

Samantha



Black Home Initiative





Samantha has been a teacher for over seven years, including throughout the unprecedented and exhausting upheavals of the pandemic. Her son, a rising college sophomore who was awarded an academic scholarship, majors in computer science in a school of engineering. Samantha’s commitment to leaving a legacy for her son is woven into the rich educational experiences he’s thrived in, his hard work, and his impressive academic accomplishments. Her legacy is also reflected in the benefits of her homeownership, which include the family home they enjoy now and the wealth-building asset that home represents for both of them moving forward.

In the following interview with Black Home Initiative (BHI), Samantha discusses how she’s already equipped her son with important financial and budgeting knowledge, habits, and mindsets. She also shares some of the invaluable wisdom she’s acquired, knowledge she thinks might help potential first-time homebuyers.

How You Think and Feel About Owning a Home, and the Life Experiences that Shaped Your View



What are the first words that come to your mind when you hear the phrase “my own home?”

Proud. Accomplished. Hardworking.

What experiences have you had over your life that shaped that view?

I was born and raised in my family home, and I lived there until I was 21 and graduated from college. Living in apartments and moving around were things I never knew about; all of those things were foreign to me.

What are your biggest hopes and dreams for homeownership?

I want to have a place to retire to; I don't want to be in the position that lots of seniors find themselves in. Some senior citizens are using a majority of their Social Security, and other retirement income and savings they may have, just to pay rent. This leaves them very little to live off. I also want to leave a legacy for my son. He remembers our family home, but he lived in an apartment most of his life. I want him to know what it takes to own a home — the responsibility. And I want my legacy to include passing wealth to the next generation. My son is about to begin his sophomore year in college, where he's majoring in computer science. He had planned to go to college on the east coast until Covid-19; and then it became important for him to be closer to me so that he wasn't across the country if something happened and he had to come home.

Details of Your Homebuying Experience




When did you start the homebuying process, and what prompted you?

I had been a homeowner once before, beginning in 2001. I had to sell that home in 2009. After that, I was in an apartment until 2021. It was considered an “affordable apartment,” but it still wasn’t *really* affordable. For a 2 bedroom, 1 bath apartment without a washer & dryer, the rent was \$1600/month... *and rising*. It was **not** affordable. I believed I was wasting money by renting for 10 years, but I also knew the housing market. I understood real estate, home pricing, and the size of the down payments that would be necessary to buy a house here. I wondered, “How would this work?” But I started Googling programs, and I focused on two of the affordable homeownership programs in this area.

How long did your homebuying process take?

One of the things that worries people about affordable housing programs is that they hear about a long wait list, and that once you’re in the program, it can take you three or more years to buy a home. But I didn’t have three or four years to wait — I needed to move *quickly*. I had to get myself and my son situated so he could get ready for college and so I could get back to my normal life as well. So I said, “I’m just going to do it; all they can do is tell me ‘no.’” I’ve heard ‘no’ so many times in my life, and that wasn’t going to stop me. One of the main reasons I chose the program I worked with was that they told me they had a house ready, one that would be finished and ready for me to move into soon. So I picked it. I started the process in March 2021, they finished the house in October, and I closed on November 4, 2021.



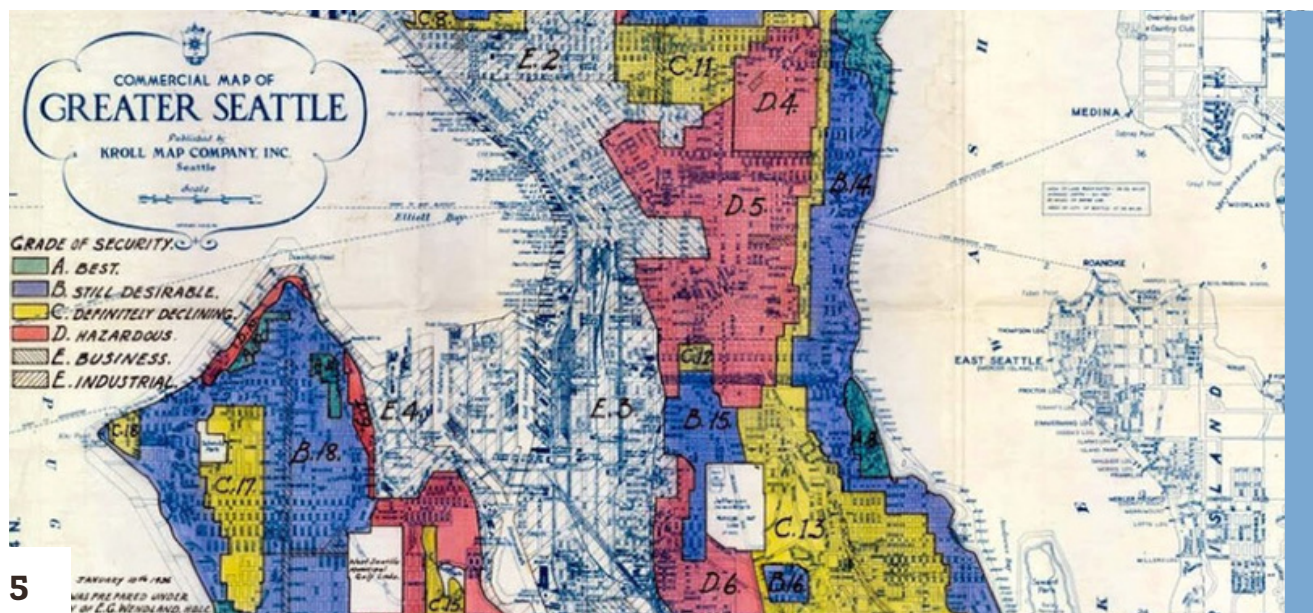
Is your new home where you were hoping to live?

It's a new 2 bedroom, 2 bath cottage of about 950 square feet — it's like a town home. It's on a cul de sac street in South Park with several other cottages. I was raised on Beacon Hill, so I knew about South Park. I was initially concerned about the location, because 20-30 years ago, South Park was not a place you wanted to go — it was a place you stayed away from. But they convinced me to drive by and take a look, and that changed my mind. South Park now is not like it was back then. It still has quirky parts, but so does any place around Seattle. And gentrification is displacing people from communities their families have been a part of for a long time, like Beacon Hill and the Central District.

How has gentrification affected you?

I first noticed gentrification in the Central District when they put in the Starbucks at 23rd & Jackson. During my growing-up years, it was a vibrant Black community. There were not many people who were Caucasian or other races. Then in the '90s, specialty stores started coming in: PCC, Trader Joe's, Central Co-op. These are fine stores; I shop in them. But they're businesses you'd typically see in Bellevue. And then people saw how centrally located the Central District was — how convenient the access was to 405, to I-90, to I-5 and downtown.

So the “clean-up” happened. That focus pushed people out. People were offered what appeared to be a large amount of money. However, they didn't see the bigger picture of leaving their community and the cost and time of commuting back to the neighborhoods they grew up in or purchased in many years ago. In some situations, some of the families that bought homes from those long-time residents may have purchased for what is now considered pennies on the dollar. Others were able to purchase during the **redlining of Seattle**. And now the same thing is happening in Columbia City. The Black-owned businesses that were there when I was a kid are almost all gone; I think there are only two left. **This is all happening in the community I was born and raised in — and the city I pay taxes in.**



Did you experience any other kinds of challenges and barriers during the homebuying process?

The first time around, when I was buying a house in 2001 (not this time), there were lots of things. I had not been taught about credit: understanding a credit score and how it dictates a lot of your purchasing power; knowing what a credit score of 750-800 means; what debt-to-income ratio is and why it should be 10% or less; why you should keep pay stubs, birth certificates, and tax records for years and why it's important to have them organized so that you can get them quickly. My parents owned their home when they moved in. So I wasn't taught about the power of credit, the importance of credit, and the need to maintain good credit.

I was part of the mess that came from the housing crisis of 2008. With my first home, I had an ARM (adjustable-rate mortgage). And it really impacted me. There was no way I could afford it once the rates increased. And nobody had fully explained how ARMs work. They just told me, "It'll be fine — interest rates are low." We had refinanced, too. And the same thing happened: they said, "This will get you out of debt." These particular lenders didn't have my best interests at heart and didn't tell me that I'd be essentially starting all over again.


So unless you have a *trustworthy* lender who can prove to you how refinancing could be beneficial to you (for example, by lowering your interest rate), I'd tell people not to do it; it very well might not be a good thing. When I bought my house this time, one of the biggest challenges was the paperwork and the requirements that some affordable housing programs may be required to follow (i.e., because they're supported partly with public money). For example, the money my son made working part-time during his senior year in high school and full-time in the summer before his freshman year in college was so that he wouldn't

have to work during the school year; his job in college is to focus on his grades to keep his academic scholarship and continue to avoid student loans if possible. We had to do a lot to document all of that, and that's when I almost gave up once and for all. Thankfully, my lender wrote a really helpful letter that took care of resolving their concerns.

When you were a first-time homebuyer, would it have been helpful to have a mentor who could walk through the process with you, help you know what to expect, and advocate for you?

Yes, that would have been helpful the first time around. **And plus:** We need to have “reality conversations” with kids about financing and budgeting. My son gets a ton of credit card offers in college. He knows not to accept them. But I didn't! **This is where predatory lending starts.** The credit card companies mail things to college students, telling them about specially-designed credit cards for students with no credit histories. And you're automatically approved! When college students get those, of course they think it's a good thing, so they take it. I had to work to get out from under that debt — it took me five years.





During your homebuying process, how important was it for you to find someone you “clicked with” or “vibed with?”

Vibing! Yes! I called five or six different lenders until I got one that made me think: **“Yes.You’re the one.”** The homebuying process is different when it's with a special affordable housing program. This lender explained how that process is different, and she explained it really well. She *knew* — she had *knowledge* and she had a *background*. She kept me from walking away three times over the course of my homebuying process. She even came to my job to pick up documents from me.

Other Lessons You Want to Share



Lots of people tell us that their mindset is a big success factor in getting through the homebuying process. What did you tell yourself and how did you stay motivated to stick with it?

I always saw the bigger picture: My rent would always keep increasing. And with typical 2BR apartments in this area costing \$2300-\$2500 per month, on my salary I would either be homeless **or** my son would not be able to attend college. He has a nice academic scholarship, but I have to pay out of pocket for things like his groceries and supplies – all of the things outside of tuition and fees.

And I knew that by buying this home, I'd actually save money. I'm saving \$600 every month compared to what I was paying in rent. But I still act like I'm paying that amount in rent – I put the extra \$600 a month into a savings account.

During the process, I also reminded myself that this home would be a starting point. Some people are wary of unique kinds of affordable homeownership (for example, land trusts or "sweat-equity" programs) and worry that they won't make any money off those properties. I focused on the benefits of homeownership. In my situation, one of those benefits is that I can build some savings so that I can have a down payment for that "dream home."

And I told myself that once I bought my house, I would *never* have to move unless I *want* to. That's a really big thing.

Is there anything else you wish you had known back in 2001? Any other wisdom you'd like to share with a potential first-time homebuyer like you once were?

The biggest advice I have is: be up for the challenge. Don't be so quick to give up. People will tell you "no" — but don't use your fear of rejection to stop you. A "no" might just mean that now isn't the right time. It **doesn't** mean you should stop working toward your goal.

Additionally, be prepared for the paperwork. Especially with an affordable housing program, where there's even more than in the normal homebuying process.

Just do your research! That includes finding other folks who've done it — who've gone through the homebuying process.

And Ask. Your. Questions. Ask all of your questions.

Then really listen to what the lenders say. If you're not getting the answers you're seeking, find someone else. Find someone who can give you the answers you need to all of your questions.



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