

How To Save Thousands Of Dollars When Buying A Home

1. First and Foremost – Take advantage of wholesale money rates and terms

How do you get wholesale rates and terms?

Simple, by using a mortgage broker. If you don't believe it just call Bank of America or Wells Fargo tomorrow morning and after 15 minutes on hold ask someone who works there 19 hours a week what their rates are on any loan you are interested in. Then give a mortgage broker a call.

Also a broker will "fit" you with the right loan. If you're apt to be transferred or moving within 5 to 7 years why get a 30 year mortgage with a prepayment penalty. Did you know that you can get a loan that starts 2% under current mortgage rates? These people work on commission and referrals. Don't be drawn in by big money marketing and washed up sports figures.

The right loan today will save you thousands of dollars later. Forget the purchase price get the right loan.

2. Don't Pay Retail for Your Home

Get references from a Realtor of at least six recent clients they have worked for. When you find one who has years of negotiating experience they are the one you want. Even in a "hot" market they'll get you something extra. Maybe it's some of your closing costs paid by the seller or some furniture or appliances, perhaps a high rent back from a seller who can't move right away.

One savvy Realtor once said "I always ask for the whole bakery and the least I come out with is a loaf of day old bread, but it's free!"

3. Throw Cold Water on Yourselves After Looking At "Pretty Homes"

People buy on emotion and rationalize it with common sense reasons they made as to why they made emotional decision.

Okay you see your dream home. The landscaping, paint, carpets, kitchen are exceptional and it just came on the market. Demands top dollar and the seller just listed it so why should they take a lower price? Well after all it's not what we would do, but darn close and fresh and sharp and it smells good and gosh it's gonna sell right away, let's make an offer. WRONG!

This isn't a prom date; you're going to live here for a long time and it's the biggest investment you'll probably ever make and you're about to pay the most anybody has paid in the neighborhood to date? WRONG!

Do you think that same floor plan, in the same neighborhood is or will be available but in rough shape. Of course it will. But the difference is the seller will be more motivated because they need their money faster and in fact didn't have

any to fix it up with. You know what's even better? You can buy the cheapest house in the neighborhood and make it better than the nicest one you just saw.

Why? Because as soon as you buy it you can borrow more than enough to make it "your" house with the cosmetic and physical improvements you want. That's right, there are loans up to 100% loan to value at decent rates that you can set up to fund right after your new first records with the same paperwork you use to get your first mortgage. Or you can even get construction fixer upper loans where they lend on what the house will be worth when you're done with the remodel. How do you think people make so much money on rehabs? They buy a house for \$200,000 put \$100,000 in it and sell it for \$400,000 in six months to the emotionally charged couple who just found their "dream house" that's just like brand new.

You buy it for \$200,000 get a \$100,000 construction loan, it appraises for \$400,000 and you get a new loan for \$320,000 paying off the first and construction loan and get back \$30,000 of your original down payment. Patience and the right professionals will save you thousands. The part timers and temporary help will cost you thousands. Everybody had to start somewhere, but don't be the practice that makes perfect, be demanding of professionals and they shine.

But many who read this will buy the promise because they're too ready to BUY A HOUSE and can't maintain an objective goal and plan and stick to it. Sure it's more trouble getting the construction loan and dealing with plans and contractors, but many find it exciting and the rewards for years to come far outweigh a few months of construction etc. Plus it will make you more than you probably made last year in salary.

4. Demand Every Inspection Pertinent to The Property

Oh the roof looks pretty new, and the house is only 20 years old and I think it has copper plumbing and you know I've sold a lot of houses over the years here and... WRONG

Demand inspections for everything and a home inspection. Request to talk to at least two inspectors who specialize in each area. Your Realtor will be glad to furnish you with names and numbers. Ask them about homes in that area, if they don't know don't use them. A house may pass an inspection but many have tendencies to foundation problems, moisture problems, airborne termites, you would be surprised. That doesn't mean you don't buy it, it just means you are AWARE of potential FINANCIAL EXPENDITURES IN THE FUTURE.

Be there when the home inspection is done and ask lots of questions, take notes and ask more questions later. Make your final buying decision.