

The Ginny Skinny: Selling your home at the right time and for the right price

When you play a game of cards, you work to make a winning hand from the cards you are dealt. When you are buying or selling a home, you are the dealer and it's up to you and your trusted realtor to make the deal work for you.

Toward that end, I always encourage my clients — whether they are buyers or sellers — to operate on the principle “a penny saved is a penny earned.”

After you have played the game several times, you learn how to base your strategy on potential future moves. So by taking precautions and knowing the

course of a deal, you are able to save your moves and hedge your bets to play the best hand.

Base the following decisions on this strategy in order to save time and save or earn money by rearranging your playing cards. Here's the “Ginny Skinny” on the various stages of selling a home to your advantage.

Seller tips before, during and after the deal

To prepare your winning hand as a seller, you're best suited to play the pricing card.

Base your listing price on the most recent sold and pending sales comparable to the year your home was built, square footage/number of true bedrooms, location, floor plan, condition and surrounding view/amenities. This is a dynamic number that goes up and down, just like the stock market and economy.

This is the target price point lenders will use when working with prospective buyers. It is also the data that appraisers use when determining a home's worth to the bank. Ninety percent of buyers will apply for financing, so it is important your home is priced right.

Make a list of home improvements to assist your realtor in positioning your property against competing properties, but don't expect a buyer to pay for those improvements.

The bottom line

• Be realistic when marketing your property. Don't be fooled into working with a broker who tells you the asking price you want to hear. You will lose valuable market time and incur holding costs (mortgage and/or utilities, assessments, etc.) only to

discover that the broker will have to reduce the price anyway.

• Aim for netting 10 percent above or below market price, depending upon how long you want the home to stay in the market. You may then have competing offers. Holding out for the



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higher price means longer wait time for an offer.

If you are not willing to consider selling at market price from the get-go, don't list your home until the market meets the price you want. Refinance or do improvements until the time comes to get top dollar when you're really ready to sell.

• Know that 90 percent of buyers shop online first — even when they are in Sunriver on vacation. If your home is not in their price range, it will be skipped. If you miss a window of opportunity because of inflated pricing, you will continue to “chase” the market. The higher number of days on the market, the more likely you will get “low ball” offers. Reposition your asking price if you do not get any showings within two weeks to a month.

• To receive the highest sales price, do necessary repairs and arrange a home inspection and Sunriver Owners Association compliance inspection before listing. Otherwise, when a home inspector representing the buyer or their lender's appraiser comes to the house they will itemize these repairs and the bank may require they be completed before closing to ensure the home is “safe, structurally sound and sanitary.”

Following a home inspection, an appraiser for the buyer's lender also goes through the home. Based on what the appraiser sees can determine the actual amount the lender will loan to your buyer. If you set the price higher than market value, it may not “appraise” for that value. If that happens, you must either agree to lower your sale price, renegotiate with the buyer to pay the difference out of their pocket, split the difference between seller and buyer or the deal is off.

• Ask your realtor for a seller's net sheet so you can determine what you will net from the sale after commissions, title and escrow fees. Call your financial and tax consultant to see if you need to close by a certain date or with a certain amount for the best financial and tax advantages.

• Ask your realtor to promote the market value of your improvements in your listing during open houses and brokers' meetings.

• Ask your realtor to include in the agent remarks section of the Multiple

Listing Services (MLS) that buyers should be prequalified with a lender before they can submit an offer. This helps ensure buyers are capable of covering purchase costs before you accept an offer and take the home off market.

Know when to hold 'em, know when to fold 'em

As a seller/owner deliberating whether or not to sell in this market, you can hold or fold the financing hand you are playing with your house mortgage. You can refinance, do a repayment plan, choose forbearance or loan modification or even a deed for lease in options available and outlined at www.makinghomeaffordable.gov

If you wish to keep your home, you may be able to refinance your mortgage for a lower monthly payment — even if you owe more than your home is worth or are “underwater.”

Hopefully, if more people are aware of these options, it will decrease the supply of homes for sale and increase home values over the long haul.

If you are treading or above water and making your payments on time, why should you not be rewarded with refinancing for a lower interest rate or lower monthly payment? Why should those who haven't done so be the only ones benefiting from a down-turned economy?

Go to www.makinghomeaffordable.gov to find a variety of programs out there to help you.

For details on the HARP 2.0 program, click on tools and then address finder to see if your loan is covered by Fannie Mae or Freddie Mac. Keep in mind, if you wish to refinance your home it can't be on the market.

Not all banks participate in this program, and some banks only participate in the Fannie Mae All Access program but don't participate in Freddie Mac. Call your local lenders before calling the big banks and ask if they do Fannie Mae or Freddie Mac before giving them any info so your FICO or credit score is not “dinged.”

It's always prudent to ask lenders what the loan to value cap is on your investment. The cap is the amount owed on the loan compared to the amount or market value of the home. Some banks are capping the loan to value for investment proper-

ties at 105 percent, and some lenders or government-backed programs have no cap for loan to value on investment properties or up to 150 percent of primary homes.

Look under tools and use the payment reduction estimator or modification evaluator to see how much you could save per month. As you navigate through the site, you can also find out how to read your mortgage statement, learn daunting mortgage terms and find answers and contact numbers for live and well-informed assistance.

If your payment history has been spotty, look under www.makinghomeaffordable.gov/program to see what is available. The time spent saving money or saving your house is time well spent. Such options include:

- Home Affordable Modification Program SM
- Principal Reduction Alternative SM
- Second Lien Modification Program
- FHA Home Affordable Modification Program
- USDA's Special Loan Servicing
- Veteran's Affairs Home Affordable Modification
- Home Affordable Foreclosure Alternatives Program
- Second Lien Modification Program for Federal Housing Administration Loans
- * Home Affordable Refinance Program
- FHA Refinance for Borrowers with Negative Equity
- Home Affordable Unemployment Program
- Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets

In case the process is just too overwhelming for you, call (888) 995-HOPE for a live counselor to assist you in understanding your options, how to prepare your application and work with your mortgage company. Be prepared, go the website for a checklist on what to have handy during the call and be ready to answer questions.