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## FHA Title I Provides Home Improvement Help : Part 1

With the housing market slowing down and interest rates staying fairly constant, many people have already pulled out all of their home equity in refinance or equity credit lines. Yet they may still need money for some necessary home improvement projects. Maybe you fall into this category. Or maybe falling house prices have wiped out the equity in your home. Perhaps you bought your home recently at the top of the market and haven't earned any equity yet. Or maybe you recently bought your home with little or no down payment, resulting in zero equity. If you fit into any of these situations, the Federal Housing Administration (FHA) has a loan that can help you get extra money for a home improvement project.

This loan is called the FHA Title I loan and is handled under the Housing and Urban Development department of the government. The program was created in 1934 to help homeowners finance improvement projects, when their home equity had been erased by losses from the Depression. It is still available today to help homeowners make needed repairs and improvements. Borrowers today can get up to \$25,000 to spend on home enhancements. If you own or are improving a multi-family building you can get up to \$60,000 or a maximum of \$12,000 per unit.

There are some stipulations on these loans however. They are only to be used for non-luxury home improvements. The approved projects include, among others, adding or fixing:  
Bathrooms Outside decks or patios Landscaping Inside flooring Built-in bookshelves Electrical wiring Heating or cooling units Exterior work Insulation Septic Tanks Fire safety equipment  
With a Title I loan, you may not use the funds for any projects that is considered a luxury addition. Some of these include:  
Adding outdoor spas or pools Satellite antennas Guesthouses Tennis courts Home decorations Putting carpet in the kitchen, bathrooms or outdoor patios Intercom systems  
The money is supposed to be used for things that will enhance the basic living needs, not turn the place into a luxurious mansion.

These loans can be great for getting needed improvements to your home. They are fixed rate loans, with interest rates tied to your credit and the market trends. Look for the next half of this article to learn more about the ins and outs of this helpful program.