

Home Repair

IDA Education Series
Self-Directed Curriculum

Contents:

Introduction	2
Planning for Future Repairs	3
Preventative Home Maintenance	10
Building Your Toolbox	14
DIY or Hire a Contractor?	14
Making a Plan with your IDA	18



I: Introduction: Protecting Your Investment

There may be no greater investment in your lifetime than owning a house. And similarly, your home is likely your biggest investment to protect. The outdoor elements, the inside wear-and-tear are working collectively to slowly deteriorate your home. But rest assured, you can implement preventative measures to maintain your house as well as start planning for future repairs that will eventually happen.

In this self-directed curriculum, you will explore the following:

- Some repairs are big-ticket items and require planning. You'll take an inventory of future projects, review financial planning tools, explore financing options and start **planning for future repairs**.
- Making a plan for **preventative maintenance** can help slow the need for larger repairs. You'll review an example checklist and create one for your home.
- **Building your toolbox** is helpful for both preventative maintenance and everyday fixes. We'll review common tools to own, rent or borrow, and friends or family who can provide support.
- **DIY or hire a contractor**, that is always the question. We'll review how to find a contractor, how to check their license, and questions to ask before hiring them.

You may be a new homeowner faced with some surprise repairs, or hoping to plan for future fixes. Others may be longtime homeowners with needed home repairs knocking at your door. No matter where you are, you're in the right place.



This curriculum was developed in part by DevNW and has been made available to all Oregon IDA savers to support their financial goals. This material is provided for educational and information purposes only. The packet includes a combination of information obtained from reliable sources and the experience of DevNW staff, who have offered Home Repair IDAs since 2004. This curriculum reflects what they have learned to be “best practice” with home maintenance and repairs.

Disclaimer: The contents in this curriculum is intended to broaden awareness around some home repair topics. In no event will Neighborhood Partnerships, DevNW, or any IDA Provider be liable for any direct or in direct consequences or damages resulting from your home repair project(s). Exercise caution and seek out a licensed and bonded contractor or handyperson when a project is beyond your knowledge or skillset.

Key



Video



Tip



Activity



Web link



II. Planning for Future Repairs

Sometimes it seems that once you've repaired, fixed or updated one item in your house, there's something next on the list. While some repairs are minor, others can become quite large and expensive. In this module, we'll talk about different ways to financially plan and prepare for these larger repairs. We'll discuss:

- A) Creating a list of repairs
- B) The 1% Rule and types of savings for repairs
- C) Setting a home repair SMART goal
- D) Creating a spending plan for repairs
- E) Free programs, loans, or other funding for repairs
- F) Avoiding high cost credit and loans

A. Creating a list of repairs

Before talking about planning for future repairs and the expenses associated with them, it's helpful to take an inventory of what repairs you're expecting, when you're expecting them and how much they may cost.

Please use this table to note future repairs you anticipate, the estimated cost of completion including labor and your timeline for repair.



Repair Item	Est. Cost	< 6 Months	< 2 Years	2-10 Years	10+ Years
	\$				
	\$				
	\$				
	\$				
	\$				
	\$				
	\$				
	\$				



B) The 1% Rule and types of savings for repairs

As a homeowner you know, the one thing you can expect is that you'll have unexpected home related expenses. Sometimes they're small, sometimes they're big, and it's important to plan for both.



Emergency savings is helpful for small and medium unexpected expenses. While many financial experts recommend that it's best to have between 3-6 months of emergency savings, maybe start by saving toward at least one month of your mortgage payment to bring you some peace of mind. You'll know that even when times are rough, or an emergency occurs you're not at risk of missing your mortgage payment.

For bigger repairs, it's important to start saving money in a "home repair account"—separate from your checking and emergency savings. This type of savings is called **saving for a goal**. How much should you save for your home repair goal?



Read and Reflect Exercise: How much should you save for your home repair goal? How much should you regularly save for home repairs? Read the following article from The Balance and answer these two questions:

<https://www.thebalancemoney.com/home-maintenance-budget-453820>

- 1) What does the 1% Rule look like for you? How much would you have to save?



- 2) What does the Square Footage Rule look like for you? How much would you have to save?



C) Setting a Home Repair S.M.A.R.T. Goal



Saving for a big goal can be challenging. One strategy is to take a big goal and break it down into smaller steps. If you've taken a financial education class, one of the first things you may have discussed around goal setting are **S.M.A.R.T. Goals**. That is, goals that are **Specific, Measurable, Actionable, Realistic** and **Time-bound**. Let's look at an example for saving a new water heater.

EXAMPLE:

S	What's your specific goal?	Replace conventional 50g tank heater
M	Including labor, how much will it cost?	\$1,200
A	How much can you save each month?	\$50.00 per month
R	Is this realistic for your finances?	Yes
T	When you expect to replace the unit?	24 months

In this S.M.A.R.T. goal example, you can save \$50 per month. It will take 2 years to reach your \$1200 goal.



S.M.A.R.T. Goal Activity: Choose one of your Home Repair goals from Section A) and create a S.M.A.R.T. goal using the following grid:

Specific	What's your specific goal?	
Measurable	Including labor, how much will it cost?	\$
Actionable	How much can you save each month toward this goal?	\$
Realistic	Is this realistic for your finances?	
Time-bound	When you expect to make the repair?	

D) Creating a Spending Plan for Repairs

Creating a budget or spending plan can help make sense of where your money is going on a monthly basis. It is also a helpful tool for planning future expenses like home repairs, especially when paired with your S.M.A.R.T. Goal.

Monthly Income

What is your Monthly Net (take-home) Income?	\$	\$
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Monthly Expenses

Monthly Expenses	Current Estimate	Goal	Current Estimate	Goal
Housing - Mortgage	\$	\$	Pet Expenses	\$
Utilities, Trash	\$	\$	Household & Personal Care	\$
Internet	\$	\$	Gym/Health	\$
Groceries	\$	\$	Cable or Streaming Service	\$
Dining Out	\$	\$	Entertainment	\$
Coffee/Beer/Cigs	\$	\$	Savings for Emergencies	\$
Cell Phone & Plan	\$	\$	Saving for Retirement	\$
Transportation – Gas, Bus	\$	\$	Charity or Tithing	\$
Transportation - Repair	\$	\$	Debt Payment - Car	\$
Insurance – Car	\$	\$	Debt Payment – Credit Card	\$
Insurance – Renters or Home	\$	\$	Debt Payment Student Loan	\$
Insurance – Life, Disability, Etc	\$	\$	Debt Payment – Medical	\$
Medical/Dental – Out of Pocket	\$	\$	Debt Payment – Other	\$
School Expenses	\$	\$	Legal (Child Support, etc.)	\$
Child Expenses	\$	\$	Savings for Repair Goal 1	\$
IDA Savings Goal:	\$	\$	Savings for Repair Goal 2	\$
Other:	\$	\$	Savings for Repair Goal 3	\$
Total Monthly Expenses			\$	\$



E) Free programs, loans, or other funding for repairs

It's not uncommon for home repairs to need immediate action, and immediate access to funding. When you find that you have some savings, but not enough to cover the full costs, there are options for you. While some vendors offer financing, but you'll need to carefully consider the terms of their loans. Here are a few options we'll explore:

Nonprofits and government agencies in your county or city may have home repair programs to assist income qualified homeowners. Here are a few options to research:

- **Weatherization Assistance Programs:** Learn more at www.oregon.gov/ohcs/energy-weatherization/Pages/weatherization-services.aspx
- **Energy Efficiency Upgrade Incentives:** Learn more at <https://energytrust.org/residential/incentives/>.
- **(Portland Only) Lead Hazard Control Grant Program:** learn more at <https://www.portland.gov/phb/lead-grant>

- 1) Can you identify an agency near you that could provide some additional free home repair or weatherization services in your area?



Other financing options for homeowners to consider are Credit Unions and Banks that offer Home Equity Line of Credit (HELOCs) and Home Equity Loans.

- With a home equity loan, you receive the money you are borrowing in a lump sum payment and you usually have a fixed interest rate. With a home equity line of credit (HELOC), you have the ability to borrow or draw money multiple times from an available maximum amount.
- Unlike a home equity loan, HELOCs usually have adjustable interest rates.
- If you are having trouble paying your mortgage, think carefully about your budget and ability to take on more debt before considering a home equity loan or home equity line of credit.

- 2) Would a Home Equity Line of Credit (HELOCs) or a Home Equity Loan be options for you to consider? If yes, who would you contact to find out more information?



F. Avoiding high cost credit and loans

While accessing credit (like a loan or credit card) can help you build your credit score, it can also hurt you and end up costing more in the long run. Just because you are offered something, doesn't mean it's right for you. If you do decide to open a new line of credit, you may not benefit from using all the credit available to you. Borrowing only as much as you can pay off quickly will help you avoid paying more in the long run and damaging your credit.



Watch the video “**Predatory Lending**” by CUA: <https://youtu.be/9-BEyc4Ey5c>



Many financial institutions, including payday lenders, auto financing companies, or credit card offers often use deceptive tactics to offer loans that aren't in your best interest. Many institutions find ways to avoid regulations and build their profits from your financial emergencies, offering short-term loans at very high interest rates.

When considering a loan or line of credit, look for the following red flags:



- 1. Unclear Pricing and Terms:** Offering a “teaser interest rate” that will expire and rise considerably. This could include “buy now pay later” offers that are zero interest until you miss a payment or high “activation fees” or “annual fees” associated with their products, often hidden in the fine print.
- 2. Aggressive or abusive broker practices:** Pushing you to sign the papers without giving you true costs until they get your signature. Pressuring to get access to your other accounts.
- 3. Pre-payment Penalties:** making it not beneficial for you to pay off the loan early
- 4. Approval is too easy:** Offers that seem too good to be true by promising easy deposits, “same day”, or “instant approval”, while downplaying the high fees for these products, which are often in the details of the loan.
- 5. Abnormal Payment Structures:** Payment terms that vary from day to day or month to month.
- 6. Short term loans:** Taking advantage of someone’s financial emergency by charging high fees and trapping someone in a high cost debt cycle.
- 7. Not willing to answer questions**

Consider your options carefully when you are offered loans or credit.

For example, consider Rapid Anticipation Loans, which are based off your “anticipated” tax return. They often offer these late in the year, typically at or before the holiday shopping season. They will offer \$500-\$4,000 from your next year’s tax return. The catch is that they charge fees, interest, and you pay to use their tax services, which generally cost several hundred dollars.



Have you seen or experienced similar pressure tactics in your community? What strategies will work for you to avoid getting stuck with a high cost loan or debt in the future?

III. Preventative Home Maintenance



One of the best ways to save money on home repairs is to keep up with regular and seasonal preventative maintenance. In this module, you'll be provided an example Home Maintenance Checklist. You'll then be asked to develop your own checklist.

- A) Your home's building envelope
- B) Home Maintenance Checklist

A. Your home's building envelope

Put simply, one of your home's primary roles is to provide shelter from the elements: wind, water, heat and cold. Much of your goal as a homeowner is maintaining your investment. Protect your home from both external and internal elements. We call this your home's **building envelope**.

"The building envelope, or shell, is the part of a house that you can draw a line around: the roof, the walls, and the floor. The enclosure begins in the ground with the foundation and floor. It extends out of the ground as aboveground walls, and it's capped with a roof. Each part of the enclosure faces different challenges, but together they must achieve the same goals of stopping or slowing the flow of air, water, and heat while still allowing the inevitable intrusion of water a way to dry out. The parts of the house where this balance is always the trickiest are where the roof meets the walls and the floor meets the foundation." - Green Building Advisor



Read and Reflect Exercise: Read the following article titled "The Building Envelope" from Green Building Advisors and answer the following reflection questions.

<https://www.greenbuildingadvisor.com/green-basics/the-building-envelope>

- 1) In addition to spray foam, what are three helpful products you can use to help with air tightness?

- 2) What can you implement to help with water management on the exterior of your home?

Home Maintenance Checklist



Homes require regular and seasonal maintenance to keep their building envelope working properly. In addition to cleaning, raking, and repairing, one of main roles of regular maintenance is simply to inspect and ensure everything is safe and working properly.

A quick internet search will provide many templates for creating a Home Maintenance Checklist. Please review the following checklist and then circle items that you'd like to include on your home's checklist.

Spring	Fall
Clean Windows and Repair Screens	Check and Seal Windows
Unclog and Secure Gutters and Downspouts	Upgrade to a programmable Thermostat
Regrade Around Foundation	Check and Clean Humidifier
Test Sump Pump	Close Critter Entrances
Clean AC System	Shut Off Hoses Bibs
Inspect and Maintain Laundry Room	Check and Maintain Dishwasher
Check Attic Room	Clean Out Gutters
Test GFCI Outlets	Clean Outdoor Drains
Change Furnace Filters	Clear Out Sink Drains
Change Batteries in Carbon Monoxide and Smoke	Change Furnace Filters
	Test Carbon Monoxide and Smoke Detectors
Summer	Winter
Clean and Care for Deck	Check and Upgrade Insulation
Clean Siding	Check and Maintain Furnace
Check Crawlspace	Vacuum Air Registers
Maintain Yard Growth	Check and Flush Water Heater
Test and Lubricate Garage Door	Re-caulk Bathtub
Remove Rust on Railings	Maintain Fireplace and Chimney
Check Skylights	Check Crawlspace
Clean Shower Heads	Replenish Flashlight Batteries
Change Furnace Filters	Check Gutters for Ice
Test Carbon Monoxide and Smoke Detectors	Change Furnace Filters
	Test Carbon Monoxide and Smoke Detectors
Periodic	Periodic
Weatherproof Doors	Repair and Reseal Driveway
Pressure Wash Deck	Check Life Expectancy of Appliances
Pressure Wash Siding	Lubricate Door Hinges and Hardware
Check and Maintain	

IV. Building Your Toolbox

A handful of tools can be a godsend to help you handle everything from day-to-day fixes to bigger projects. You may choose to own some tools, and you can either borrow from friends or a local tool library, or rent through a tool rental company or home improvement store. In this module, you'll take an inventory about how you can access common tools as well as who you can lean on to help with small projects.

What if you need a specialized saw for one project? Or you want to pressure wash your driveway but don't want to invest in a pressure washer? If you aren't planning to own or borrow, where can you go to rent tool items?



- Nearby **home improvement stores** – tool rental is big business for big boxes like Lowes and Home Depot. For larger tools or equipment that you only foresee using once, the home improvement stores have you covered.
- Your **local library** - think your library only has books? Think again. Some libraries have "Library of Things" programs where they rent out common tools.
- Your **local tool collective** –Google "Tool Library + your closest city."
- Consider asking a **Neighbor, Friend or Relative**

Your handyperson circle of friends

Sometimes we need a little help from our friends, especially when the task is beyond our skill level. Please list two friends, family, neighbors or acquaintances who might be able to assist you with muscles or know-how on a small fix-it project. Then ask them what help they might need on their own project!



Common tools to own, borrow or rent

Whether you're building your tool library, or you're borrowing some from your neighbor, here is a list of some common tools that will be helpful for small repairs, and basic touch-ups. Use the list to make a plan for how you can access each item. Will you rent it, borrow it or plan to own it?

Checkbox Activity: Will you rent it, borrow it or plan to own it?

Check the corresponding box for each tool item and how you can access this items.



	Borrow it	Rent it	Own it
Broom			
Caulk Gun			
Extension Cord			
Extension Ladder (20 foot)			
Step Ladder (6 foot)			
Flashlight			
Gloves			
Hammer			
Headlamp			
Hose			
Leaf Blower			
Pliers			
Plunger			
Power Drill			
Drill Bits			
Safety Glasses			
Screwdriver set			
Shovel			
Stapler			
Tape Measure			
Toolbox			
T-wrench			
Wheelbarrow			
Other:			



V. Do it yourself or Hire a Contractor?

It's time to address, the age-old question, should you hire out the work or do it yourself (DIY)? Should you save money or save time? Are you qualified to perform the task or is it something that a licensed and bonded professional should complete? And of course, if you do hire someone, what are questions to ask to make sure you get the service you deserve. In this module, we'll cover the following sections:

- A) DIY vs Hire a Contractor
- B) Learn Three DIY Skills
- C) Shopping for a contractor
- D) Conclusion and next steps

A. DIY vs Hire a Contractor

If you enjoy painting, carpentry or other repair and renovation related activities, you may be up for a DIY project or two to save on costs. That said there are definitely some tasks that you want to defer to a professional. Here's a categorized list of some projects you can do, and some projects it would best to hire out.



1. Projects that you can do with little experience:
 - a. Most preventative maintenance projects
 - b. Installing trim and baseboards
 - c. Painting interior walls
 - d. Re-facing cabinets
 - e. Installing most appliances
 - f. Replacing sink or faucet
 - g. Caulking windows or bathtub
2. Projects that you might do if you have some experience or aptitude:
 - a. Some simple plumbing projects
 - b. Some simple flooring or tiling projects
 - c. Installing kitchen or bathroom cabinets
 - d. Painting exterior walls
 - e. Installing a new toilet
3. Projects to definitely hire a professional
 - a. All electrical projects
 - b. All heating and HVAC projects
 - c. Most projects requiring moving or installing new plumbing
 - d. Most all structural projects including removing walls
 - e. Most roofing projects
 - f. All projects that require a gas line
 - g. Removing dry rot and replacing either subfloor or drywall

Reflection Activity: Think about the house projects you'll need to address in the next five years. Which of them do you think you can DIY and which do you think you'll need to hire a professional?

I can DIY....

I'll need to hire a professional for...

B. Learn Three DIY Skills

Put on some work gloves; are you ready to get to work? Yes, not all YouTube handy person videos are created equally, but there are some pretty good teachers that help you learn how to do some simple DIY tasks.

Watch & Reflection Activity: Choose three of the following videos to watch:



- How to caulk a bathtub: https://www.youtube.com/watch?v=AcgErpZ_Doc
- How to install baseboards: <https://www.youtube.com/watch?v=NZTt5yiwS6Y>
- How to identify a load bearing wall:
https://www.youtube.com/watch?v=nJSsRVoy_Uo
- How to install a bathroom vanity: <https://www.youtube.com/watch?v=yPwotrmEgz4>
- How to install a toilet: <https://www.youtube.com/watch?v=QjlbqTjTkTU>
- How to prevent a mossy roof: https://www.youtube.com/watch?v=f_jbaGCR6oo
- How to replace a kitchen sink & faucet:
<https://www.youtube.com/watch?v=OvUuoY4veRA> Sources: [@ThisOldHouse](#) and [@HouseImprovement](#)

What was the most interesting or important thing you learned from watching one of the videos?

Disclaimer: the previous videos are for education purposes only. If you don't feel comfortable with the project, please consult a licensed and bonded professional.



C. Finding a contractor

Finding a good contractor referral may take time on the front end, but may save you headaches in the long run. Here are a couple thoughts when hiring a contractor:

Do you trust the source?

When you've determined what projects you are willing to DIY, where should you go to get step-by-step instructions to complete your project? We don't forget that we live in the digital age where everything can be found online. However, we must ask ourselves, is this the best way to go about protecting our largest investment that is our home? What is the main difference between material found on YouTube and material found in a book?

Before Hiring a Contractor:

- Ask family, friends and your realtor for contractor referrals. Contractors want to establish a good reputation. Knowing a contractor provided quality service to someone you know will also give you some peace of mind.
- Get bids from multiple contractors and let them know you are getting bids from others
- Ask about timelines and how many projects they balance at one time
- Ensure that that contractor is licensed and bonded. You should always look them up by CCB number or name at the Oregon Construction Contractors Board website. It will give you information about unpaid debts, complaint history, disciplinary history, and more. <http://search.ccb.state.or.us/search/>
- Ask the contractor you're choosing if they could give you the name and phone number of someone they worked with in the past, so you can hear their experience



When Signing a Contract with a Contractor

- Review the contract
- Make sure you have a good contract that details what will be done, the price, the type of materials, and a reasonable project completion timeline.
- Never pay for the full amount upfront
- Establish payment terms
- Set clear communication and expectations



Avoiding Liens



A lien is a legal claim against your property that can be used as collateral to repay a debt. Any contractor, builder or subcontractor that does work on your home has the ability to put a lien on your property if they don't receive payment. The supply house can also put a lien on your property if a payment isn't made by the contractor for the materials and supplies acquired for your project.

For example - If you are getting a new roof. The contractor will get material delivered by a supply house. The supply house can either request full payment of the supplies at the time of purchase, upon delivery or they may allow the builder to pay after the job is done. If the builder fails to pay for the material provided, the supply house can put a lien on your property for the amount due to them. All this can be avoided by hiring a reputable contractor to work on your home, having clear expectations and communication.

How to handle disputes

Sometimes there are misunderstandings between you and your contractor, or you feel the quality of work did not meet your expectations, or your contractor damaged something while working in your home. Many things can arise that lead to a dispute. The best course of action is always open communication and maintaining calm and professionalism while you address these situations. Unfortunately, sometimes even then that may break down. If you did your research and hired a CCB licensed and bonded contractor, there are remedies in place to try and resolve your issues.



You can find step by step instructions on the CCB website here:

<https://www.oregon.gov/ccb/Pages/Consumer-Tools.aspx#HowToFileComplaint>

The CCB will guide you through the process of providing a 30 day notice, meeting with your contractor, filing an official complaint, mediation steps with a CCB representative, and if in the event mediation does not resolve your issues, the next steps to request further action.



Other Contractor Resources - The CCB provides lots of great educational resources for homeowners including how to find reliable contractors, avoiding construction and disaster scams, a detailed list of what should be in a contract (including arbitration clauses and homeowners right to cancel), a list of Top Five Mistakes, and how to file a complaint against a contractor.

You can find this at <https://www.oregon.gov/ccb/Pages/Consumer-Tools.aspx>



VI. Making a Plan With Your IDA

Based on all the factors:

What home repair needs do you plan to use your IDA to complete?



Repair Item	Estimated Cost	Goal Date	IDA Funds	Savings
1.	\$		\$	\$
2.	\$		\$	\$
3.	\$		\$	\$
4.	\$		\$	\$
5.	\$		\$	\$
6.	\$		\$	\$

You may be able to do just one thing at a time.

But once you have completed the work:

CELEBRATE & REST!



Verification of Completion

Home Repair

IDA Education Series

Give this page to your IDA Provider after completing this Curriculum.
You keep the rest of this packet.

Name: _____

Date Completed: _____

Sign here to verify that you have completed the IDA Home Repair Education packet!

➤ Signature: _____

Is there anything related to home repair that you would like to learn more about or discuss with your IDA Provider?

Do you have any recommendations to make this curriculum better?

