

# 39 Tips for Every

Our Owner's Manual for Navigating the Costs, Concerns and Questions of Life's

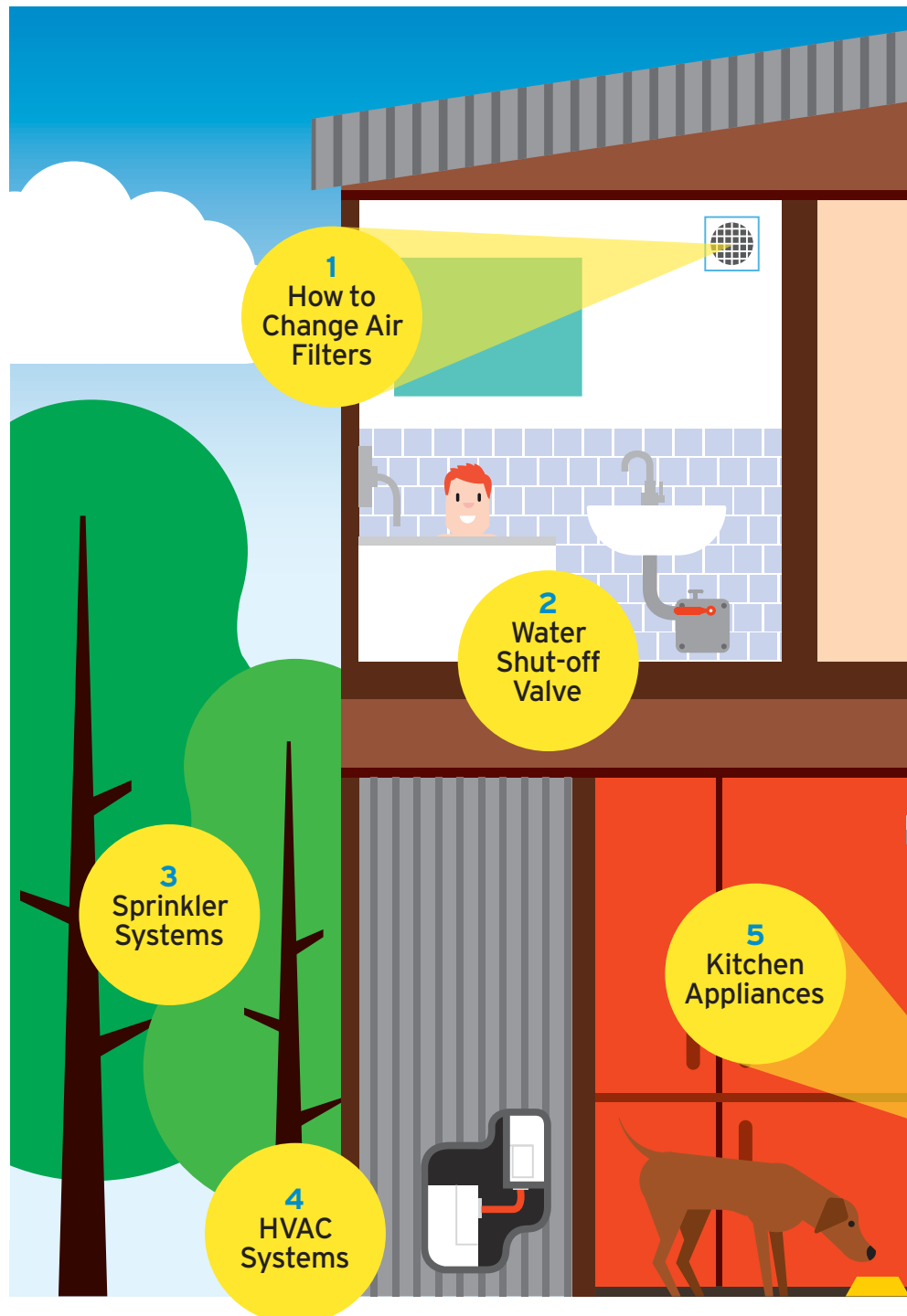
**S**ince USAA members Jeremy and Nancy Malczyk took the plunge into homeownership in 2013, the couple have faced some of the hurdles that come with the first year. "I love our house ... but for Jeremy, it is filled with stress and anxiety," Nancy says, referring to the aging boiler, cracked driveway and outdated kitchen.

Preparation and care can make the difference between costly headaches and home sweet home. Here, our professionals offer 39 tips to help you enjoy your big investment.

## 1-8 Get to know your home's systems.

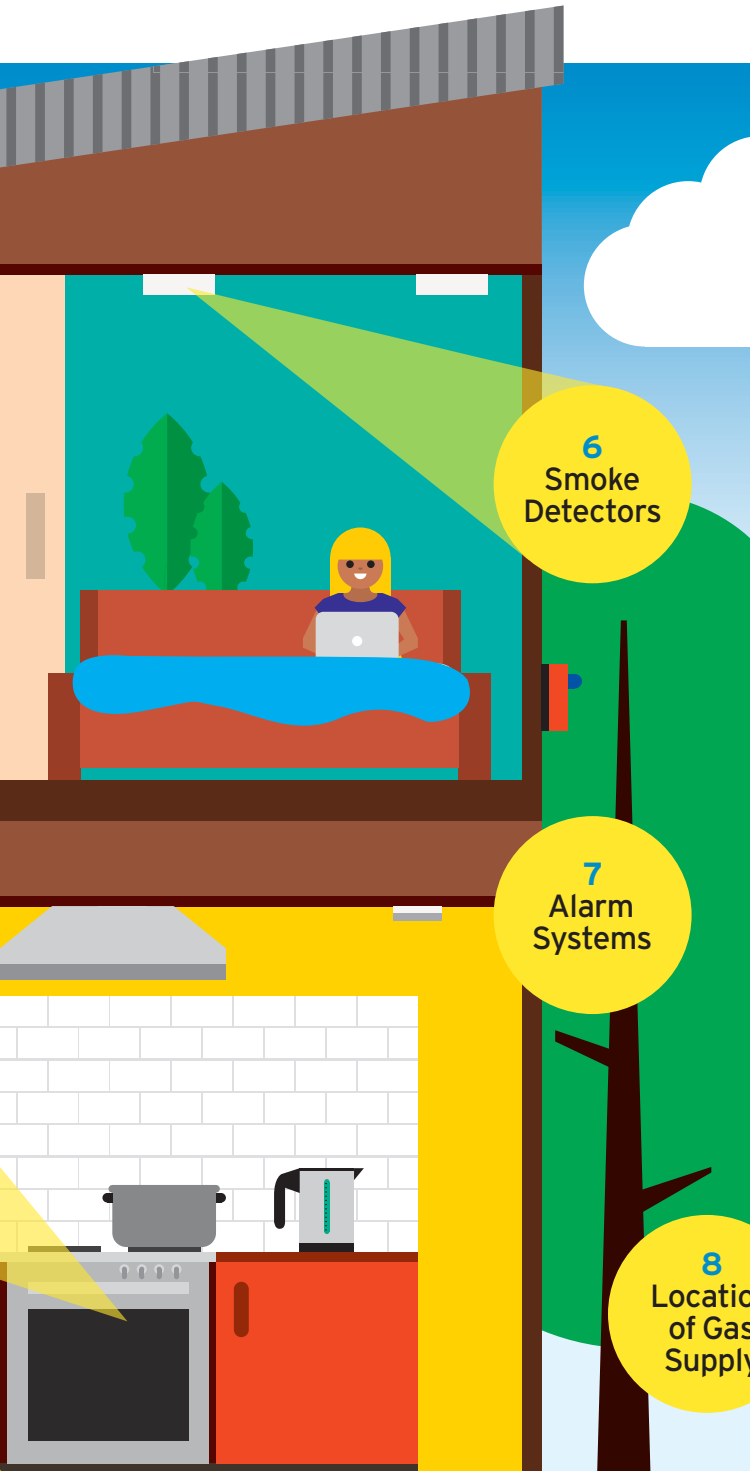
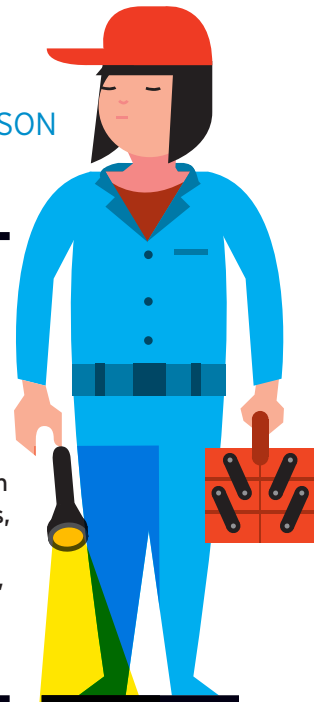
When you first buy the home, have someone, maybe even the seller, acquaint you with its features.

## 9 Always have your locks rekeyed immediately.



# Homeowner

Biggest Purchase BY BLAKE MILLER • ILLUSTRATIONS BY ROBERT SAMUEL HANSON



6  
Smoke  
Detectors

7  
Alarm  
Systems

8  
Location  
of Gas  
Supply

## 10 Stay updated on schools.

“You need to call the school district and find out if there will be any boundary changes regarding schools, especially in new neighborhoods,” says Dana Winans, director of relocation services for Better Homes and Gardens Real Estate, a Dallas-based firm that participates in the USAA MoversAdvantage® program.

## 11 Understand your homeowners insurance coverage.

“A lot of times when people buy a house, they don’t understand all of the liability limits,” says Scott Halliwell, a CERTIFIED FINANCIAL PLANNER™ with USAA. “I always encourage homeowners to really look at [their policies] again and see if there are any changes they’d make. I’ve talked to a lot of people who have a 1 percent deductible but didn’t really think about what that means. One percent of a \$400,000 home is a lot of money for most people.” JJ Montanaro, a CERTIFIED FINANCIAL PLANNER™ with USAA, adds: “Understand what type of coverages your homeowners insurance has and its limitations. If you have expensive jewelry or electronics, you may have some coverage, but it may be subject to deductibles and limits.” He suggests looking into valuable personal property or umbrella policies with USAA to help make sure your assets are protected.

## 12-15 Quiz your home inspector.

**12 WHAT** do I need to prepare and protect the home against freezing weather?

**13 HOW** do I properly maintain drainage and moisture around the home to prevent foundation issues?

**14 HOW** often do I need to have the HVAC system serviced to keep it in proper working order?

**15 WHICH** items would you repair or replace if you were buying the home?

## 16-21

### Know your neighborhood rules.



**16** Will a change in exterior color, siding or roof style require approval from your city or homeowners association?

**17** Does the neighborhood have restrictions on the type or height of a fence?

**18** Any rules on the number or type of vehicles, such as campers and boats, that can be parked at a property?

**19** Are there restrictions on the types of business you can run out of your home?

**20** Are particular types of animals, sizes or breeds prohibited in the neighborhood?

**21** Can sheds or outbuildings be built on your property?

## 22-24

### Learn state tax rules.



**23 MARYLAND**  
First-time homeowners are exempt from state transfer taxes, which are usually split 50-50 between the seller and the buyer.



**22 SOUTH CAROLINA**  
Soon after closing, new homeowners should head to the county assessor's office to apply for the discounted 4 percent property tax for permanent occupants. If not, their tax bill comes out at 6 percent, which can be a large difference.



**24 TEXAS**  
Seek a homestead tax exemption. Homeowners can end up saving 20 percent on their property tax each year – if they file for it.

## 25

**DON'T** Touch your retirement savings.

"Never put yourself in a situation where you have to dip into your retirement assets to buy, maintain or improve your house," Halliwell says. "That's a good indication you stretched yourself too thin." He suggests having an emergency fund that covers three to six months of expenses to avoid this.

## 26

**DO** Re-evaluate personal documents.

Major life changes such as a home purchase are great reasons to review and possibly update your life insurance and important estate planning documents, Montanaro says.



## 27

**DO** Consider a home warranty.

"If you didn't negotiate one at closing, buy one," Winans says. Many policies cover problems with appliances, heating or cooling systems, and interior plumbing. "You pay a small cost annually,

which is so much less than if you had to pay \$3,000 to replace a furnace."



## 28

**DON'T** Expect a major tax refund.

"Most people believe they will have a significant tax refund the year they buy a house," says Gregg Turkovich, a certified public accountant based in Buffalo, N.Y. "That's not always true, especially if you purchase your house in the second half of the year and only have a partial year's worth of deductions." Turkovich reminds new homeowners that they can write off property taxes and mortgage interest but not their entire mortgage payment.

**29** Ask the listing agent for past utility costs.

## 30-33

### Maintain the exterior.

**30 APPEARANCES MATTER** Curb appeal helps maintain property values. Take pride in your new investment.

**31 WATCH THE HEAT** It can cause foundation problems. Consider placing a soaker hose 12 to 18 inches from the home's outer edge.

**32 WATER RULES** In many southern cities, homeowners can be fined for watering their lawn on the wrong days of the week.

**33 MEET THE LANDSCAPER** The lawn care vendor knows the yard. Ask sellers for contact information and fees.



## 35



### Expect expenses to be more expensive than you thought.

“You never truly understand how much money you will spend on your home until you own one,” Halliwell says. Factor in necessary purchases like window coverings, landscaping equipment and a well-stocked toolbox, plus periodic maintenance items like air filters.

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## 36

### Prepare for the worst.

“You always need to know what potential hazards can occur in your market,” says Candy Welch, vice president of relocation for ERA Wilder Realty, a Columbia, S.C.-based firm that participates in the USAA MoversAdvantage program. “Are you on an earthquake fault, are you in an area susceptible to brush fires, or do tornadoes happen often?”

According to the National Flood Insurance Program, the average flood insurance premium costs \$650 annually, a small price compared to the cost of rebuilding an entire home.

## 37

### Think security.

Protecting your family is critical. ADT Home Security offers USAA members a discount on installation. Plus, it can save you money on your USAA homeowners insurance premium.

## 38



### Know your renewals.

If the home has a termite or stucco bond in place or an alarm system contract, “don't depend on the company to notify you prior to the renewal date,” Welch says.

## 39

### Enjoy your home!



**Blake Miller** writes for *Redbook* and *US Airways Magazine*.