



PACE, Inc.

Fact sheet: **Myths and Facts about People with Disabilities and Home Ownership**

Myth: *Disability prevents people from buying and maintaining homes.*

Fact: Disability is not a barrier to home ownership, but people with disabilities are frequently face barriers that may discourage application for home loans. These barriers often include:

Barrier 1: Unemployment.

People with disabilities are three times more likely to be unemployed than people without disabilities. *

Barrier 2: Medical Debt.

People with disabilities are four times more likely to have special medical needs not covered by health insurance than are people without disabilities. *

Barrier 3: Low Household Income.

People with disabilities have lower incomes than people without disabilities. *

*Adapted from the 2000 N.O.D./Harris Survey of Americans with Disabilities

EACH OF THESE BARRIERS HAS A SOLUTION IN THE HOME BUYING PROCESS

Myth: *Medical debt ruins a loan applicant's chances of being approved for a mortgage.*

Fact: Many lenders take into account the slow payment practices of the medical insurance industry. As a consequence, they pay less attention to slow or late medical payments than they do to similar problems with rent or credit card payments.

THE IMPACT OF MEDICAL DEBT IS MINIMIZED BY MORTGAGE LENDERS WHEN THEY EVALUATE AN APPLICANT'S CREDIT REPORT.

Myth: *No bank will make a loan to a person who lives on disability income.*

Fact: Lending institutions are required to offer programs that serve lower-income households in their communities. Many banks have developed loan products that take a non-traditional look at credit.

MANY LENDERS HAVE PROGRAMS DESIGNED TO ASSIST LOW INCOME HOME BUYERS

Myth: *Paying a mortgage is more difficult than paying rent.*

Fact: *Mortgage payments are normally lower than rent payments.
*Home buyers derive major tax advantages from deductions.
*Home buyers enjoy future income from their property as it grows in value.
*Mortgage lenders can be more flexible than landlords in working with short-term payment problems.

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