

Sean Pope & Zachary Taylor's

MORTGAGE UPDATE



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9 Buyer Traps & How to Avoid Them!

No matter which way you look at it, buying a home is a major investment. But for many homebuyers, it can be an even more expensive process than it needs to be because many fall prey to at least a few of the many common and costly mistakes which trap them into either:

- paying too much for the home they want, or...
- losing their dream home to another buyer or,
- worse, buying the wrong home for their needs.



A systemized approach to the homebuying process can help you steer clear of these common traps, allowing you to not only cut costs, but also secure the home that's best for you.

The following information discusses the 9 most common and costly of these homebuyer traps, how to identify them, and what you can do to avoid them:

1. Bidding Blind

What price should you offer when you bid on a home? Is the seller's asking price too high, or does it represent a great deal. If you fail to research the market in order to understand what comparable homes are selling for, making your offer would be like bidding blind. Without this knowledge of market value, you could easily bid too

much, or fail to make a competitive offer at all on an excellent value.

2. Buying the Wrong Home

What are you looking for in a home? A simple enough question, but the answer can be quite complex. More than one buyer has been swept up in the emotion and excitement of the buying process only to find themselves the owner of a home that is either too big or too small. Maybe they're stuck with a longer than desired commute to work, or a dozen more costly fix-ups than they really want to deal with now that the excitement has died down. Take the time now to clearly define your wants and needs. Put it in writing and then use it as a yard stick with which to measure every home you look at.

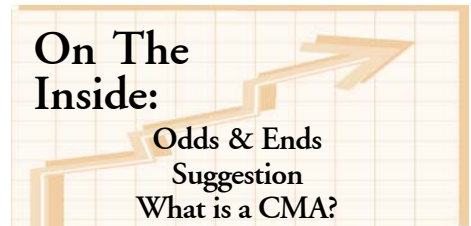
3. Unclear Title

Make sure very early on in the negotiation that you will own your new home free and clear by having a title search completed. The last thing you want to discover when you're

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SUGGESTION

A change in what we tell ourselves will result in a change in our behavior. Positive, repetitive self-talk changes our self-image. And the suggestions we offer to ourselves will be expressed in our actions. What we impress upon our minds, we inevitably become.

Continued from page 1

in the home stretch of a transaction is that there are encumbrances on the property such as tax liens, undisclosed owners, easements, leases or the like.

4. Inaccurate Survey

As part of your offer to purchase, make sure you request an updated property survey which clearly marks your boundaries. If the survey is not current, you may find that there are structural changes that are not shown (e.g., additions to the house, a new swimming pool, a neighbor's new fence which is extending a boundary line, etc.). Be very clear on these issues.

5. Undisclosed Fix-Ups

Don't expect every seller to own up to every physical detail that needs to be attended to. Both you and the seller are out to maximize your investment. Ensure that you conduct a thorough inspection of the home early in the process. Consider hiring an independent inspector to objectively view the home inside and out, and make the final contract contingent upon this inspector's report. This inspector should be able to give you a report of any item that needs to be fixed with the associated and approximate cost.

6. Not Getting Mortgage Pre-Approval

Pre-approval is fast, easy and free. When you have a pre-approved mortgage, you can shop for your home with a greater sense of freedom and security, knowing that the money will be there when you find the home of your dreams.

7. Contract Misses

If a seller fails to comply to the letter of the contract by neglecting to attend to some repair issues, or changing the spirit of the agreement in some way, this could delay the final closing and settlement. Agree ahead of time on a dollar amount for an escrow fund to cover items that the seller fails to follow through on.

Prepare a list of agreed issues, walk through them, and check them off one by one.

8. Hidden Costs

Make sure you identify and uncover all costs—large and small—far enough ahead of time. When a transaction closes, you will sometimes find fees for this or that sneaking through after the “sub”-total—fees such as loan disbursement charges, underwriting fees, etc. Understand these fees in advance by having your lender project total charges for you in writing.

9. Rushing the Closing

Take your time during this critical part of the process, and insist on seeing all paperwork the day before you sign. Make sure the documentation perfectly reflects your understanding of the transaction, and that nothing has been added or subtracted. Is the interest rate right? ...Is everything covered? If you rush this process on the day of closing, you may run into a last minute snag that you can't fix without compromising the terms of the deal, the financing, or even the sale itself.



Are You Wired?

It's easy to measure the value of conventional home improvements, such as remodeled kitchens, baths, or room additions because these improvements appeal to many homebuyers. Everyone can see and appreciate the value of the majority of conventional home improvements, because you can generally compare those improvements from home to home in order to analyze the return on the investment. However, the added value of a “wired” home is more difficult to measure, but it may be an improvement worth considering.

A “wired” or connected home is defined as a home specifically designed to accommodate a wide array of electronic equipment such as computers with Internet connections (both hardwire and wireless), cable or satellite television, impressive home entertainment systems, special lighting, heating/ventilation/air-conditioning (HVAC), home security systems, and other elements that are all linked through a centrally controlled network.

Some buyers will pay more for connectivity, and a “wired” home may sell faster than a home that is not connected. The wired home, however, isn't likely to receive a higher appraised value just yet. More low-tech buyers, for example, may not be concerned at all with the value of a home's “connectivity.”

That's why it's usually smart to highlight wired features when marketing your home, even though research hasn't yet confirmed that they add real value. But you can be assured that as time goes on, “wired” homes will become more and more in demand and their value recognized.

Connectivity now includes “smart” appliances, such as refrigerators that order groceries and washers that dial up for repairs!

The average age of the first-time buyer is 31-35 years. That age group may be more likely to value a “wired” home.

Every effort has been made to verify the accuracy of the information herein, but it is not guaranteed and should not be relied on without specific advice from a professional.

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Q
& A

What is a CMA?

Before they even open their doors, smart retailers determine their pricing strategies by studying their competition. If you're thinking of selling your property, you can benefit from the same sort of study—a Comparative Market Analysis or CMA.

In addition to determining information about the appropriate listing price for your property, a CMA will give you other important information about the current real estate market, recent sales in your neighborhood, your home's competition, how long it may take to sell, your home's probable sales price, and an estimate of your net proceeds. This information will enable your real estate professional to create an effective marketing plan for your property.

A comparative market analysis establishes an appropriate listing price range for your home by analyzing recently sold homes that are similar to yours. Adjustments are made for the similarities and differences between these comparable homes and your home in terms of location, finished square footage, number of bedrooms and baths, age, condition, quality of construction, and extra features.

After analyzing all these factors, including your motivation for selling, you and your real estate professional can determine an appropriate listing price for your home. It's *very* important that you list your home with an accurate price right from the beginning. Generally, most of the best and highest offers come during the first few weeks when a home is viewed by the most potential buyers.

Stage Your Home to Produce Curb Appeal

Prior to putting your home on the market, check the condition of your home's exterior and make needed repairs. If your home needs painting, select a neutral color that blends well with other homes in the neighborhood. Perhaps painting just the trim, front door and garage door may be the only thing needed to give your home an inviting, well-cared-for look.

Pay special attention to your front door. Give it a fresh coat of paint and see that the doorknob and locks are bright and shiny. Replace locks if they are tarnished and worn or do not work properly.

Make sure your yard is neat. Store toys, tools and trash cans out of sight. Colorful flowers in bloom around your front entrance offer a cheery spring and summer invitation, while a wreath of dried flowers on your front door adds a cozy, cheerful welcome in the fall and winter.

When the exterior of your home offers charming curb appeal, prospective buyers will have no trepidations about coming inside. Staging homes to increase curb appeal is a specialty. If you're thinking of selling, contact your local real estate professional to get the scoop on staging your home effectively.



“Anything that changes your values changes your behavior.”

— George Sheehan

ODDs & Ends

Why Men Might be Happier

- Your last name stays put.
- The garage is all yours.
- Wedding plans take care of themselves.
- Chocolate is just another snack.
- You can be President of the United States.
- You can never be pregnant.
- You can wear a white t-shirt to a water park.
- You can wear NO shirt to a water park.
- Car mechanics usually tell you the truth.
- You never have to drive to another gas station restroom because this one is just “too icky.”
- You don't have to stop and think about which way to turn a nut on a bolt.
- Same work, more pay.
- Wrinkles *add* character.
- Wedding dress—\$5,000. Tux rental—\$100.
- The occasional well-rendered belch is practically expected.
- New shoes don't cut, blister, or mangle your feet.
- One mood all the time.
- Phone conversations are over in 30 seconds flat.
- You know stuff about tanks.
- A five-day vacation requires only one suitcase.
- You can open all your own jars.
- You get extra credit for the slightest act of thoughtfulness.
- If someone forgets to invite you, he or she can still be your friend.
- Your underwear costs \$8.95 or less for a three-pack.
- Three pairs of shoes are more than enough.
- You never have strap problems in public.
- You are unable to see wrinkles in your own clothes.
- The same hairstyle lasts for years, maybe even decades.
- You only have to shave your face and neck.
- You can play with toys all your life.
- Your belly usually hides your big hips.
- One wallet and one pair of shoes...one color for all seasons.
- You can wear shorts no matter how your legs look.
- You can “do” your nails with a pocket knife.
- You have freedom of choice concerning growing a mustache.
- You can do Christmas shopping for 25 relatives on December 24th in 25 minutes or less.





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