

Building Equity in your Home

When considering purchasing a home that has been designated as “Affordable”, it may surprise you but you can build equity in your home. This is how it works... The original sale price of your home is calculated by considering factors such as PMI, real estate taxes, etc.

Each home will have what is known as a Resale Price Multiplier (RPM) in the Deed Rider which is attached to the deed. For example, the RPM will be 2.173 which is determined by the sales price and the Area Median Income (AMI) as determined yearly by Department of Housing and Urban Development (HUD). Presently the AMI for Dighton is \$82,900.

Therefore, if you wanted to sell your home in 10 years, the sale price would be calculated by the current AMI x RPM of 2.173.

For Example: In 2024 the AMI is \$102,900 that is multiplied by the Resale Price Multiplier of 2.173. That would give you a sale price of \$223,602 for a three bedroom home. That would be approximately **\$43,452 in equity** in addition to the amount you have paid down on your principal mortgage thus building additional equity. You can also receive credit for any approved capital improvements. This is how you can build equity in your home.

