Additional Building Information

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Mortgage and Lending Information

A. What Size Home Should You Build?

Before you purchase a lot or a set of house plans, you must first determine the size of home you can afford to build.

1. What Can You Afford?

To determine the size home you can afford to build you must determine how much money you can (or want to) pay per month, calculate the amount of money you can borrow, pre-qualify for a loan, decide what to include in your loan then determine the cost to build per square foot in your area. We'll show you how to do all these items but first we'll cover some basic terms and information about mortgage lending that you need to know.

a. Mortgage Lending Information

i. Credit Scores

There are three major credit reporting agencies in the nation: Equifax, Trans Union and Experian. Along with the credit report, lenders can also buy a credit score based on the information in the report. That score is calculated by a mathematical equation that evaluates many types of information that are on your credit report at that agency. By comparing this information to the patterns in hundreds of thousands of past credit reports, the score identifies your level of future credit risk.

Credit bureau scores are often called "FICO scores" because most credit bureau scores used in the U.S. are produced from software developed by Fair, Isaac and Company (FICO). FICO scores are provided to lenders by the three major credit-reporting agencies.

FICO scores provide the best guide to future risk based solely on credit report data. The higher the score, the lower the risk. But no score says whether a specific individual will be a “good” or “bad” customer. And while many lenders use FICO scores to help them make lending decisions, each lender has its own strategy, including the level of risk it finds acceptable for a given credit product. There is no single “cutoff score” used by all lenders.

In order for a FICO score to be calculated on your credit report, the report must contain at least one account, which has been open for six months or greater. In addition, the report must contain at least one account that has been updated in the past six months. This ensures that there is enough information - and enough recent information - in your report on which to base a score.

In general, when people talk about “your score,” they’re talking about your current FICO score. However, there is no one score used to make decisions about you. This is true because:

- Credit bureau scores are not the only scores used. Many lenders use their own scores, which often will include the FICO score as well as other information about you.

- FICO scores are not the only credit bureau scores. There are other credit bureau scores, although FICO scores are by far the most commonly used. Other credit bureau scores may evaluate your credit report differently than FICO scores, and in some cases a higher score may mean more risk, not less risk as with FICO scores.

- Your score may be different at each of the three main credit-reporting agencies. The FICO score from each credit reporting agency considers only the data in your credit report at that agency. If your current scores from the three credit reporting agencies are different, it’s probably because the information those agencies have on you differs.

- Your FICO score changes over time. As your data changes at the credit-reporting agency, so will any new score based on your credit report. So your FICO score from a month ago is probably not the same score a lender would get from the credit-reporting agency today.

Most mortgage lenders when determining whether or not to approve a loan will focus on the middle credit score from the three bureaus. For example, if your three scores are 682, 695 and 703, they will use the middle score of 682. Bottom line – you want a high credit score.

“To Quickly Raise Your Credit Scores”

Order a current copy of your credit report and do the following:

a. <u>Close</u> all charge accounts that you do not need. A closed account is much better than an account with a zero balance. A person with only one credit card will have a higher score than someone with ten credit cards that show a zero balance.

b. Write all three credit bureaus and dispute any old records and/or erroneous records that appear on your credit report. Most records are deleted after seven years. If they cannot verify the information or dispute your claim, they will delete this information from your credit report.

c, Call any accounts on your credit report that reported you more than 30 days late and ask if they will remove this late notation from your credit report. They may or may not do this - it never hurts to ask. It is written, “If you don’t ask, you will not receive.”

d. If you have recently filed bankruptcy, you can open what is called a secure credit card account. This could be a Visa Card account where your limit is equal to the amount of money you have deposited with the issuing bank. This is similar to a debit card but it’s listed as a credit card on your credit report. You must stay current on this and any other credit account for 12 to 18 months. You can get these cards through Wal-Mart.

e. Do not make any significant purchases on credit [e.g. - buy a new car, boat or furniture] until after you have closed on the permanent home loan.

f. I went for a number of years paying cash for everything. This was a problem when I applied for a loan. No credit can be as much of a problem as bad credit. I had to open a few accounts and pay them for 6 months to establish a good credit score.

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ii. Closing costs and discount points

Closing costs are fees collected at the closing of a loan to cover the fees paid to all parties that have made the loan possible - such as the closing attorney, the mortgage company, the mortgage broker and the appraiser. When purchasing a home, the buyer and seller will negotiate who pays all or part of the closing costs.

Discount Points - I'm not sure why they are called "discount points". Most lenders refer to them as simply "points". The best way I can describe discount points is like this - if the lender is charging you the maximum competitive closing costs and the maximum competitive interest rate and the lender still does not have enough money to pay their bills and/or pay their investors a good rate of return, the only other place they can get this money they want is with discount points. For example, if the loan is $100,000.00 and the discount points are 5%, then $5,000.00 would be paid in discount points. These points are paid up front like closing costs and are normally paid by the borrower to the lender at the closing of the loan. Your only recourse is to shop your loan and find a lender that is charging little or no discount points.
If you wanted to, you could pay additional discount points in order to "buy down" the interest rate on your loan. For example, if the interest rates are 8% and you wanted 6%, you could do this by paying additional discount points. When interest rates are high, some builders will buy down the interest rate for a customer as an extra incentive to purchase the builder's home.

iii. Fannie Mae and Freddie Mac

These are private, shareholder-owned companies that will purchase loans in bulk from a mortgage lender. This provides mortgage lenders with more funds to originate more loans and collect more fees. Fannie Mae and Freddie Mac have strict lending requirements that apply to the loans they purchase. [If you would like to know more about these institutions, visit their website at www.fanniemae.com and www.freddiemac.com]

iv. FHA [Federal Housing Administration]

FHA is a division of HUD [Housing and Urban Development] and insures mortgage loans. This means low risk to the lender because FHA will pay off the loan should the borrower default. Because of this lower risk, lenders will loan money on an FHA loan at a lower interest rate to a qualified borrower. The maximum loan amounts vary from one area of the country to another. If you currently have an FHA loan, you cannot obtain another FHA loan until the current loan is paid in full or converted to a non-FHA loan. [If you would like to know more about FHA go to www.hud.gov]

v. VA [Veterans Administration]

These loans are only available to veterans. Like FHA, VA doesn't loan the money to the borrower, they simply guarantee the loan should the borrower default. This enables a veteran to purchase a home with a low interest rate and for no money down. The maximum loan amount will vary from one area of the country to another. If you are a veteran and you currently have a VA loan, you cannot obtain another VA loan until your current loan is paid in full or converted to a non-VA loan.

vi. Mortgage Broker

Mortgage Brokers are individuals and/or firms that will compile a loan package and submit it to different mortgage lenders to secure a loan for a borrower. The mortgage broker's fees are paid out of the closing costs.

vii. Mortgage Lender

A Mortgage Lender is a firm that actually loans money to a customer. Most mortgage lenders only loan money through a mortgage broker. The mortgage lender's fees are paid from the closing costs.

viii. PITI [Principal, Interest, Taxes and Insurance]

The "PITI" is your total monthly house payment. The taxes and insurance are property taxes and hazard or homeowner's insurance. The only thing you may see added to PITI is PMI [Private Mortgage Insurance].

PMI is a monthly premium you may be required to pay if you borrow more than 80% of the appraised value of your home.

ix. Non-Conforming Loan

This is a loan that does not meet the requirements for FHA, VA, Fannie Mae or Freddie Mac. The interest rates are normally higher on these loans. Many individuals with bruises on their credit may still qualify for a non-conforming loan.

x. No-Doc Loan

If your credit score is very good, you may qualify for a loan without any verification of income or employment. This is especially beneficial for someone who is self employed. Self-employed people normally try to lower any taxes due by writing off as many expenses as they can. This is good until they apply for a home loan. It's hard to get a home loan when you are reporting little or no income. The interest rate will be a little higher than a fully documented loan. At the writing there is a push to end no doc loans. That doesn't mean they may come back in the future.

xi. Gross Annual Income

This is the total amount of income you earn in a year.

xii. Gross Monthly Income

This is your Gross Annual Income divided by 12 months.

xiii. Ratios - Front End and Back End

Lenders will determine the loan amount you can qualify for by calculating what they call your “front end ratios” and “back end ratios”.

The Front End Ratio compares your monthly house payment (PITI) to your Gross Monthly Income. It states that your house payment should not exceed 26% of your Gross Monthly Income. For example, if your Gross Monthly Income is $8,000.00, the most you should be paying toward your house payment per month is $2,080.00 ($8,000.00 X .26).

The Back End Ratio compares your monthly house payment (PITI) plus all your monthly bill payments to your Gross Monthly Income. Your monthly bills will consist of credit card payments, car payments, child support, alimony, etc. It will not include utility bills. It states that your house payment plus your bill payments should not exceed 45% of your Gross Monthly Income. For example, if your Gross Monthly Income is $8,000.00, the most you should be paying toward your house payment plus bills per month is $3,600.00 ($8,000.00 X .45).

Many people will have the gross monthly income to qualify for a loan only to be denied a loan because their debts create a Back End Ratio greater than 45%.

2. What Amount Can You Or Do You Want To Pay Per Month?

When you determine how much you can qualify for per month, you need to decide the amount you are willing to pay per month. When you’ve decided on this amount, you need to determine how much of this monthly payment will go toward property taxes and hazard insurance. The remaining balance is what you’ll have available to pay toward principal and interest.

Using the previous example where your Gross Monthly Income was $8,000.00, which meant your house payment should not exceed 26% or $2,080, you may be thinking, “Even though I can qualify for a $2,080 per month house payment, I don’t want to pay that much per month.”

Let’s assume all you want to pay per month for PITI is $1,600.00.

a. How much of your house payment will go toward principal and interest?

Remember, PITI includes property taxes and hazard insurance. This is where you will need to do some adjusting for your given area, (e.g., depending on where you plan to build will determine the property tax rate and the hazard insurance rate.) In the Atlanta, Georgia area property taxes and hazard insurance will be approximately 15% of your total monthly payment.

Example:

Total PITI	=	$1,600.00
Less: T&I [15%]	=	- 240.00
P&I	=	$1,360.00

If your property taxes and insurance are projected to cost $240.00 per month, this leaves $1,360.00 to pay toward the principal and interest.

3. How Much Money Can You Borrow?

When you know how much of your monthly payment is going toward principal and interest, you are now in a position to calculate the amount of money to borrow.

Let’s assume that the interest rate you expect to pay on a 30 year fixed rate loan is 7.5%. Using a mortgage rate table, mortgage calculator on the internet, or a mortgage calculator like we sell at our web site – you will see that a payment of $1,360 per month for 30 years @ 7.5% interest will enable you to borrow $194,504.00.

Note: If the interest rate were 8.5%, the loan amount would lower to $176,873.00. That's why you'll hear in the news about all the people "priced out of the housing market" when the mortgage interest rates go up 1%.

Following my example of $1,360.00 per month at 7.5% interest for 30 years, $194,504.00 is the magic number you're looking for because this would be the final amount of money you would be willing to borrow to build your home.

a. Pre-Qualifying for a loan

You need to firm up this "magic number" by contacting a mortgage broker in your area or over the Internet. If you do not know a mortgage broker in your area, ask your current banker whom they recommend for a permanent loan. More than likely, your bank will have a mortgage department and they'll want your business.

Provide the mortgage broker with the necessary information to find out the actual amount you can pre-qualify for. The lender should not charge you any money to pre-qualify you for a loan.

If you have a problem qualifying for a loan because of income, bruises on your credit or because you've recently changed jobs, find out what is causing the problem. Many problems can be repaired in 6 to 12 months. If you are turned down, go to another mortgage broker. Because of the variety of loans available on today's market, another lender may still approve a customer that has been turned down. If you do have some credit issues, find a mortgage broker that specializes in dealing with credit problems. I've noticed that mortgage brokers that only deal with the (easy) good credit customers will not know how to work with someone who has had problems.

4. What Should Be Included In The Loan

You should plan ahead so that your loan amount will cover every necessary expense from lender fees to costs for material, labor, subcontractors and overhead.

a. Lender fees

Lender fees normally include:

- Closing costs on the construction loan [normally 2% of the loan amount]
- Interest on the construction loan [normally the Prime Interest Rate + 2%]
- Closing costs on the permanent loan [normally 4% of the loan amount]

On our $194,504.00 loan, the projected closing cost for the construction loan would be $3,890.00 ($194,504 X 2%) and the projected closing cost on the permanent loan would be $7,780.00 ($194,504 X 4%).

To calculate the projected interest on the construction loan, you'll need to determine the amount of time estimated to build the home.

If your home is less than 3,000 square feet, plan on at least six months to build the home. If it's over 3,000 square feet, plan on at least a year. In most areas, our pretend $194,504.00 home would be less than 3,000 square feet.

To estimate the amount of the construction interest, use half of the 6 month projected construction time period, which would be 3 months.

Assuming the prime interest rate is 7%, $194,504.00 for 3 months at 9% interest = $4,376.00. By calculating the full interest rate for half the construction time, or 3 months, you get a good estimate of the total amount of interest you'll pay over the 6 months of construction. The reason for this is because you only pay interest on money you have withdrawn from the bank and you only withdraw money as work progresses. The interest you pay for the 1st month of construction is much less than the interest you'll pay for the 6th month.

Therefore, the projected lender fees on our $194,504.00 loan would be:

Closing costs on the construction loan	=	$ 3,890.00
Interest on the construction loan	=	4,376.00
Closing costs on the permanent loan	=	7,780.00
Total Projected Lender Fees	=	$16,046.00

b. The projected construction cost (material, labor, subcontractors and overhead)

Up to this point you haven't spent any money. Now you may need to spend a little money. I recommend you obtain a current copy of <u>Residential Square Foot Costs b</u>y R.S. Means. You can buy this manual at the Means web site or you can find a copy at local supply stores like Home Depot and Lowe's. Most of what you need will be found in the first chapter.

Honestly fill in the data concerning the style and quality of home you want to build. Means will explain how to determine the quality. Then add to the base home any additions, such as a deck an extra bathroom and/or a driveway. [See my example below] Then use the "location factor" for your area. [A home will cost more to build in San Francisco, California than Atlanta, Georgia] You will be amazed at how close this estimated cost to build your home will be to the actual cost.

I've heard so many builders say, "There is no way the home I'm building will cost this much", only to be shocked when they see the actual cost upon completion.
If I were shopping for a builder, I would want to know this figure just to know if the builder was charging too much or grossly underestimating the cost of the home. Under estimating the cost creates more problems than over estimating the cost.

Example:

Let's assume that we want to build a brick ranch using "average" construction. To the base home we will add the following additions:

- 1 Bath
- 1 Fireplace
- A 2 Car Attached Garage
- A 144 Square Foot Deck
- 600 Square Feet of Drives and Walks
- 10,000 Square Feet of Landscaping

Based on Means' Residential Square Foot Costs, all of the above additions are going to cost a total of $41, 378.00. The estimated square foot cost to build the base home in my geographic location calculates out to be $67.24 per square foot.

Note: This same home in the "luxury category" calculates out to be $94.58 per square foot.

5. What Size Home Can You Afford?

Therefore, if you are able to borrow $194,504.00 (based on your projected monthly mortgage amount), less lender fees of $16,046.00 and cost additions of $41,378.00, you will actually have $137,080.00 from which to calculate the final square footage that you can build. Based on $67.24 per square foot, you will be able to build a 2,038 square foot home.

Total Loan		=	$194,504.00
Less:	Lender Fees	=	- 16,046.00
	Additions	=	- 41,378.00
Balance		=	$137,080.00
Square Feet		=	2,038 ($137,080.00 ¸ $67.24)

Food for thought: You could have included anything you wanted in the loan. You could have included dining room furniture, a washer and dryer, or a trip to Europe. You decide. But any additional inclusions will ultimately decrease the square footage of the home you want to build.

Based on what you're qualified for, what you want to pay per month, the current interest rate, the average cost of construction for your area and all the extras you want to include in the loan amount, you've got to face reality that you are not in a position to build a 5,000 square foot dream home. Start looking at house plans of no more than 2,000 square feet.

WARNING: You would not believe the number of individuals, including builders that will go through this simple arithmetic, purchase a 2,000 square foot house plan, borrow $194,504.00 and start building away!!

When you purchase the plans, you'd still better not dare borrow money and start building before first determining what the actual cost is going to be. Our calculations are nothing more than a guesstimate.

Information: Credit Reporting Agencies:

Experian
701 Experian Parkway
P.O. Box 949
Allen, TX 75013
1.888.397.3742

Trans Union Corp.
P.O. Box 6790
Fullerton, CA 92834
1.800.680.7289

Equifax Credit
5505 Peachtree Dunwoody Rd.
Suite 600
P.O. Box 740241
Atlanta, GA 30374
1.800.525.6285

What is "Green" Building

Green building is the practice of increasing the efficiency with which buildings use resources — energy, water, and materials — while reducing building impacts on human health and the environment during the building's lifecycle, through better siting, design, construction, operation, maintenance, and removal.

[1] Green buildings are designed to reduce the overall impact of the built environment on human health and the natural environment by:

- Efficiently using energy, water, and other resources
- Protecting occupant health and improving employee productivity
- Reducing waste, pollution and · environmental degradation·

[2] A similar concept is natural building, which is usually on a smaller scale and tends to focus on the use of natural materials that are available locally.

[3] Other commonly used terms include sustainable design and green architecture. The related concepts of sustainable development and sustainability are integral to green building. Effective green building can lead to 1) reduced operating costs by increasing productivity and using less energy and water, 2) improved public and occupant health due to improved indoor air quality, and 3) reduced environmental impacts by, for example, lessening storm water runoff and the heat island effect. Practitioners of green building often seek to achieve not only ecological but aesthetic harmony between a structure and its surrounding natural and built environment, although the appearance and style of sustainable buildings is not necessarily distinguishable from their less sustainable counterparts.

What is "LEED"

The Leadership in Energy and Environmental Design (LEED) Green Building Rating System, developed by the U.S. Green Building Council (USGBC), provides a suite of standards for environmentally sustainable construction. Since its inception in 1998, LEED has grown to encompass more than 14,000 projects in 50 US States and 30 countries covering 1.062 billion square feet (99 km²) of development area. The hallmark of LEED is that it is an open and transparent process where the technical criteria proposed by the LEED committees are publicly reviewed for approval by the more than 10,000 membership organizations that currently constitute the USGBC.

Individuals recognized for their knowledge of the LEED rating system are permitted to use the LEED Accredited Professional (AP) acronym after their name, indicating they have passed the accreditation exam given by the Green Building Certification Institute (a 3rd party organization that handles accreditation for the USGBC).

Purchasing “Waterfront” Property

As boomers retire, the mountains and the oceans beckon them to invest. In addition, many are buying primary and rental properties on lakes, rivers and streams. The single biggest mistake is believing your own eyes when you are gazing out over the water. It may look like you can just walk from your property right onto the water, but there is much below the surface that does not meet the eye. You must use extreme due diligence when water is concerned, so ask yourself, the seller and the listing agent the following types of questions:

a. Where is the property line?

b. Do I own the land under the water, to the center of the creek, to the high water mark, above or below the high tide level, and/or to the other side of the river?

c. Can I dam up the stream; can I remove the dam that is there now? Can I irrigate my crops with the water?

d. Is access only by an easement? Are access rights permanent or only under a license to the current owner for a limited time?

e. Is the fence mine? Who can open the gate to the pond? Can I fish? Can I boat? Who owns the boat ramp? Who owns the dock? Do any others have easements to use these things?

f. Is the road going to the water a public road? Can everyone drive by my house to picnic at the water’s edge?

g. Does the homeowner’s association own the lake? Who pays for maintenance? Can I be assessed for the rebuilding of the dam if it leaks? If someone drowns am I legally responsible?

h. What if the lake level is getting lower and lower and I paid a premium for the water view, do I have any rights to complain and to whom?

i. If the lot is vacant now, how close can I build to the lake? Is the property between the home site and the water - mine, or are there setback requirements? Is there room for a septic tank and lines? Can you even get a permit that close to the water?

j. Is there a buffer that would prevent me from building a tennis court behind my house?

k. If there are recorded covenants about a lake in a development, have I read them to see if they will prevent me from doing what I plan to do on my lot? Are there adequate budgetary arrangements to maintain the lake? Does everyone have to pay his or her fair share? Can there be "free loaders" if everyone does not pay their fair share? Even if there are no provisions recorded can I still be required to pay a fair share?

l. If I can only get to the lake by a private roadway, is it recorded? Who maintains the road to the water? Can it be closed off or can it be canceled? Who else can use the road? What happens if a government authority condemns the road?

m. Does the seller, agent, local zoning or planning departments know of any foreseeable changes that may prevent access or use of the body of water or stream?

n. If it is beach property, where are the public access areas? Can I exclude others from the beach area behind my lot? Where is the boundary line? What about erosion or accretion, do I lose or gain lot size if the ocean changes the shoreline? Who else has a legal right to be behind me or between my water view and me?

o. If the property joins land owned by the Army Corp. of Engineers, can I cut the trees, add a dock, add steps, and/or construct a cabana on the area between my house and the water? Who gives permission to do so? What if the previous owner built a sea wall that now encroaches on the Corp.'s property? Do I have to move it at my expense two years later?

p. How does other government Acts affect the future use of the land, such as the Metropolitan River Protection Act and the Shore Protection Act or the Safe Dam Act?

q. If five of us each own a portion of a “private” lake, who and how are problems addressed and rules enforced? What if there are rules, but also what if there is nothing recorded about how to handle issues?

r. Do I need special insurance for liability, seepage, or flood plains? Did the last owner have a loan that required additional Special Flood Hazard Insurance? If so, how much did it cost above the normal homeowner’s insurance?

s. What if the view of the lake becomes one big mud hole to house only mosquitoes after I’ve paid a bundle for the view, all because the real owner of the lake behind me decided to drain it completely or would not repair the dam to meet safety code requirements?

t. Does my sales contract contain adequate special stipulations that will protect me until the answers to the above-type questions can be determined? What if I failed to include an issue listed above and discover the omission after I have signed the sales contract?

u. If the listing agreement says “Lake Front,” “Ocean View,” “Riverside,” “private stream,” or “private lake,” what does that mean? Is there a clear definition of what these terms mean? Assumptions you make about these descriptive terms can cause a great surprise after you move in if later on you discover that your assumptions about what was included in your deal were erroneous? Better to be safe than sorry. If you don’t ask a lot of questions you might get a rude surprise after closing.

v. Did you know that finding out the lot you purchased was completely in a flood plain is not considered a title defect but could nevertheless render the lot completely unmarketable. Did you know that having good clean title to the lot does not warrant anything other than simply that you own that parcel of land free and clear? That is to say that good title doesn't guarantee that you will be able to use it for your intended purpose.

w. Did you know that the right to fish in a stream or whether or not you can l dam it up may turn on the issue as to whether the water is deemed a navigable or nonnavigable stream and whether or not your property line is defined in your deed to include land to the center of the stream, the other side, or the edge?

As you can tell, what you see is not always what you get in water deals. Do your homework, get surveys, check county courthouse records, talk to the homeowner associations, the neighbors, the Corp. of Engineers, EPA, DNR, the seller, the listing agent, the surveyor, and the title company until you are satisfied that you are getting what you want as well as what you are paying for. After closing, sit back, watch the sunset over the water and toast yourself to a well deserved rest after such hard work.

Silt Fence Information

Type A Silt Fence - [SF-A]: This 36-inch wide filter fabric should be used on developments where the life of the project is six months or greater.

Type B Silt Fence – [SF-B]: Though only 222inches wide, this filter fabric allows the same flow rate as Type A silt fence. Type B silt fence should be limited to use on minor projects, such as residential home sites or small commercial developments where permanent stabilization will be achieved in less than six months.

Type C Silt Fence – [SF-C] Type C fence is 36-inches wide with wire reinforcement. The wire reinforcement is necessary because this fabric allows almost three times the flow rate as Type A silt fence. Type C silt fence should be used where runoff flows or velocities are particularly high or where slopes exceed a vertical height of 10 feet.

Along stream buffers and other sensitive areas, two rows of Type C silt fence may be used.

What are Wetlands?

Wetlands are areas where water covers the soil, or is present either at or near the surface of the soil all year or for varying periods of time during the year, including during the growing season. Atlantic Coastal Marsh Water saturation (hydrology) largely determines how the soil develops and the types of plant and animal communities living in and on the soil. Wetlands may support both aquatic and terrestrial species. The prolonged presence of water creates conditions that favor the growth of specially adapted plants (hydrophytes) and promote the development of characteristic wetland (hydric) soils.

Wetlands vary widely because of regional and local differences in soils, topography, climate, hydrology, water chemistry, vegetation, and other factors, including human disturbance. Indeed, wetlands are found from the tundra to the tropics and on every continent except Antarctica. Two general categories of wetlands are recognized: coastal or tidal wetlands and inland or non-tidal wetlands.

Riparian Wetland Coastal wetlands in the United States, as their name suggests, are found along the Atlantic, Pacific, Alaskan, and Gulf coasts. They are closely linked to our nation's estuaries, where sea water mixes with fresh water to form an environment of varying salinities. The salt water and the fluctuating water levels (due to tidal action) combine to create a rather difficult environment for most plants. Consequently, many shallow coastal areas are unvegetated mud flats or sand flats. Some plants, however, have successfully adapted to this environment. Certain grasses and grasslike plants that adapt to the saline conditions form the tidal salt marshes that are found along the Atlantic, Gulf, and Pacific coasts. Mangrove swamps, with salt-loving shrubs or trees, are common in tropical climates, such as in southern Florida and Puerto Rico. Some tidal freshwater wetlands form beyond the upper edges of tidal salt marshes where the influence of salt water ends.

Inland wetlands are most common on floodplains along rivers and streams (riparian wetlands), in isolated depressions surrounded by dry land (for example, playas, basins, and "potholes"), along the margins of lakes and ponds, and in other low-lying areas where the groundwater intercepts the soil surface or where precipitation sufficiently saturates the soil (vernal pools and bogs). Inland wetlands include marshes and wet meadows dominated by herbaceous plants, swamps dominated by shrubs, and wooded swamps dominated by trees.

Seasonal Wetland in Summer Seasonal Wetland in Spring Certain types of inland wetlands are common to particular regions of the country:

* bogs and fens of the northeastern and north-central states and Alaska

* wet meadows or wet prairies in the Midwest
* inland saline and alkaline marshes and riparian wetlands of the arid and semiarid west
* prairie potholes of Iowa, Minnesota and the Dakotas
* alpine meadows of the west
* playa lakes of the southwest and Great Plains
* bottomland hardwood swamps of the south
* pocosins and Carolina Bays of the southeast coastal states
* tundra wetlands of Alaska.

Many of these wetlands are seasonal (they are dry one or more seasons every year), and, particularly in the arid and semiarid West, may be wet only periodically. The quantity of water present and the timing of its presence in part determine the functions of a wetland and its role in the environment. Even wetlands that appear dry at times for significant parts of the year -- such as vernal pools-- often provide critical habitat for wildlife adapted to breeding exclusively in these areas.