

"The thing you want to look at is what you are getting for your money" and how different buildings compare, says Bill Gassett of Re/Max Executive Realty in Hopkinton, Mass., a suburb of Boston.

You also need to know how a building or community deals with delinquent dues, says Frank Rathbun, a spokesman for the Community Associations Institute. How long does it wait before placing a lien on a unit?

You and your agent should sit down and comb through a community's financial documents looking for upcoming assessments, as well as review its reserve study, which will tell you whether a property has enough money to cover needed upkeep and repairs in the years ahead.

"I also call the property manager, if there is one, and get information there, too," says Kakimoto, who [blogs](#) about Seattle condos.

In addition to getting yourself qualified for a loan, you need to make sure your building passes muster. If it has too many HOA delinquencies or if litigation is pending, it might not make the grade with lenders, Kakimoto says. You can ask the building manager or seller's agent if the building is eligible for Federal Housing Administration loans.

**Rules and policies:** Just as important as a community's finances are its rules and regulations — or covenants, conditions and restrictions (CC&Rs.) If you don't go over these with a fine-toothed comb, you might want to move out as quickly as you moved in.

For instance, you might find out that a particular building doesn't allow dogs, or dogs of a certain size. So Fido would have to go. Or, you might discover that the wood-frame condo complex doesn't allow hardwood floors — bad news for some allergy sufferers.

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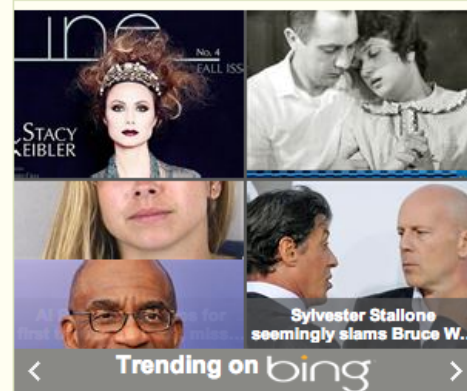
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These rules can dictate everything from what you can put in your window to what you can hang on your front door or put on your balcony, Rathbun says, which means you might not be allowed that charcoal grill.

In many instances, you won't be able to plant anything around your unit. Can you live without that tiny plot of tomatoes?

Another thing that people should ask about, Rathbun says, is parking. Is it reserved? How many spaces do you have? Where are your friends or visitors allowed to park?

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Are there quiet hours? What is the policy on renting out units? Make sure you know the answers to these questions before you buy.

### What's your home worth?

**Satisfaction with management:** You also want to figure out whether residents are generally satisfied with the property's management.

Unfortunately, Kakimoto says, there aren't a lot of public resources for buyers trying to research communities and their associations. However, board-meeting minutes are a great way to find out what repairs are coming up, what issues neighbors are squabbling over and how money is being spent. If a lawsuit is pending, you'll also likely find some discussion of it here, he says.

Have your agent pull these minutes, and make sure to talk to a couple of residents to see if they are happy.

**Lifestyle:** Lastly, Rathbun says you should make sure you are ready for the condo lifestyle, which includes shared walls and much more interaction with your neighbors.

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"When you live in a condo, you have to be accommodating and flexible," he says.

Many of these first-timer questions can be found in the CAI's [brochure](#) (PDF).

### Housing-market update: Are higher mortgage rates starting to take a bite out of sales?

Existing-home sales dipped 1.2% to 5.08 million in June from 5.14 million in May, but remain 15.2% higher than the 4.41 million unit pace of June 2012, according to data from the National Association of Realtors.

- **'Listed':** [Home sales fall but inventory inching up](#)

### Find local mortgage rates

Location

Loan amount

The national median existing-home price was \$214,200 in June, up 13.5% from June 2012.

"Affordability conditions remain favorable in most of the country, and we're still dealing with large pent-up demand," says Lawrence Yun, the NAR's chief economist. "However, higher mortgage interest rates will bite into high-cost regions of California, Hawaii and the New York City metro market."

The average rate for a 30-year fixed-rate mortgage was 4.07% in June, up from 3.54% in May and 4.41% in June 2012, according to Freddie Mac.

But inventory has started to rise, swelling 1.9% in June to 2.19 million existing homes available for sale. That's a 5.2-month supply at the current sales pace, up from a five-month supply in May. That's good news for buyers. If this uptick in inventory continues, it will mean more homes to choose from and a slowdown in the aggressive price gains we've seen this year, analysts say.

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Those buyers may also have less competition. Purchases made by individual investors are waning, down to 17% of purchases in June, from 18% in May and 29% in June of last year. A decline in investor purchases and higher interest rates may be responsible for the decline in pending home sales in June, which is based on contract signings.

Article continues below

The NAR's Pending Home Sales Index dipped 0.4% to 110.9 in June from 111.3 in May. However, it is still 10.9% higher than in June 2012. An index of 100 is considered average.

New-home sales, however, posted their best performance in five years this quarter; sales rose 8.3% in June to 497,000, according to the Census Bureau.

Sales were 38.1% above last year's 360,000, the largest year-over-year increase since January 1992. Those gains came despite a 7.4% increase in year-over-year median price, to \$249,700.

#### Looking for down-payment assistance?

There are many ways for first-time buyers to find money to help with their down payment. One smart way is to turn to nonprofit housing counselors approved by the Department of Housing and Urban Development who can find this money for you and make sure you're mortgage-ready.

But there are also a number of free online tools that offer help. Here, it's best to tread carefully, lest your information be shared or your identity stolen by scam artists.

At least one, [Downpaymentresource.com](#), says it does not sell information about its visitors to third parties. You can print out the information on programs and leave no footprint, unless you decide to email the results to yourself, in which case you opt in to its newsletter.

- **MSN Living:** [How to save more money now](#)

"The information that buyers type in is only used for calculation purposes in determining eligibility for down-payment assistance," says Tracey Shell, company spokeswoman. "It is not stored or otherwise used."

 **Slide show:** [10 best states for first-time-buyer help](#)

The company makes its money through a version of Down Payment Resource that is integrated with the multiple-listing service in 14 markets. Clicking on the Down Payment Resource icon from a listing will take buyers to a short survey with information on the programs for which they qualify.

If you want to see the specific program details, you must share your email and phone number with the listing agent, and both of you will receive the details of the programs you qualify for as well as each other's contact information. However, agents do not see the personal information you entered into the survey about income or family status, and DPR employees can't see your survey answers.

The site has access to more than 1,500 public and private programs and was developed by Atlanta-based Workforce Resources, which also makes online mortgage-assistance [directories](#) for organizations such as the California Association of Realtors.

 **Read:** [The down-payment chronicles](#)

Here, you can find information on mortgages and grants provided through municipal or quasi-government agencies and nonprofits that provide benefits such as 0% interest rates and deferred payments, as well as affordable first mortgages that housing-finance agencies offer, often at the state level, with below-market rates and fees. Also included are programs for tax-credit or mortgage-credit certificates designed to help first-timers offset a small portion of payments with a direct tax credit.

Have you used the site before? What do you think of it? Did it help you find money for your purchase?

**Questions? Comments?** Do you have a question about buying or a suggestion for a future topic in this column? Submit either in the comments section below or on [Facebook](#), or email [msnrealestate@live.com](mailto:msnrealestate@live.com). Brief questions have the best chance of being selected.