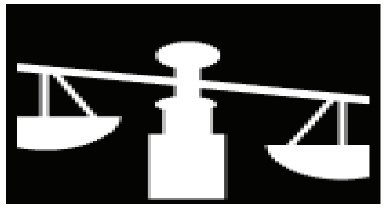

Weighing the Differences of SSA vs NO SSA

A Special Service Area (SSA) is a bond that is developed to help defer the costs of developing community improvements for new homes to come into an area. Typically, a developer will install all the infrastructure of a community (Streets, Sewer lines, Water lines, Drainage Lines, etc) and divide that cost into the price of a home. Sometime, a developer will go to the Village/City and ask for payment of these costs in the form of a bond. That bond is then repaid by the residents of the community over a specific length of time.

Should you purchase a home with an SSA is a matter of paying now – or paying more later. Just like borrowing on credit, an SSA has an interest rate charged to it and collects based on the projected number of homes to be built in the area.

	I SSA	II SSA	III NO SSA
Pmt	$145.00/mo	$180.00/mo	$ -0-/mo
In 5 yrs	$8700	$10,800	$ -0-
In 10 yrs	$17,400	$21,600	$ -0-
In 20 yrs	$34,800	$43,200	$ -0-
At End	$42,500 +/-	$63,000 +/-	$ -0-

You would also want to consider what the SSA does to your qualifying for a mortgage. Most tactics are to say that using the SSA would mean you qualify for more of a home loan, but the only way this works is if the home is priced at a considerable discount against a non-SSA home.

Pmt $145.00/mo	$180.00/mo	$ -0-/mo

The affects on your qualifying for a new home loan would be: (comparing the SSA payment to a calculated P&I Payment - 30 yr mortgage, 6.5% interest used for this example)

$22,940.56 less home!	$28,477.95 less home	$ -0- less!