

## Short Sale Assistance?

Processing and negotiating a short sale is a long and tedious process that must be handled by an experienced real estate agent. Every home owner should be aware of all options available to them in order to avoid foreclosure. If you are considering a short sale or know of a relative or friend who might be, please call me today for a free consultation.

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Elk River ~ \$124,900

4 Car Garage



Browerville ~ \$149,900

32 Acre Hobby Farm



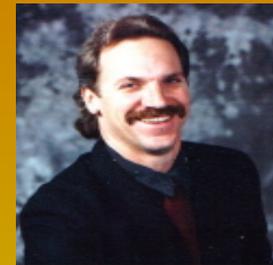
Oak Grove ~ \$315,900

Handi-Capped Accessible



**Curtis Bechthold**

**Broker/Realtor**



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## Selling Before Buying

Homeowners who are planning to move up often wrestle with the dilemma: Should we sell first or buy first?? In this case which comes first? The chicken or the egg? That depends on the market. Is it a buyer's or seller's market? Also what is your personal motivation? For most sellers and buyers, the smart thing to do is to sell before you buy. By selling first, you have the luxury of time. You don't have to take the first offer that comes along because you already have a place to live. Sellers who aren't under pressure to sell often obtain higher sales prices because buyers realize the sellers are not desperate. Nothing yells "discount your offer" like a listing that reads "motivated seller, bought another." By making the sale of your home contingent on closing concurrently with your new purchase, you have basically said to the buyer "If I can't find the home I want to buy, I'm under no obligation to sell to you." You don't have to name the property address. You can simply state: "This sale contingent on closing concurrently with the purchase of seller's replacement home." If the buyer's agent is smart enough to strike a concurrent closing clause in the contract, the next best thing to ask for is a time period during which you are free to look for a replacement home. A contingency period will give you the right to cancel the contract during that time period if you so choose, which can range on average from 7 to 21 days. Some sellers who want to take their time to find the perfect home, will often opt to rent after closing—they might rent back their home for the amount of the buyer's payment.

## How Soon Can We Buy After A Foreclosure Or Short Sale?

The waiting period to buy a home after losing your existing home has changed for conventional loans. For that we look to Fannie Mae, the entity that holds great power in the conventional mortgage market. Fannie Mae is a corporation, which buys mortgage loans in the secondary mortgage market. Because Fannie Mae would end up with the properties back if borrowers default, Fannie Mae has a strong interest in setting forth strict guidelines to lessen the chance a borrower will go into foreclosure. They now have separate waiting periods depending on the type of foreclosure. (Extenuating circumstances such as death, illness, job transfer, will have a direct bearing on how long you will have to wait to get a loan.) The waiting period to buy after foreclosure is 5-7 years. Buying after a foreclosure with extenuating circumstances the waiting period is 3 years up to 7. Buying after a Deed-In-Lieu of foreclosure the waiting period is 4-7 years. Buying after a Deed-In-Lieu of foreclosure with extenuating circumstances is 2-7 years. Buying after a short sale the waiting period is 2 years. However, if a seller does not have a 60 day late pay, Fannie Mae says that seller may immediately buy a home, but none of the other lenders will fund such a loan so it's kind of a fallacy. FHA has similar guidelines. In addition to the waiting period, some loans require 10% down and a minimum FICO score. The home you purchase must be your principal place of residence, not a rental.

## Have You Heard About the "Fix Up Fund?"

Minnesota Housing has a program called "The Fix Up Fund." The money can be used for windows, insulations, furnace, central air conditioning, electrical, new roof, garage and septic repairs are some of the common items that can be repaired. To qualify, you must live in and own the home. The amount of money available for this program is \$2000-\$35,000. To repay the money you pay monthly payments during the length of the loan at the current interest rate. Loans can take up to 10 to 20 years to repay depending on the amount. Annual household income can be up to \$96,600. Closing cost fees may apply. You can hire the contractor to do the work yourself. To find out more information regarding this program, please call us!

If you would like assistance in locating a loan officer or financial counselor, feel free to call us. We work with highly trusted loan officers that are very good referral partners.

