

INSIDER TIPS

Insider Tip: HELOCs - Make sure that you remember that your HELOC will need to be paid off. It is a Home Equity Line of Credit (HELOC). Many homeowners do not realize that these are also connected to the sale of their property.

Insider Tip: Association Foreclosure - It is critical that the Homeowner's or Condo Association is contacted. These corporations have the ability to foreclose just as quickly as a bank can and most homeowners assume this will not be the case. Also, it is not uncommon for \$1,500.00 in back fees to grow to several thousand with late and legal fees.

Insider Tip: Keep all lender/mortgage company correspondence.

Insider Tip: Most seller closing costs including the real estate commission will be paid by the seller's lender.

Insider Tip: There are five factors, in order of importance, to consider when pricing a distressed property:

- (1) Fair Market Value
- (2) Time Left before Foreclosure or Pre-Foreclosure
- (3) Days on Market
- (4) Property Condition
- (5) Amount Owed on the Property

Insider Tip: Order Payoffs Early - It cannot be said too many times, payoffs for all mortgages should be ordered as soon as possible. Your real estate agent should do this after confirming receipt of the signature authorization, that way there are no surprises for you later. This information may be needed when it comes time to prepare a preliminary HUD

Insider Tip: "Cash Buyers" If you have a cash buyer, your lender will want to see proof of funds in the form of an account statement in order to proceed with a short sale. Many of the "investor training" programs in the market encourage investors to make all their offers cash even though they will be using financing, some agents also use this tactic with clients who have exceptionally strong credit. In the case of a short sale this will not work since funds will have to be substantiated.