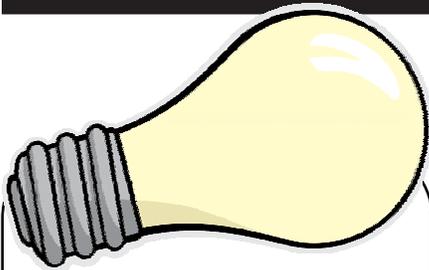


Ed Zoller's

HOME FINDER NEWSLETTER



Four Important Questions To Ask Your Mortgage Lender Before You Sign Any Of Their Documents

1. Do you have a variety of loan programs to fit my cash flow and expected length of ownership needs?

If you're going to live in your new home for less than five years, you may want to consider an adjustable rate mortgage or "ARM."

With an ARM your payments will be lower, but they will go up according to the terms of the loan.

If you're going to live in your new home for over five years, a traditional fixed-rate mortgage may be a better plan.

2. Do you offer written mortgage pre-approvals, not just pre-qualifications?

Four Quick Tips That Could Save You Thousands...



1. Don't Get Pre-Qualified.

Get pre-approved.

Do you want to get the best house you can for the least amount of money? Then make sure you're in the strongest negotiating position possible. Price is only one bargaining chip in the negotiations, and not necessarily the most important one.

Often other terms, such as the strength of the buyer or the length of escrow, are critical to a seller. This process takes anywhere from a few days to a few weeks depending on your situation. It's VERY POWERFUL and a weapon we recommend all of our clients have in their negotiating arsenal.

2. Sell First, Then Buy.

If you have a house to sell, sell it before selecting a house to buy!

Let's pretend that we go out looking for the perfect house for you. We find it and

you love it! Now you have to make an offer to the seller. You want the seller to reduce the price *and* wait until you sell your house.

The seller figures that's a risky deal, since he might pass up a buyer who DOESN'T have to sell a house while he's waiting for you.

So he says OK, he'll do the contingency but it has to be a full-price offer. So you see, you paid more for the house than you could have because of the contingency. Now you have to sell your existing house, and in a hurry, otherwise you lose the dream house. So, to sell quickly you might take an offer that's lower than if you had more time.

3. Play the Game of Nines.

Before house hunting, make a list of nine things you want in the new place. Then make a list of the nine things you don't want. We call this *Nine of This and None of That*.

A pre-qualification is usually a Lender's opinion of your eligibility for a loan. If you ask to be pre-approved, the Lender will actually submit your job and credit history to an underwriter and get a conditional approval for a loan and a loan commitment.

The advantage of having a pre-approval is that it will make your offer to buy a home stronger and it will usually allow you to close on the home faster.

3. Do you have the ability to handle difficult credit history?

Many Lenders will only work with you if you have perfect credit, and if a problem comes up, they won't help you.

Make sure your Lender has reviewed and received approval for you and your specific credit history.

4. Is the rate you quoted me the rate I'll get at closing?

Many Lenders advertise their rates in the paper and in homes magazines. These are called "teaser rates" in the industry. The name says it all.

After they've got you committed to using them, many Lenders then tell you what the "real" rate will be. By this time, it's too late for you to do anything about it

You can use this list as a scorecard to rate each property you see. The one with the biggest score wins! This helps avoid confusion and keeps things in perspective when you're comparing dozens of homes.

When house hunting, keep in mind the difference between *skin* and *bones*. The *bones* are things that cannot be changed such as the location, view, size of lot, noise in the area, school district, and floor plan. The *skin* represents easily changed surface finishes like carpet, wallpaper, color, and window coverings. Buy the house with good *bones*, because the *skin* can always be changed to match your tastes. I always recommend that you imagine each house as if it were vacant. Consider each house on its underlying merits, not the seller's decorating skills.

4. Don't Be Pushed Into Any House.

Your agent should show you everything available that meets your requirements. Don't make a decision on a house until you feel that you've seen enough to pick the best one. Review the Multiple Listing printout with your agent to make sure that you are getting a COMPLETE list.

In the late 1980s, homes were selling quickly, usually a few days after listing. In that kind of market, agents advised their clients to make an offer ON THE SPOT if they liked the house. That was good advice at the time. Today there isn't always this urgency, unless a home is drastically under-priced, and you'll know if it is.

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"My mom is a realtor and she's really strong. She can flip a house!"

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