

eBook for Home Sellers

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Best time to list your house? Thursday morning

"I want it in the MLS as soon as possible!"

That admonition will come at the end of the listing appointment. It's an understandable impulse. After all, the sellers have just reached an important milestone after what may have been years of thought, months of fretting, days of planning, and an hour or two of active preparation.

It's absurd, of course. For one thing, putting a home listing together takes time. The Realtor must collect all the information and enter it into the MLS system. The home must be repaired, cleaned, staged, and photographed. Virtual tours must be scheduled, signs and riders prepared, the lockbox installed and the signpost erected.

The Realtor's share of these chores may take 24 hours or fewer, but if the home needs substantial repairs or touch-up painting, it's going to take a few days. Certainly, the home should not go into the MLS system until it is market-ready -- unless the sellers are prepared to take discounted offers in lieu of the unfinished repairs. Even worse is to have the home listed in the MLS but unavailable to be shown.

What's more, there is a right time for doing anything. If your Realtor does not have a strategic marketing plan for selling your home, then you're working with the wrong Realtor.

Strategically, what is the best time to list your home for sale?

The answer is as soon as possible after midnight on Thursday morning. Why? Because your house will be available to all the Realtors planning their weekend showings, but all day Thursday, the listing will show zero days on market. All day Friday, it will be one day on market. All day Saturday -- the most important day of the real estate week -- your home will show only two days on market.

Obviously, the fewer days on market, the better chance the home will attract a full-price offer. But consider that even if your house does not sell until the following Saturday, it will still show only nine days on market, still benefiting from the psychological advantage of a single-digit number.

SELLING YOUR HOME? FIVE HELPFUL TIPS

Selling your home? Here are 5 helpful tips:

Mechanicals - First things first, every house needs a mechanical system that functions properly. Make sure you have your heating and air conditioning units cleaned and checked by a qualified professional to make sure they are all working in tip top shape. This will alleviate the buyer's inspector finding anything minor wrong with the system. Make sure you also have the filter changed. An inspector who finds a dirty filter knows that the present owner does not maintain the system as they should.

Check The Plumbing - If you have a basement, make sure that your sump pump and ejector pit pump are working properly to move the water away from the foundation and eject any waste out to the sewer. If one or the other are not working properly or water switches are not in the proper position, your pump will run more frequently than necessary. If your sump pump has a float switch make sure that it also performs as required.

Inspect Your Roof - Ensure that all shingles are in place, none are missing and they are all securely fastened. Missing or deteriorated shingles can cause water to penetrate through the roof's sheathing which can lead to interior water damage. It is very difficult for an inspector to miss any type of ceiling damage that has occurred by water leakage. Another good tip would be to check all gutters for old leaves and any other kind of debris that may clog the flow of water.

Give Your Windows the "Once Over" - Whether you have single pane or double pane glass windows, make sure you always examine them for either missing glazing or seals that are damaged. On a single pane glass window, the glazing will deteriorate, which will cause the window to break away from the wood frame. On a double pane glass window you will notice that a fog will appear between the two panes of glass. This is a sign of a broken seal. If you notice any of your windows having one of these problems, contact a window contractor for repair or replacement.

Beautify The Exterior Landscaping - We all love greenery, so why not spruce up your surroundings with some new mulch and flowers that will give the exterior a colorful bang for your buck. Make sure all weeds are pulled, bushes are trimmed, the grass has been cut and sidewalks have been edged. Make sure potential homebuyers have a wonderful first impression when pulling up to your home for their initial visit!

And, here's a sixth tip for good measure:

CLEAN, CLEAN, AND CLEAN! - Clean surroundings are more desirable and it provides potential buyers with the understanding that you take great pride and care in the upkeep of your home. Start by touching up any marks on your walls, followed by dusting and window washing. Make sure that you remember to remove any clutter! Family photos should also be put away, as this gives a potential buyer the opportunity to imagine where they may place their family photos if they were to purchase your home. Lastly, don't forget to give your carpets a good cleaning. This will remove any soil marks or stains and for pet lovers, this will also take care of any pet odors that may be lingering in your home.

Avoid These Costly Mistakes before Selling a Home

You've decided to sell your home. You have advertisements paid for and buyers lined up at your door. You are ready to accept an offer and sell your home today! A piece of cake, right? Not so fast. You could end up losing the sale or even worse, get sued by an angry buyer who misunderstood what was advertised or what was said.

1. Don't Sell Before You Get Qualified to Buy Your New Home

If you signed a contract to sell your house before you were qualified to buy another, you're asking for trouble. Here's why: Your financial circumstances may have changed since your last purchase, and you might not be able to qualify for a loan, or you might not be able to sell at a price that allows you to buy the type of replacement house you want. You could end up renting or buying something that was far from ideal.

Before you decide to sell the house, get pre-approved by a lender you trust and research the housing market in the area where you wish to live so that you have a good idea how much it will take to buy a replacement. Make plans in case you have to move right away.

2. Don't Guess Your Loan Payoff

Check your mortgage payoff. Call your lender to check the payoff for your current home mortgage. Make sure there are no penalties written in your contract for early payoff. Some lenders have a [pre-payment penalty](#) for paying off your loan too soon!

3. Don't Guess on the Sale Price of Your Home

Determine your home's [fair market value](#). Real estate agents will usually help you determine value as a courtesy, but you might take it a step further and order a [fair market appraisal](#). Not an appraisal for the purpose of a full loan amount, but an appraisal for the true market value. There is a difference!

Nothing loses potential buyers faster than an overpriced home. Then, when you lower the price it makes it look like you are getting desperate to sell. On the flip side, you don't want to lose money by selling too cheap. It might get you a fast sale, but you might miss out on several thousand dollars, too. Learn [how to price your house for sale](#) the right way.

4. Don't Underestimate Your Closing Costs to Sell

Don't forget to calculate the following items:

- Real estate commission, if you use an agency to sell.
- Advertising costs, signs, other fees, if you plan to sell by owner.
- Attorney, closing agent and other professional fees.
- Excise/Gains tax for the sale, if applicable.
- Prorated costs for your share of annual expenses, such as property taxes, home owner association fees, and utilities.
- Any other fees sometimes paid by the seller (appraisals, inspections, buyer's closing costs, etc.).

Real estate agents deal with transactions every day and can give you a very close estimate of seller closing costs.

5. Don't Spend Earnest Money Given to You

Don't assume the [earnest money](#) deposit is yours until the deal has closed and recorded. Also give the buyer a receipt. There are many stories about sellers who spent the deposit money prior to closing. When the transactions didn't take place for valid reasons -- such as financing or repair issues -- the buyers had to fight or sue for a refund.

Whenever possible, give the money to your broker or a neutral party who will hold the deposit for you until closing day and make sure your contract dictates what happens to the funds if the transaction doesn't close.

6. Don't Let Your Emotions Take Over

Keep a cool head during the entire selling process, especially during and after a home inspection. Be realistic and assume there will be issues. No home is perfect, especially older homes. It's not unusual to have to take care of some repairs yourself. Don't let the buyer's demand to do a small repair kill the deal.

On the other hand, don't commit to fixing anything in advance, unless you're sure you can handle it emotionally and financially. Decide what type of repairs you can realistically tackle, and then stick with the decision. Some repairs can get out of hand and end up costing you big money.

7. Don't Forget to Cancel or Switch Utilities & Insurance

That sounds simple, but you'd be surprised how many people forget to tell utilities they are moving or apply for utility service at their new home. Call the utilities and your insurance company as soon as you have a contract. Find out how many days lead time they need to switch or cancel, then get back with them when you have a firm closing date.

8. Don't Become Best Friends with the Buyer

It's great to be friendly, but don't get into too many long discussions with the buyers, because personality conflicts often cloud judgments.

Remember, *this could be their new home*. You're no doubt excited about moving. But buyers will start second guessing--everyone does. A casual statement about "gettin' out while the gettin's good" might be enough innocent chatter to kill the deal.

9. Don't Panic if the Appraisal Comes in Low

At least not at first. There are some things you (and your agent) can do to correct the problem. Study your options.

10. Don't Go It Alone

Selling a home can be one of the most stressful things in your life. Answering calls, setting appointments, cleaning house, and boxing up memories can be overwhelming for most. If you're working with an [agent](#), it's the [agent's duty](#) to track many of the day-to-day details that involve the buyers and taking phone calls. The paperwork required in a sale alone is enough to drive anyone over the edge.

11. Don't Ignore Inspection Requirements

Know what is expected of you and take care of it. For instance, a buyer getting an [FHA](#) loan will have an FHA inspector who may require some repairs to process the loan. That's something you may have to handle yourself if the buyer can't manage it. Answer inspector questions and provide required paperwork as quickly as possible--selling your home depends on it.

12. Don't Go to Closing Unprepared

Do not go to closing without your "[HUD Estimate](#)" which is provided by your title company. It will outline your costs and will give you a good idea of how much money you will be getting or will need to bring at closing. Also, make certain you speak with your agent and/or title officer to get a more exact figure and to make sure no surprises have risen. It's always a good idea to choose your own title company, and get some quotes since title insurance is a large part of closing costs.

13. Don't Write an Offer for the Buyer

With the exception of YOUR Agent, do not write an offer for the buyer. The buyer should write the offer themselves or with the help of their agent. Hire your own agent whenever possible to protect your interests. Remember, a listing agent WORKS FOR YOU. So avoid letting your listing agent act as a limited broker who will become neutral to both sides.

14. Don't Show Your Home Unprepared

[Get everything ready in advance](#), especially "eye-sores" or [any repairs that may scare buyers away](#). Get rid of any water leaks, stains, broken windows/doors, bad smells, etc. You don't want to lose a potential buyer. I've often sold a home to the first buyer on the first day!

15. Don't Follow Buyers Around When Showing

Whenever possible, don't be home when showing. If you're listing with a real estate agent, they'll often ask you to leave when the house is shown. Why? Because lurking sellers make buyers nervous--they don't feel comfortable inspecting the house when they feel they are intruding. It's easier for buyers to visualize the home being theirs when they have a chance to critique and discuss the home among themselves. If you must be home, try to stay out of the way and answer questions only if asked.

Unless there's a real reason for it, don't ask your agent to be present for all showings either. That's the kiss of death for showing activity. Other agents want privacy with their buyers and they don't usually have time to work around your agent's schedule.

16. Don't Waste Your Time with Non-Qualified Buyers

Nothing wastes time worse than showing your home to someone who can't even buy it! I had a friend who spent two weeks preparing his home for a co-worker who wanted to buy his home. He spent over \$1,000 removing a storage shed and met with the guy 2-3 more times discussing the price only to find out 3 weeks later that he could not qualify for a loan!

How to Stage a Home

Here are three important components of staging a home:

1. Use great photos for your online listing

More than 90% of homebuyers and 100% of buyer agents go online to search for homes to buy. Prospective homebuyers and buyer agents usually see your home online first before they go to view your home. If they don't like your home when they see it online, the chance is that they'll never take the trip to your home. It makes great sense to present your home nicely online to attract your potential homebuyers and to make them feel like to take the trip to your home.

Create appealing online home photo galleries become so important parts of home staging. Leave them out; you lose at least of half of the home staging results.

If you're not good at photographing, ask one of your friends to do it for you, preferably using a wide angle camera lens. A 24 mm lens takes much better interior photos than a 35 mm lens.

If none of your friends can do it well, spend \$100 dollars or so to hire a professional photographer to do it. It is well worth it.

2. Edit the photos

Pay great attention to this, especially for brightness and color tone. Have you ever seen a white wall turn blue in a photo, or a warm-colored room shift to a cold tone? Edit those back to normal. Also, feature the nicest parts of your home in your photos.

3. Create appealing online home photo galleries

First, make sure that the file size and format are right and the photos don't load too slowly. If your photos take too much time to upload, most online users don't have the patience to wait and they'll leave to look for other links.

Most websites have instructions on how to load your photos. So, read the instructions before you upload your photos.

Make sure that every desirable part of the home show up nicely.

Then it's time to organize the photos in a logical sequence, ideally starting and ending with the outside, and in between following the natural flow a touring buyer would typically take.

After you finish uploading, ask your friends to take a look at the photos from other computers and give you their feedback, and make necessary changes as needed.

If you are good at video, you can also do the virtual video tour online. That is even better.

Six Ways to Spruce up Your Curb Appeal

Here are 6 tips you can do to your home to make it look more appealing to buyers that won't cost you a fortune and could make the difference in your home being sold versus your neighbor's.

Clean the Yard

Take the time to clean up the yard. Rake the dead leaves and grass and put away any tools or equipment that may be lying around. If buyers see a mess in your yard, they'll think twice about wanting to see the inside of the house as it may be an indication of what else may await them.

Paint the House/Fence

A new coat of paint can go a long way to making your home look a bit newer. Bold colors can reflect your personal taste, so make sure you choose a neutral color that will appeal to the most number of people.

Enhance Your Walkway

You can boost your home's look by adding a brick- or stone-paved walkway to the front of your house. Dress it up even more by adding some solar-powered walkway lights. They'll make your home more inviting by adding more ambiance.

Plant New Flowers and Trees

Another easy and inexpensive way to improve the look of your home is to plant some new flowers and/or trees. Adding some new color can make a big difference in brightening up your home's appearance and make it look more cheery to prospective buyers.

Add Window Treatments

They say windows can be the soul of your house, so it's important to dress up your home by dressing up your windows. Add some decorative shutters to keep your home from looking plain and boring. Adorn them even further by adding some plant boxes. You'll be amazed at how much a simple thing can improve your home's appeal.

Replace Your Front Door

You may think it wouldn't make a difference, but changing the front door can change the entire look of your home. Replace that stale and plain-looking door with a nice wooden one with a decorative, beveled window.

How to Sell Your Home in a Slowing Market

As the market begins to slow, it is essential to know what it takes to sell a home. Rare is the occasion when sellers have multiple offers the first day on the market, though it is still happening. In this market, sellers need to work harder than ever to ensure their home is getting the amount of exposure they desire, and also to be prepared to wait for an offer to come their way. Here are some tips from local real estate agents who consistently outperform the market:

De-clutter and De-personalize your home: Look at your home through the eyes of a prospective buyer. Would you be interested in seeing somebody's wedding photos and kid's baseball picture? Or would you like to see how the space can be used and picture your belongings in the home? Removing the clutter opens up spaces such as countertops and shelving and lets the buyer use their imagination. Be strategic with your furniture. Pieces in corners tend to make rooms feel smaller.

Have your home ready before placing it on the market: Walk the home with your agent prior to listing it on the market and make a punch list of things to be done before it hits the MLS. Research shows the activity of a house spikes when it is first listed, so it needs to be ready for that initial surge. If the home is not ready, most of those buyers will not be back to view it when it finally is. That's why it is essential to put your best foot forward from the get go. Remember, first impressions are typically lasting ones.

Consider staging your home if you are moving before it sells: A vacant home can feel cold and hollow to prospective buyers. Staging companies can add furnishings to homes to help add warmth and color for a reasonable fee. By placing furniture in your house you are showing buyers how space can be used and giving it a homey feel while still allowing them to picture how their belongings would look. The cost of staging a home is usually less than your first price reduction, and can be an effective tool in selling your home. As an added bonus, furniture helps hide blemishes in carpeting and on the walls.

Have your home inspected before placing it on the market: Pre-inspections are becoming more and more popular with today's sellers. For a fee of around \$300-\$500, a licensed inspector will evaluate your home's major systems (electrical, plumbing, heating, cooling, roof, etc). By having this prior knowledge, sellers have the chance to make repairs or modifications on their own terms and can alleviate any issues that may come up during a buyer's inspection. Nobody's home is perfect, yet sellers are often blindsided by demands for costly repairs they didn't anticipate on systems they have never had issues with. Often times they feel stuck after possibly agreeing on a purchase price of less than they originally asked, then after having their home off the open market for 10-20 days once it's under contract being asked to make costly repairs or reduce the price even more. On the positive side, if systems show up as being in good working order after a pre-inspection, a seller can use this information as a marketing tool.

Hire an experienced real estate agent: Do you feel comfortable being somebody's guinea pig? That's exactly how you'll feel if you make the wrong choice when selecting an agent. An experienced agent will have the knowledge necessary to give you the most leverage in the market. They will have performed enough transactions to anticipate any problems that may arise and know what it takes to sell a home in the most competitive of markets. Ask your agent questions such as how many transactions they performed last year, what their average time on the market was, what their sales price to list price ratios

look like, and also for a list of references from *past clients*. If an agent is unable to answer these questions to your satisfaction, keep looking. Your home is too important to be somebody's "learning" experience.

Price your home to sell: No matter what steps and precautions you take when selling your home, if it is overpriced, *it will not sell!* Partner with your agent as much as possible when determining the price of your home and be realistic when setting the sales price. Sellers who actively participate in researching comps usually have better luck in moving their homes. An agent can show them how they come up with a price based off of prior sales and active listings and by being involved, sellers get a better feel for the marketplace. Ask to meet with your agent at his/her office so you can view history on the MLS with them. Overpricing on purpose and then counting on settling for the "real" price is setting you up for failure.

Tell All - Disclosure for the Seller

Not sure whether you need to mention to potential buyers that your basement once flooded because your neighbor's swimming pool cracked? Or about the summer you had to call in the exterminators to get rid of the termites? Is the nearby presence of a gas station or dry cleaner important? What about the fact that every Saturday morning at 7 a.m. the fire station 2 blocks away holds 30 minutes of fire drills, including testing sirens?

The answer is: Disclose it all. In some states you are legally obligated to give such information to potential buyers. More than 30 states now have home seller disclosure laws explicitly describing what sellers need to disclose to buyers. But even if you're not required by state law to describe past structural problems or the Thursday-evening rehearsals of the garage band across the street, you should do it anyway.

Legally speaking, the trend is toward increased disclosure of potentially problematic situations relating to both the home and the neighborhood. In the worst case, if you don't disclose such information you may be sued.

When it comes to selling your home these days, the more information about its history and the neighborhood you give to potential buyers, the better. Since the 1980s and the rise of consumer protection laws, more and more states have passed strict laws spelling out just what you need to disclose. California, always a leader in consumer protection, passed its first seller disclosure law in 1987 and at least 32 states have followed. These laws vary widely from state to state and the only way to find out exactly what your state requires is to check. Every professional real estate agent or real estate lawyer will know how to do this and can help you comply with disclosure laws, which may include filling out a form from the state and handing it to potential buyers. With a little perseverance, you can also [track down the regulations](#) yourself and find out how to comply.

Inspection vs. Disclosure

By the way, having a home inspection is not the same as complying with disclosure laws. You may want to have a home inspection prior to putting your home on the market, but that is entirely up to you. Being able to show a potential buyer the written results of your inspection, assuming your house comes through with flying colors, is a marketing advantage. It's like handing a perfect report card to buyers.

Likewise if the inspector finds problems, but you have the paperwork to show you've repaired them, that's also attractive to buyers. It shows the buyers that you are honest and want them to buy your home in perfect condition. You should think of a pre-listing inspection as a marketing tool. And remember that the buyer may insist on sending in her own inspector before finalizing an offer. It never looks good if the buyer's inspector finds significant structural or mechanical problems that you haven't fixed and haven't even mentioned. In fact, that is exactly the sort of situation likely to sour a sale.

But disclosure is different. Disclosure doesn't mean you must repair problems. It simply means that you must disclose them to buyers so they understand exactly what shape the house is in.

It's a Local Thing

Furthermore, most disclosure laws require that you disclose information beyond basic facts about the state of repair of your home. Toxic mold, unused old fuel oil tanks buried in your yard and termite damage must be disclosed in many states.

And because lead paint has become a concern in older homes - built before 1978 - federal law requires that sellers must disclose any information they know about the possibility of lead paint in the home. That means that if you've had tests done on the paint, you must disclose the results. If you know only that your

house was built before 1978 and that it has not been painted since, you must also disclose that.

Disclosure sounds daunting, and it should be taken seriously. But don't think of it as an obstacle to selling your home. And don't think of it as a legal quagmire. Sellers who immediately offer potential buyers a written disclosure report generally get an excellent response from buyers, who like the idea that the seller isn't trying to hide anything. Couple the state-required disclosure report with a report from a certified home inspector, and you've just added to the desirability of your home. It helps if your home is in perfect shape. But even if it's not, buyers will appreciate your honesty.

Disclosure Tips

- Check with your state to see if there are seller disclosure rules. If so, get a copy of the disclosure form. Most states now have them on a Web site for easy access and downloading.
- If you have a real estate agent or lawyer, have them help you with any questions you have about the form. If you're selling on your own and you really are baffled by the state's disclosure form, you can always pay an experienced real estate agent or lawyer for 30 minutes of their time to help you fill out the form. In general, however, the forms are not complicated and they're not intended to be tricky.
- Remember that honesty is the best policy. And being upfront about your home's state of repair - or disrepair - will also likely save you from misunderstandings with the buyer.

Seller Concessions Can Help You Sell Your Home

If someone is unfortunate enough to live in an area with a glut of homes for sale, they probably know how hard it can be to sell a house in such a real estate market. It's the old "supply vs. demand" concept, and when supply outgrows demand, things can get hairy for sellers. It's not uncommon for homes to spend months, if not years, on the market in certain areas of the country.

As a result, home sellers have gotten creative with finding innovative ways to promote their homes and make them stand out. From home staging to major landscaping updates, sellers are doing more today than ever to increase the curb (and indoor) appeal of their homes. There is no question such tactics work, but they can be very expensive. When looking for less expensive solutions to make a home more sellable, home owners may want to consider seller concessions.

Seller concessions, also referred to as seller contributions, are a great way to make a home more affordable and appealing to a buyer. The concept of seller concessions is actual pretty simple. The seller basically agrees to cover some, or all, of the costs associated with buying a home. For example, the seller may agree to cover such closing costs and fees as discount points, title insurance, appraisal fees, attorney's fees, inspection fees, etc. Another way to arrange seller concessions that is becoming popular is to have the seller pay the first six months of mortgage payments for the buyer. This is a great benefit for first-time home buyers, and can help them save money and transition into their new home.

Some may wonder why home sellers would be willing to offer such concessions, as opposed to just lowering the home price. The answer is simple math. A seller most likely can deduct some of the costs associated with seller concessions from their taxes. For example, discount points and real estate taxes most often will be tax deductible (check with a professional tax advisor before finalizing any seller concessions). And selling a home quickly can be a huge savings to the seller, especially if they have moved before they sell. Bills on unsold homes can add up to the thousands very quickly.

But remember, there are restrictions and rules that govern what are legal seller concessions and what may not be. Be sure to check with your real estate agent and mortgage professional about local laws and regulations. An all-too-common, but potentially illegal and unethical activity, is for buyers to inflate the price of a home and ask for "cash under the table" at closing. For example, a buyer may agree to purchase a house for \$120,000, but actually only want to pay \$110,000. At the closing the seller must bring \$10,000 cash to the buyer. Be very careful with "under the table" arrangements such as this. They may not be considered "seller concessions" and may actually be illegal. If presented with such an arrangement, be sure to check with lawyers and tax advisors before accepting.

And the sky is not the limit when it comes to how much a seller can pay with seller concessions. For the most part, the seller can legally cover two to nine percent of the purchase price. The exact amount depends on several factors, including the kind of mortgage the buyer chooses, how the home will be occupied, and the amount for which the home appraises.

Seller concessions can be a useful and appealing tool for sellers to make their homes more attractive to buyers. With guidance from mortgage and real estate professionals, sellers can put together a concession package that benefits both themselves and the buyer. When tax deductions and lower costs associated with a home being on the market a shorter time are considered, seller concessions can actually be a low-cost way to entice buyers to purchase a home.

The Art of the Deal the Short Sale

"Short Sale" refers to the sale of a property in which the sale price is insufficient to pay off all [encumbrances](#) and pay the expenses of sale. If the lender is convinced that the owner, for various reasons, is unable to continue making the payments, the lender will often agree to take less than the full amount owed to allow the sale to close [escrow](#). The incentive for the bank to approve a short sale is to have the property sell before the loan becomes a problem account on their books.

If you are considering a short sale, there could be drawbacks. For your protection, all borrowers should seek legal advice from a competent real estate lawyer. Also, call your CPA to discuss short sale tax ramifications. A new federal law could unleash a torrent of short sales as struggling borrowers facing foreclosure unload their over-mortgaged homes to avoid huge tax bills on capital gains.

[HR 3648, or the Mortgage Forgiveness Debt Relief Act](#), signed by the President on Dec. 20, 2007, helps people whose homes are in foreclosure by canceling taxes on any mortgage debt that has been forgiven by their lender. The government previously viewed the difference between the debt and the value of the home as taxable "income." Now it does not.

If you are considering a short sale, you should:

- **Call the Lender**

Call the lender and ask to speak to the "Loss Mitigation Department" of the bank. The bank will be very firm at first and may be difficult to deal with, be direct they will loosen up.

- **Submit Letter of Authorization**

In order for any party, other than the owner of record, to request specific property information and speak to the lender, the owner of the property must first submit a Letter of Authorization. Letter must be printed on the letterhead of the property owner with property address, loan reference number and your listing agent's name and number. The name of the person signing the letter must be printed below the signature. If the person signing the letter is not the name on records, the signer must identify their position and/or relationship to the owner of record. The signature must belong to the property owner. Letters of authorization do not have to be notarized.

- **Preliminary Net Sheet**

Banks want to see how much money they are going to net with your offer. Providing a Net Sheet with your offer will provide the bank with the numbers they need to see.

- **Hardship Letter**

Most lenders will request a hardship letter that details the reasons a homeowner has not made his or her mortgage payments. This is a bit strange because the borrower who is in default must prove that he or she is broke and unable to afford the payments. The more sympathetic the letter, the better.

- **Proof of Income and Assets**

It is best to be truthful and honest about your financial situation and disclose assets. Lenders will want to know if you have savings accounts, money market accounts, stocks or bonds, negotiable instruments, cash or other real estate or anything of tangible value. Lenders are not in the charity business and often require assurance that the debtor cannot pay back any of the debt that it is forgiving.

- **Copies of Bank Statements**

If your bank statements reflect unaccountable deposits, large cash withdrawals or an unusual number of checks; it's probably a good idea to explain each of those line items to the lender. In addition, the lender might want you to account for each and every deposit so it can determine whether deposits will continue.

- **Market Analysis**

You definitely want to do your homework and provide the bank with at least 3 to 5 comparables of properties in the area that have sold in the last 12 months, preferably the last 6 months. In doing this you want to try to get as close to the subject property that you can and ensure that you provide the most accurate information. I have found that it is also helpful to be able to show the number of days on market and any and all down payment assistance or seller concessions given in the sale.

- **Purchase Agreement & Listing Agreement**

The lender will require a copy of the listing agreement and a fully execute offer accepted by the seller. Be prepared that the lender will negotiate all fees, termite, home protection policy, etc.

When you purchased your home, you surely did not envision yourself in this situation. Unforeseen circumstances, such as a job loss, readjusting mortgage rates and illness to name a few, can put you in a position you never imagined. It is imperative that you look at all options, including bankruptcy, foreclosure and the short sale before you select the one that will work best for you.

Top Ten Reasons to work with a Realtor

1. **Realtors lower your risk.** When you are represented by a Realtor, your agent can help assure that you are buying a home that is safe, sound and priced fairly according to the current market.
2. **Realtors understand the current market.** Realtors have valuable experience that cannot be learned overnight or "on the fly". As experts in their market or neighborhood, they can assist you with home buying strategies and proposals that will land you the right house at the best price and terms.
3. **Realtors understand the complexity of a real estate transaction.** Realtors work with contracts on a daily basis. They can help you understand what you are signing and why. They are there to explain the process from offer to closing.
4. **Realtors keep the deal rolling and negotiate on your behalf.** They not only facilitate the paperwork but they also orchestrate the buying and selling process and attend the required meetings and appointments throughout the transaction. They also negotiate terms that benefit their clients far beyond the purchase price.
5. **Realtors work for the Buyer at little or no cost.** It is in their best interest to work quickly, diligently and to utilize all the resources available to help their clients meet their needs.
6. **Realtors know what to look for in a home.** They can help you determine whether a home is a smart investment or how the value compares to similar homes.
7. **Realtors have access to new construction and resell listings.** [The MLS](#) gives them access to the most recent information regarding home sales and newly listed properties. They also have access to databases of new communities and new construction.
8. **Realtors can point you in the right direction** when it comes to other professionals. They can recommend home inspectors, home appraisers, pest inspectors, contractors, mortgage professionals, etc.
9. **Realtors provide an objective point of view.** Since a home is an emotional process, it's easy for people to get lost in the moment. Having an objective third party that knows and understands your needs will help you keep focused on the goal.
10. **Realtors have done it before.** Since most people buy and sell only a few homes in their lifetime, there's a good chance that laws and regulations change since their last transaction, not to mention the market changes as well. Realtors keep abreast of the changing laws, regulations and market trends and are more than willing to share that with you. Having a Realtor representing you can save you time, money and stress.

When the market was "red hot" a few years ago, people asked "Why should I work with a Realtor? I can save thousands by doing a For Sale by Owner (FSBO)." Back then, all you had to do was put a sign up and wait for the phone or doorbell to ring. Homes were on the market for days, not weeks, and multiple offers were normal. But how the market has changed.