Caring for Your Home

Maintaining Your Property and Preparing for the Unexpected

Freddie Mac

We make home possible®

Caring for Your Home

Every step you take now to care for your home will benefit you and your family into the future. It is important that you maintain the condition of your home for the safety and comfort of your family and to protect the value of your property. It's equally important that you include preparing for the unexpected as part of your regular homeowner responsibilities.

Take a Conservative Approach for Long-Term Success

If you're a new homeowner, you're no doubt excited about your recent purchase. If you're like most people, you can't wait to fill your new home with new things and make changes that suit your style. But be conservative and take it slow, especially during your the first year of homeownership. Get to know your home and your neighborhood. Plan for the things you need and want, and prioritize them. Be careful with your cash and with your credit. You'll find that being prudent in your planning and spending from the beginning will make your homeownership experience more successful, and you'll be better positioned to enjoy what homeownership has to offer.

Maintain Your Home

Keeping your home and property in good condition is good for you and your family and contributes to the attractiveness of your neighborhood. In fact, regular maintenance can help prevent costly problems. Once you move into your home, it is essential that you set aside part of your time and budget to maintain and improve your home.

Plan for Large Projects

Home maintenance often includes lots of small projects, but before you begin a large home repair or improvement project, please consider the following:

- **Plan ahead.** Create a list of all needed repairs and desired improvements. Based on your priorities, create a schedule. Remember to stay within your spending plan.
- **Do your homework.** Seek information that can help you understand your home's maintenance needs. Home repair books and reputable contractors can provide insight.
- **Know what you want.** Be specific in writing when describing the proposed work. Consider working with a professional to help develop plans and specifications.
- **Determine how you will pay.** For more expensive projects, consider a loan from a bank, but never sign the work contract before you know all of the terms of your loan.
- **Consider the "life-cycle costs" of materials and appliances.** Compare materials not just by their initial costs, but also by their maintenance costs and how long they will last. For example, hardwood flooring may be more expensive, but it would have a longer lifespan than carpet.

Be Smart About Hiring Professional Help

In the course of maintaining a home, you will most likely need repairs or improvements that require professional help, and you'll need to call in a contractor. To ensure that the relationship with a contractor goes smoothly, follow these suggestions:

- **Shop around.** Talk to friends or check with your local homebuilders association for reliable contractors. Ask for references and check with the Better Business Bureau to see if complaints have been filed.
- **Bid the job competitively.** Have at least three contractors compete for the work. Make sure they provide you with firm estimates. Ask about hourly rates for any extra work that may occur.
- **Hire a professional.** Make sure the contractor is licensed and registered with the state and has personal liability, worker's compensation, and property damage insurance. Ask for copies to ensure documents are current.
- **Read the contract.** Make sure that you have a detailed written agreement on the work that will be completed and the agreement allows you at least

three business days to back out. Before signing, be sure you understand and agree to the terms and how payments will be made.

- **Don't pay in advance, and never pay in cash.** You may be asked to make progress payments, but hold up to one-third of the contract amount until the work is completed to your satisfaction.
- **Keep a written record.** Your records should detail the progress of the work, payments made, approved changes, and other notes. Your records could help resolve confusion along the way.
- **Know how to settle a dispute.** With binding mandatory arbitration a third party decides the outcome of a dispute. While there is nothing wrong with voluntary arbitration, with binding mandatory arbitration you may lose your right to sue the contractor if there's a problem that can't be resolved.

Prepare for the Unexpected

Planning for emergencies before they happen is not something most people like to do, but it is important and can really make a positive difference in a time of crisis or chaos. For starters, consider this:

- **Have adequate access to cash.** A good rule of thumb is to maintain at least three months of living expenses in your savings to help you make it through unexpected misfortune.
- **Safeguard important documents.** Keep your valuable household records in a locked, fireproof, and waterproof safe to prevent them from being damaged or destroyed.
- **Make sure you're insured.** Maintain an adequate amount of homeowner's insurance so that it covers the cost to rebuild your home if damaged, or even replace your home if destroyed. Not only is homeowner's insurance required by your lender, it is good to have so you are not left with a large bill if something happens to your home.

Protect Your Home and Your Family

Maintaining your home is an important responsibility as a homeowner. Timely maintenance, repairs, and improvements help protect your home, provide your family with greater comfort, and can even enhance your home's value. In addition, preparing for emergencies will not only help keep you and your family safe, it could help reduce your losses from an unexpected disaster.

For More Information

- "About Homeownership" is the Freddie Mac online guide to the homebuying process and successful homeownership. Visit **FreddieMac.com/homeownership**.
- The Freddie Mac CreditSmart® curriculum is a consumer guide to better credit, money management, and responsible homeownership. Visit **FreddieMac.com/creditsmart** to download consumer resources, available in five languages.
- Avoid scam artists! Learn about common scams in your area, and get advice before you enter into your next loan agreement. Visit **DontBorrowTrouble.com** to find a Don't Borrow Trouble® campaign near you.
- To find a HUD-approved housing counseling agency near you, visit **www.hud.gov** or call 800-569-4287.

Source

Content adapted from Freddie Mac's award-winning CreditSmart, a multilingual financial education curriculum designed to help consumers build and maintain better credit, make sound financial decisions, and understand the steps to sustainable homeownership.

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