

REAL ESTATE

Garden Jobs

The heat and humidity of late summer are good for something—seeds, spread almost instantly. For what to plant on this last weekend of August, see our new listing of garden jobs on K9.

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Los Angeles Times

HOT PROPERTY



Jodie Foster

Hello Baby, Bye-Bye Condo

By RUTH BEVAN Times Staff Writer

Oscar-winning actress **JODIE FOSTER**, who became a mother for the first time in July and produced "The Baby Dance" on Showtime last weekend, has listed a Woodland Hills condo that she has owned since 1985.

Foster, 35, bought the contemporary townhouse when she was a first-year student at Yale University, where she majored in literature and from which she graduated magna cum laude, sources say.

She lives in the townhouse off and on for years and was living there when she won her first Best Actress Oscar, for "The Accused" (1988). Foster now lives in another of her homes in the Los Angeles area.

She won her second Academy Award as best actress for "The Silence of the Lambs" (1991), and she is expected to reprise her role opposite Anthony Hopkins in a sequel.

She made her feature-film directorial debut with "Little Man Tate" (1991), in which she also starred. She last appeared on screen in the movie "Contact." Please see **HOPE FOSTER, K2**

YOUR NEW HOME

It May Look Like Dream Kitchen, But Does It Work?

By KATHERINE SALANT Special to the Times

Beware of the seductive kitchen. That is to say, don't get so carried away with the look that you forget to consider what a kitchen will be like to work in.

If there isn't enough counter space for food preparation, for example, you'll hate it every day you live in the house. I speak from experience: my first house had such a kitchen. The cabinets were a shiny red, and the walls were finished in an unusual type of faux painting.

Only after I moved in did I realize that the short leg of the angle L-shaped counter was wide enough only for a toaster and that the single base cabinet below was too shallow to hold much. The only usable work area was the narrow counter sandwiched between the sink and the stove, above the dishwasher.

So, like all those rare-colored gemstones and the kitchen's last look. First, check out that counter space: is there enough for a good-sized food preparation area? If more than one person will be cooking at the same time, is there enough room for two people to work together comfortably? If you have walk-in coolers and freezers, please see **NEW HOME, K18**

IRS, Congress Scrutinize 125% Loans

By KENNETH R. HARNEY Special to the Times

WASHINGTON—Mortgage loans that exceed the value of the homes securing them are attracting new, critical attention at the IRS, on Capitol Hill and in at least one California district attorney's office.

The issue is all three places at the same. Homeowners taking out mortgages with balances higher than their property values—a hot multibillion-dollar financing concept for the last two years—may be taking illegal tax write-offs on portions of their interest payments.

Those homeowners may be misinformed about federal law limiting interest deductions, or they may be actively misled by lenders or loan brokers.

At the IRS, plans are underway to create a new method for identifying homeowners who have mortgages that exceed their home values.

Federal tax officials are drafting a revised Form 1098, the familiar mortgage interest statement, with unusual by mortgage lenders to each

home loan borrower, with a mandatory copy to the IRS.

The current form details the amount of mortgage interest the lender has collected from the borrower during the prior year. That amount is generally deductible as a federal tax time for

homeowners who itemize. The copy of the form sent by the lender to the IRS enables tax auditors to electronically cross-check interest deductions on individual tax returns.

If your Form 1098 says your mortgage interest paid during the year was \$4,000 and your tax return claims \$6,000, the IRS can spot that difference in an audit.

The revised Form 1098 would include a new box for lenders to check off they believe a borrower has a "high loan-to-value" loan, with the total mortgage debt exceeding the fair market value of the property.

In instructions to lenders filling out the new Form 1098, the IRS asks them to check the box if the "total of all debt (including the debt to you) secured by the home exceeds the fair market value" or if "the fair market value of the home is not available.

Please see **YOUR MORTGAGE, K4**



YOUR MORTGAGE



AT HOME

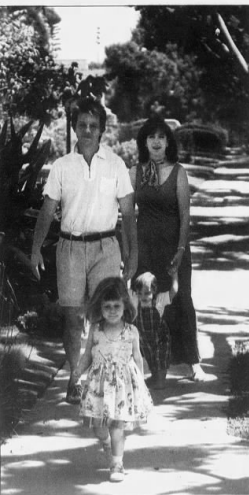


George and Winona Ashley, right, moved into their Sunset Park home in 1942. Recent arrivals to the Santa Monica neighborhood include Jon and Hannah McHugh, with children Alisa Jane and Sean.

Viewed as Santa Monica's last affordable neighborhood, Sunset Park started as a tract for aircraft employees in the late '20s.

Modest Beginnings

By LINDA BETH MOTIMER Special to the Times



Karen McHugh still has the thick black notebook she kept six years ago during the course of her and her husband's eight-month search for a first home.

In the notebook she carefully logged the descriptions of the 50 homes she saw on the Westside of Los Angeles—Pacific Palisades, Brentwood, the canyons and Santa Monica.

The house hunt, and her notebook jottings, came to a sudden end one Sunday afternoon when she stumbled onto a two-bedroom, two-bath 1928 Spanish-style house in the Santa Monica neighborhood of Sunset Park.

Within minutes of stepping inside the 1,800-square-foot home, McHugh said, she paged her husband, Jon, who is in the music business.

"The house felt very expansive to me, very cool," said McHugh, who was reminded of the open plan of her Texas childhood home. "You could see the backyard. I really felt this was a home we could live in."

The next day the couple withdrew their bid on a Palisades view home and made an offer on the Sunset Park home. Please see **SUNSET PARK, K4**



INSIDE Letters: Realtors reply to the "Cutting Your Costs" article: You get what you pay for. **K3**

