

Re: OT: AARP

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- *From:* Phyllis Nilsson <phyllisnilsson@xxxxxxxxxxxxxxxxxxxxxx>
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I agree that it is the American Dream. Unfortunately, there are some folks who can't afford that dream. Although I understand the reasoning, I do think it's a bad idea to buy a house with a mortgage so large it causes hardship and can't be paid easily if one were to become ill or unemployed. When my son saved enough for a down payment, he bought a very modest house that he could afford and still be able to buy groceries and whatever else he felt a strong desire for. When I got laid off at the hospital, the first thing he said to me is, "Mom, it isn't about not having enough money, it's about priorities." He was right.

jmornngstar@xxxxxxx wrote:

Phyllis Nilsson wrote:

I totally agree with you. I know housing prices are growing by leaps and bounds, but if young people would save money for a bigger down payment, their mortgages would be much smaller. Every city I'm acquainted with has more than one kind of housing, so the job market would be immaterial if one's job was within driving distance. Save housing? Any place one lives can prove unsafe. Obviously no one wants to live in the worst part of town, but if they can't afford the best without going into unfathomable debt, they need to review what is available that they can afford.

But Phyllis, here is a Catch-22. It is the American Dream to own a house. Everyone's parents want to see them buying a house instead of throwing money away on rent. You have heard the platitudes. You have probably said them yourself.

Coming up, I was always told (in a family who made their money buying and selling houses and property), get the biggest mortgage that you can afford and keep it financed to the hilt. Make your money work for you. There are tax advantages to having big mortgages and putting your otherwise-what-would-have-been-paid-in-tax-money other places that work for you.

It is only when you get to a certain stage, that you think about paying off your house, because "if you own it they can't take it away from

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you."

I don't get these no-down mortgages and mortgages where you end up owning more the first-five years than if you hadn't financed ones. But no matter what a mortgage is, it is never ever a bad idea to buy a house.

Janice