

OPTIONAL EQUIPMENT

Should You Include Built-Ins in Mortgage?



There are many optional extras connected with a house. Carpeting, drapes, built-in oven and range. garbage disposal, dishwasher, trash compactor, central air conditioning, and central vacuum cleaning system are the most common. Some of these you may feel are necessary, and some you will feel you can do without. If you have all these things included in your mortgage, you will be paying for them over a period of probably twenty-five or thirty years. The total amount of interest you will pay on them, therefore, will be about equivalent to their original cost. It sounds like a high price to pay, and if you take this route, you are gambling that the inflationary spiral will continue. Some cynics would say that's not much of a gamble. By spreading your cost out over thirty years, you are buying the maximum amount of goods for the minimum amount of monthly payment. If you were to go to a department store and purchase these items separately, you would pay less in total for them, but you would have to pay sooner, while your dollars were still worth more. And consider your budget. For example, say your mortgage payments would come to

\$200 a month without any of the extras. If you included \$1,000 worth of extras in the mortgage, it would up your payment about \$6.65 per month, and \$2,000 would be double that.

As you can see, the amount to be paid out each month is minimal. compared with what it would cost you to go to a department store or some other contractor for the options you really want. The additional cost per month of not including them in your mortgage might even put you in financial trouble if you waited until you got the mortgage, or disqualify you for the mortgage if you didn't already have it. Of course, you may feel that you can do without some of these things for a while, until you have more money. This is fine if doing without them won't make your feel deprived. Often, too, the builder can get a better deal on carpeting, appliances, etc. because he buys in quantity. If he passes the savings on to you, you won't get a better buy.

If paying for appliances for thirty years upsets you, consider this: You probably won't live in the house that long. If you are like the average American family, you will probably

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