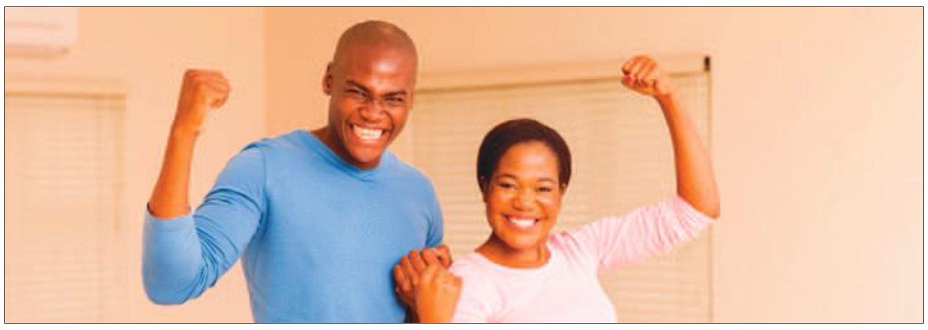
No. 22

Increase Your Buying Power



You should make sure you are in good standing to receive a loan before visiting with lenders. They are quick to shy away from borrowers who have a history of negligent payments or an excessive amount of credit.

Take the time to analyze and improve your financial situation to receive optimal buying power when you do visit an institution.

You should also go in with a budget in mind. According to property data firm ATTOM Data Solutions, the first half of 2018 saw 362,275 United States properties with foreclosure filings.

Avoid this by only viewing homes that you can reasonably afford. To get the most out of your loan, remember these tips to enhance your buying power and find your forever home:

Down Payment

A lender will take your application more seriously when you have a substantial down payment to put down on a purchase. This shows them you are committed to investing in a property and can save a large sum toward your obligations.

So, how much should you save before applying for a mortgage? According to the Lenders Network, the days of presenting at least 20 percent of a home's cost are gone. In fact, in 2016, the average down payment in the United States was just six percent.

This can still be a large chunk of money depending on how expensive the property lists for.

If a down payment is what's holding you back from making a purchase, you may also qualify for specialty programs like Private Mortgage Insurance (PMI), which allows you to qualify for a loan that you might not otherwise be able to get. Some experts recommend against PMI because it will likely increase the size of your monthly mortgage payment and only offers protection to the lender. That said, a smart payoff plan can keep you on track to getting the benefits out of PMI. Talk with your local mortgage specialist for your best options.

Repair a Low Credit Score

Your credit report is a tool used by lenders to judge the risks in lending money. Take the time to obtain a copy and check it for accuracy before applying for a mortgage. Negative scores may not completely dismiss you from getting the loan, but it can introduce special circumstances like a higher interest rate.

If you feel there are errors on your credit report, there is an avenue you can take to correct it. Under the Federal Trade Commission's (FTC) Fair Credit Reporting Act, both the credit-reporting company and information provider are responsible for correcting inaccurate or incomplete information.

Simply send a certified letter to document the transaction explaining why you dispute the information and ask that it is removed or corrected. Contesters will usually hear back within 30 days. The FTC also allows citizens a free copy of your credit report once every 12 months.

Resolve Long-Term Debts

Another factor lenders research is the time period of your outstanding debts. Take time to pay down the loans or credit cards you have had opened the longest, before applying for a loan. Help is just a phone call away. Call us at 855-768-8845.■

Types of Property Deeds

BY SUSAN M. KEENAN

The legal documents used to transfer titles to real estate are referred to as property deeds. The names of the legal owners to real estate are placed directly onto the property deeds. Each time a piece of real estate is sold, a new property deed must be issued. The two most commonly used types of property deeds are warranty and quit claim deeds.

Warranty Deeds

Commonly used in most real estate transactions, warranty deeds provide guarantees that the property being sold is free and clear of any encumbrances or claims. The grantor, or seller of the property, warrants that he is the rightful owner of said property and that he holds the title to it. Therefore, he offers the assurance that he has the right to transfer the title to the property. The guarantee that the property is free and clear is limited to that particular transaction only. Each time a property is sold, a new deed must be issued.

Quit Claim Deeds

Used when special circumstances exist, quit claim deeds do not offer any guarantees that the property is free and clear. However, the grantor of the real estate guarantees that he owns the property and has the right to transfer it with a quit claim. Circumstances when quit claim deeds are used include:

•Property ownership is transferred into a living trust.

•A spouse is removed from inclusion on the deed.

•A property is transferred as part of an inheritance.

Survivorship Deeds

A survivorship deed is used to transfer ownership of a property to a surviving spouse. It is used most commonly when property is purchased by couples and one of the spouses dies. This type of property deed allows the surviving spouse to avoid probate.

Life Estate Deeds

A life-estate deed is designed to transfer the title to real estate directly to a new owner upon the previous owner's death. It is sometimes used when a parent promises a child that he will receive the property when the parent dies. A life-estate deed includes the stipulation that the parent can remain in the home until the time of his death. Life estate deeds are utilized less frequently than other types of property deeds.

If you have questions or want to set up a deed transfer, consult with a well-qualified real estate lawyer. Help is just a phone call away. Call us at 855-768-8845. ■

Advantages of a Listing Agent

Before listing your home for sale, many home sellers are tasked with the decision to hire an agent or make the venture alone.

While the For Sale by Owner (FSBO) avenue might save you a little money by avoiding the commission cost of a listing agent, a real-estate transaction is best navigated with the guidance of an expert.

Recent data from the National Association of Realtors reveals that only 7% of FSBO attempts were actually successful in 2017. Typically, these sales were made when sellers already had a buyer in mind. Finding the right listing price is considered the most difficult task for this type of sale.

Before attempting to join this small percentage of those who sell their homes without expert help, consider the advantages of hiring a professional real estate agent.

Setting the Price

Choosing a price point is more involved than having a home appraised and asking for that amount. In fact, while an appraisal is a good starting point, an expert can access a CMA or comparative market analysis to analyze current trends in the area including what similar homes sell for, current market trends, interest of local buyers, and how long homes are listed.

With this important information, a real estate expert can price your home to ensure a profitable sale with a quick turnaround.

Suggest Renovations

A real estate agent is efficient in finding flaws in your property that may slow down a transaction or effect bids from buyers. For instance, if you live in an area that experiences heavy rain fall, a new roof or air-tight windows and doors may be necessary before listing. Homes for sale in regions with intense summers and brutal winters can benefit from an updated HVAC system. If you decide to purchase a new unit, make sure to keep warranty paperwork on hand to pass on to the next owner. Small incentives like this can make the difference between receiving unimpressive offers and making a sale.

Be sure to brag about recent upgrades in your listing. Buyers know what they're looking for, and an agent understands how to advertise your property so they can find it.

Dealing with Negotiations

Once you have accepted an offer from a home buyer, there is still one roadblock in the way before you head to close. Most offers are contingent on a home inspection, meaning an independent professional will inspect the property for flaws or defects that may otherwise go unnoticed.

Keep in mind, some states require you to disclose information about known problems that may affect the value of your home. If you fail to inform them, you may be held legally responsible for fines and fees or the rescission of a sale. Your real estate agent is an expert on the sometimes complicated responsibilities that sellers face and can ensure your deal won't fall through.

If unexpected problems are discovered, it's common for a new offer to be written up. An agent will use his expertise to negotiate with the buyer's agent to maintain fair terms.

Need assistance? We will be happy to meet with you and share our guidance. Schedule an appointment today. Call us at 888-670-6791.■

Understanding Property Taxes

When budgeting to buy a home, there are more costs to consider other than your mortgage payment. While you should be able to comfortably afford your monthly obligation, make sure to plan for factors such as maintenance, insurance and property taxes. Depending on where you live, these expenses can be substantial.

Your property tax dollars are required to support the community in which you live. They pay for things like roads, schools and local government organizations. Luckily, with a little research, you can figure out exactly what you'll pay and plan for your upcoming responsibilities.

How are Taxes Determined?

The rate at which your property taxes increase or decrease depends on when local officials assess your home. Experts at Investopedia suggest it can occur between every one and five years.

A licensed assessor will deem a reasonable market value for your home based on local real estate market conditions, the integrity of the home and prices of comparable properties.

Once this total is calculated, it is then multiplied by a tax rate set by your municipality. Beneficiaries of property-tax dollars use their own system to calculate their share of the taxes.

An easy way to find out the annual or biannual fees you will be responsible for is

to analyze an area's tax rate and multiply it by the home's assessed value.

Dealing with Tax Hikes

During each assessment, it's common for property taxes to increase. This can occur due to home improvement projects that add value to your home, or an increase in property values in your area.

The tax rate also can be increased due to new legislation or school or emergency service upgrades.

Fortunately, most counties offer their residents a chance to contest rising costs by appealing the assessment of the property. Keep in mind that your local regulators may have strict time restrictions of when the issue must be addressed. If your case is unable to be resolved with the assessment board, in many states, the next phase will be in front of a judge.

Be sure to do your homework before contesting. Most tax expenses are public records that you can easily access with a little research.

Build Your Savings

When searching for homes that meet your budget, considering the cost of property taxes is crucial. Make sure you can comfortably afford the initial expense and have room in your savings to prepare for increases. Buying a new house is an investment that's best ventured when you're financially stable.

According to the Investor Education Foundation, an established emergency savings plan should cover three to six months worth of realistic living expenses. Having this surplus of money can help lessen the impact you feel when your new home requires maintenance or property taxes increase suddenly.

The Foundation also suggests using a liquid account to store your savings. This type of plan is easily accessible so you can handle emergencies without lengthy processing through your lender. Ask the experts at your chosen financial institution about interest-generating accounts to help your savings grow.

If you are ready to buy, you may want to contact one of our real estate attorneys for more information. We will be happy to meet with you and share our guidance. Schedule an appointment today. Call us at 888-670-6791. ■

7 Things You Need to Know Before Switching Careers to Real Estate

If you've been thinking of changing careers and earning your real estate license, there are a few things you should know before taking the leap:

1. You Decide How Successful You Are
That's right! You will get out of a real estate career exactly what you put into it. This is a career that rewards hard work. Your income potential as a real estate agent is basically unlimited. But it goes both ways… part-time effort will likely lead to part-time pay.

2. You're Going to Need a Plan
When newly licensed real estate agents fail, it's usually because they didn't think about that period of time between passing their exam and cashing their first commission check. You need to set goals, as well as develop a business plan and marketing plan.

3. You Should Have a Small Nest Egg
The period of time between earning a license and getting a commission check is not a set amount of time. You're going to need to be able to cover the costs of your day-to-day life, as well as business startup costs.

4. You're Going to Be the Boss Now
If you're used to the typical company structure with a boss telling you what you're responsible for, this can sometimes be a shock. The broker you work for will likely keep an eye on how you're performing. But for the most part, it's up to you. You need to be disciplined enough to take control of your career and make the most of your time.

5. You May Have to Work Some Weekends
If you are planning to work in residential real estate sales, you will likely need to dedicate at least a portion of your weekend to work. People shop for homes in their free time. And their free time is typically on nights and weekends. As a result, buyers and sellers expect their real estate agent to be available for showings, open houses, and office visits on the weekend.

6. You Need to Set Yourself Apart
So what are you going to do to set yourself apart from someone's neighbor, brother, or best friend from college? The most successful real estate agents know the value of differentiation. You need to develop a brand that sets you apart from the rest of the market.

7. Real Estate Is an Incredibly Rewarding Career
It isn't easy, and it is incredibly competitive. There also isn't a guaranteed weekly paycheck. But all of these challenges are what make real estate such a rewarding career. The rewards are worth it. ■

Source: Kaplan Real Estate Education

Saving Your Home from Foreclosure and Predators

BY ERIN TELESFORD

The greatest financial crisis in the United States was the last recession which spanned from December 2007 to June 2009. During this time, unemployment rates were raised by about 6.1% resulting in a loss of consumer spending and business investments. Before the recession, many Americans bought houses using mortgages they couldn't afford, eventually causing them to fall into poverty and their homes into foreclosure. The effects of the Great Recession did not recover once the economy stabilized in 2009. According to The State of Working America, "In October 2010, 16 months after the official end of the recession, the economy still had 5.4% fewer jobs than it did before the recession started." The unemployment levels are little to no better in 2019, and speculation that another economic collapse has come into the news.

The devastation of the Great Recession implored many people to take better action with their finances and mortgages in fear of another financial crisis that could cause them to lose their homes. However, many Americans lack knowledge on the options available for them in lieu of another recession and end up needing to file for bankruptcy when financial hardship arises. Much of the recent financial problems lower-income individuals and families face are a result of their inability to afford or deal with unexpected major expenses such as job loss or medical bills. When these expenses become detrimental, one decision could be to file for bankruptcy.

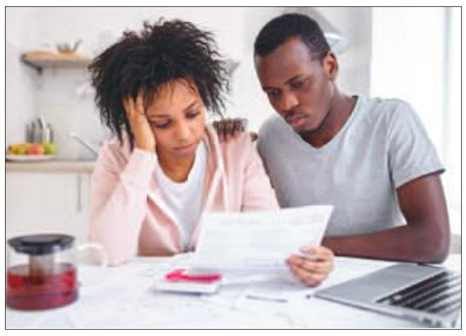
According to a study published recently, 46 percent of bankruptcies were related to outstanding medical conditions. The major cited reasons in this category included injury or illness, medical expenses not covered by insurance or losing at least two weeks' worth of work because of illness. Other causes of bankruptcy include reduced income, job loss, credit debt, illness/injury, unexpected expenses and divorce. In the same time period, the percentage of filers age 55 or older more than doubled; those filers now account for about 20 percent of all bankruptcy petitioners. The study also found that 60 percent of bankruptcy filers have salaries of less than $30,000.

Bankruptcy is not a moral decision. It is a legal choice made when the debt situation is hopeless. Filing for bankruptcy can save your home and also stop wage garnishment. This can be troublesome due to the racial inequality involved with lawyers who specialize in bankruptcy.

In an interview with Brian Figeroux, Esq., on the radio show, *Ask the Lawyer*, he stated that you must "know the motives of the person giving you advice. There have been cases where people of color in America, specifically black Americans, encountered lawyers and investors who claim to want to help them save their homes when, in reality, 10 out of 10 times, they are trying to hoodwink you."

Figeroux also warned about a *New York Times* article which stated that white attorneys were not giving the best advice to black clients.

According to the *New York Times* article, "Blacks Face Bias in Bankruptcy," by Tara



Siegel Bernard, blacks are about twice as likely as whites to wind up in the more onerous and costly form of consumer bankruptcy as they try to dig out from their debts, a new study has found. The disparity persisted even when the researchers adjusted for income, homeownership, assets and education. The evidence suggested that lawyers were disproportionately steering blacks into a process that was not as good for them financially, in part because of biases, whether conscious or unconscious.

The vast majority of debtors file under Chapter 7 of the bankruptcy code, which typically allows them to erase most debts in a matter of months. It tends to have a higher success rate and is less expensive than the alternative, Chapter 13, which requires debtors to dedicate their disposable income to paying back their debts for several years.

The study of racial differences in bankruptcy filings was written by Robert M. Lawless, a bankruptcy expert and law professor, and Dov Cohen, a psychology professor, both with the University of Illinois; and Jean Braucher, a law professor at the University of Arizona.

A survey conducted as part of their research found that bankruptcy lawyers were much more likely to steer black debtors into a Chapter 13 than white filers even when they had identical financial situations. The lawyers, the survey found, were also more likely to view blacks as having "good values" when they expressed a preference for Chapter 13.

As communities of color, we have to be aware of what is happening. Persons are coming into our communities, offering to purchase our homes for cash. These persons are not trying to help you. Your property is an investment. It is the path to wealth-building and transferring wealth from one generation to another. Do not be fooled.

Figeroux's real estate office, Equity Smart Realty, Inc., was created because he "saw how our people suffered" from these types of scams and wants to be truthful with the black community in order to prevent the wrongful foreclosure of our community's houses through bankruptcy consultation.

For a free bankruptcy or save your home from foreclosure consultation with the Law Firm of Figeroux and Associates, call 855-768-8845. ■