousing home buyers:*
masshousing.com/portal/server.pt/community/home_buyers/225/loans_for_home_buyers
- *MassHousing Mortgages:*
masshousing.com/portal/server.pt/community/home_buyer_loans/226/masshousing_loan
- *MassHousing downpayment assistance:*
masshousing.com/portal/server.pt/community/home_buyer_loans/226/down_payment_assistance
- *New Bedford first time home buyers seminar calendar:*
newbedford.wpengine.netdna-cdn.com/community-development/wp-content/uploads/sites/34/Calendar-of-2019-Seminars-1.pdf