

# REAL ESTATE

SATURDAY, MARCH 13, 2004

For more  
Real Estate news,  
Section G

## Selling Is an Emotional Call For Some Surviving Spouses

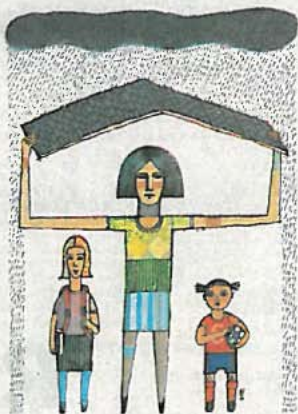
By CHUCK GREEN  
Special to The Washington Post

After her husband died six years ago, Cindy Gossman wanted to shield her three young children from further upheaval. She knew one way to accomplish that was to keep her house, which was feasible because her husband had enough life insurance to meet his family's needs.

"It was just as hard to deal with the loss of my husband as it was to play mom and dad, so keeping our home was important," said Gossman, a resident of Virginia Beach.

Gossman, 36, who works from home as an independent beauty consultant, knows not everyone can stay put. "A lot of people might not be so lucky," she said. "A 40-year-old woman who never worked a day of her life might suddenly lose her husband and be without pre-existing insurance."

Even when children are not in the



BY ROBERT MEGANCA FOR THE WASHINGTON POST

### THE NATION'S HOUSING

Kenneth R. Harney

## Your Privacy Rights and Lenders

Should you have to sign away your legal rights to refinance your mortgage or buy a new home?

Of course not. But that's what some mortgage lenders are now requiring, though their customers may not have the slightest idea what's going on. Lenders are forcing borrowers to waive their privacy rights and grant what amounts to a fishing license to gain access to their federal income tax records. Worse yet, lenders are free to pass along the fishing licenses to other companies when they

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### House gossip

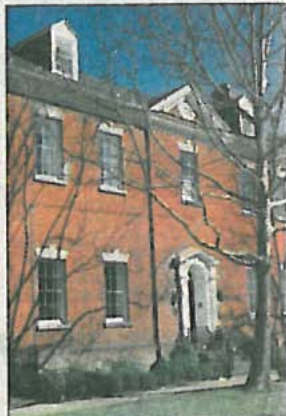
## Restore and Resell?

Only four months after being featured in *Architectural Digest*, the Federal-style Old Town Alexandria house that National Gallery of Art Director Earl A. "Rusty" Powell and his wife, Nancy, lovingly restored in 2001 appears to be up for sale.

While Powell said through a spokeswoman this week that "no final decision has been made" about selling the house, a broker with McEneaney Associates said last month that "the technical answer is it is listed, but not on the market yet." An agent with the company has circulated postcards featuring the property to other agents. The price tag being discussed is not known; the company would not provide a copy of the postcard or confirm a price. The property was assessed at \$3.58 million in January.

Powell and his wife, a financial

See GOSSIP, F15, Col. 5



BY SUSAN BOOLE—THE WASHINGTON POST

The Powells' Old Town Alexandria home.

### GREEN SCENE

## Rocking On in the Garden

F5



### HOUSEWATCH

## When Exercise Has Too Much Bounce

F3



### ROBERT I. BRUSS

## Real Estate Mailbag

F16



### MORTGAGE NEWS

## Interest Rates Plummet

G4

5.41%

# When the Old House Is Full of Memories

SURVIVORS, From F1

mix and even when selling the house might not be financially necessary, Gossman said, the decision about whether to remain in the family house or to move on after the death of a spouse is not easy. "Maybe the [surviving spouse] can't stand to stay in the home. That's more of an emotional decision."

That is one reason experts caution surviving spouses or significant others against acting rashly, particularly when it comes to the home. And while pre-planning about things such as insurance will help ease circumstances, even without it, they say, issues such as wills must and can be addressed. "Take it slow, consult with people you trust, make a list of priorities. It's devastating, because your home represents your relationship with that person. It's what you built and invested in, in terms of time, effort, money and years," said Annemarie Bezold, coordinator of a county program called the Grief Program of the Fairfax-Falls Church Community Services Board.

Grief and its impact is one reason people should take their time, she said. "During grief, people have difficulty focusing, remembering things and concentrating. Grief takes up so much of your body, mind and spirit that you're left overwhelmed and in a less able position to make good decisions. If people can, they should take at least a year before making major decisions about their life, and consult with family members and friends they trust."

Some financial matters, however, cannot be put aside for long, said Melvin Breuner, an accountant and financial planner in Silver Spring. "A prompt accounting of assets, such as bank accounts, investments, personal and real property, as well as obligations such as regular and periodic bills and tax obligations, is important. Deadlines for making claims or payments need to be observed. Having an idea of what assets are liquid, to meet current needs, and which assets are available for future needs is important. Immediate actions may be required to preserve the condition or value of property." Title transfers are not usually pressing issues, he said, "but should be dealt with promptly."

Besides the decision about her home, Gossman dealt with her situation by forming a local widows and widowers support group in February 2000. "I emphasize to young couples, as they're starting their lives and buying their first home and starting to have babies, that it's important to think about things like life insurance and a retirement plan," she said.

first talked to them about it, two of the three said, 'Great, we're glad to hear that.' Then, within a couple of weeks, they were all saying, 'Wait a minute. This is Mommy's home. We don't like the idea of Jennifer moving in and being in charge.' But now, the kids really like her. I'm sure they have some problem with it, but they accept it better."

That's not the only area where compromise is important. Relatives and friends of a surviving spouse also must understand that despite their best intentions, it's important to allow individuals to make their

own decisions about their home, Bezold said. "Moving is a major stressor, so moving, with the loss of a person who they've spent life with, is a double challenge. I've found so many people I've worked with, their best friends and relatives actually give them advice that hurts them; they mean well, but that actually tries to minimize their loss instead of acknowledging the difficulty and the challenge that it brings."

And everybody has his own set of challenges with which to deal, said Joel Martin, a real estate agent with Re/Max Allegiance in Northwest

Washington.

"Much of it depends on the personal circumstances. Someone might have had insurance, so the mortgage is paid off, or they might not have any at all."

Martin said another issue is when a property was bought and its condition at the time.

"If it was bought 15 or 20 years ago, most likely the mortgage payment is very low and therefore it's either two-thirds of the way paid off or it's soon to be and the payment, presumably, is much lower than if you were to buy something in today's

market," he said.

Bob Richard did not have a mortgage to deal with because he, his teenage daughter and his wife were living in a rented house when his wife died. Today, Richard is basing his long-term housing decisions on what seems best for his daughter and himself. "There are issues of continuity and stability when there are young people involved. My goal, number one, has been to provide a stable environment for Meredith without gratuitous change; there's enough going on. Secondly, being more reflective about myself and my own needs, I don't think it's wise to make a major decision for about a year. That was kind of pounded into us by friends who were accountants

and attorneys: If anything ever happens, just remember, take your time. There's no need to change in a hurry. There are a lot of reasons for that—just avoiding a misstep."

Absolutely, Bezold said. "Imagine trying to make major financial decisions. It's terrible, because you need to be able to think clearly, to be practical, and your decision-making is flawed. You can't think straight."

Gossman is glad that, for her, the decision about whether to move has been based solely on what she chooses to do.

"If it comes to a point where, for whatever reason, I was to relocate, it wouldn't be such a chore or burden," she said. "It would be something to look forward to."

Peace of Mind

IT MAKES A BIG DIFFERENCE

nancial blow, Brenner said. "Two main functions of life insurance are to provide for income continuation and to provide estate preservation. The amount of insurance needed, if any, is calculated after considering probable future costs."

Brenner said surviving spouses who have prepared wills should review them and other documents that have named beneficiaries, such as insurance policies and retirement accounts, "to decide whether they are still appropriate or need amendment. Review and update any previous planning. If planning was not done previously, this would be the time to start."

"If you can get people to plan in advance, by having adequate life insurance, it would be a lot easier," said Mark G. Griffin, a lawyer with Griffin, Farmer & Murphy in Washington. "Most of the time, when I'm dealing with surviving spouses, I'm dealing with people who have houses that have been paid off. Their concern is how they're going to be able to live."

Money and grappling with the challenge of remaining in his home were not concerns for Maryland resident Ken Erickson after his wife died three years ago; instead, his focus was on doing the right thing for his three daughters, who then were 15, 17 and 19 years old.

"Because my kids grew up in the home, I didn't want to sell it out from under them," he said. "I thought long and hard about it, and wondered what I would do with the house. It has five bedrooms, which for one person is too much. But it is my children's home."

That in itself, Erickson said, can pose specific challenges. "As far as widows and widowers and real estate, it is an extremely complex issue. Some people say, 'How can you have someone move in if that was your wife's house?'"

At one time, Erickson, 52, thought he would sell the house and buy a townhouse after all three daughters completed college. Those plans changed after Erickson met a woman who had lost her husband and has a son who is now 2 years old. When she and Erickson became engaged, they decided to put an addition on Erickson's house and live there. "So it went from me thinking I was going to downsize and go to a condo near the ocean, semi-retire and fish and golf, to where I'm now marrying a widow with a child and putting an addition on my existing home," Erickson said.

It took a while, however, for his daughters, who now do not live at home full time, to adjust. "When we