

your home

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Tips and trends for homeowners, buyers and sellers



WHEN THE SELLER is the owner



Homes listed as for sale by owner (FSBO) usually come with a lot of questions: Is it easier or riskier to buy? How do negotiations work? Should I involve an agent? Here are some pointers from *The Wall Street Journal* about what to keep in mind when looking at an FSBO:

- ➔ First, don't avoid a home because it's being sold directly by the owners, especially if it meets all of your criteria. The main difference is that you will usually meet the homeowner face to face, rather than conduct negotiations through agents. However, you may also have the option to work with a buyer's agent.
- ➔ While many FSBO sellers may be unfamiliar with real estate processes, they must conform to all stipulated laws, such as providing

disclosure forms that detail the condition of the home. Learn your state's requirements and demand the most extensive disclosure.

- ➔ It's helpful to understand that many FSBO sellers have a special attachment to their home and may overprice it. Get a competitive market analysis (CMA) to outline comparables in the area. - You should also never let the seller hold the money in escrow. Arrange for a bank or other neutral entity to manage the escrow applied to the down payment.
- ➔ Lastly, as with any other homebuying process, it's always best to go in with your eyes open and to trust your gut in FSBO deals. Just like any negotiation, it may or may not work out.

WHEN TO APPEAL THE APPRAISAL

Home appraisals are a mandatory part of the home buying and selling process so lenders can determine a home's "official" value. Unfortunately, an appraiser may find that your home's value is less than what you expected it to be. The good news? You are able to appeal the appraised value if one of the following situations occurs, according to themortgagereports.com:

When the appraiser uses outdated "comps"

This happens frequently because local home sales aren't immediately reported to the public record. A real estate agent can help you find the most recent comparable (comps) sales, or if you're aware of a recent sale, notify your lender.

When the appraiser omits home improvements

If an appraiser omits key home improvements you've made, it's usually because they aren't aware of these updates. The easiest solution is to be on-site with the appraiser, then review the appraisal when it's completed.

When the appraiser doesn't know the local area

When an appraiser is unfamiliar with your neighborhood, he or she may rely more heavily on data from public records to reach your home's final valuation. If you feel this to be the case, notify your lender as soon as possible.

When the appraiser makes a mistake

Always review your home appraisal for errors, such as incorrect information about the square footage, or the number of bedrooms and bathrooms; or omitted features, such as fireplaces and patios. Be prepared to show evidence of the mistake when you make your appeal.

