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STAYING ON BUDGET WITH YOUR NEXT HOME PURCHASE



Buying a home can be a costly process. Blowing your budget before you even unpack all the boxes is not the best way to start out in your new abode. How much home can I afford? The Federal Housing Administration recommends that home buyers don't spend in excess of 29% of their gross monthly income on housing expenses. This can be increased, if you don't have any other debts, to as much as 41%. If you're confused as to how much you can afford, your Realtor and/or mortgage broker can provide invaluable insight. Your loan officer should help you determine what kind of loan best fits your budget as well, and a few different types are covered here – this list is not comprehensive however, and you should seek a professional's advice.

Fixed-Rate Mortgage - With this type of mortgage the interest rate (and your payment) stays the same throughout the life of the loan. If rates drop significantly, you can try to refinance the loan at a lower rate. If rates increase significantly, you won't be affected.

Adjustable-Rate Mortgage - With this type of mortgage your interest rate and monthly payments will generally start out lower than a Fixed-Rate. Rates or payments can go up or down, in fact they can go up significantly.

FHA-Insured Mortgage - This helps low to moderate income buyers either buy a home or refinance their current mortgage. It allows a buyer to obtain a mortgage with a smaller down payment than usual. The loan isn't made by FHA but by a HUD approved lender and, if the borrower defaults, FHA pays the lender.

Cutting back on moving costs - Possibly the cheapest way to move is to do it all yourself. However, this is not always the best deal. Depending on where you're moving, you can end up making a lot of trips, which can be costly in terms of gas and time. If you decide to hire professional movers, be sure to comparison shop for the best deal. Some movers charge less for simply placing all your boxes on the first level of the home and not sorting them into specific rooms. Still other companies charge less if you box up everything yourself. Check any company credentials you're unsure of with the local Better Business Bureau. You can save money on moving supplies such as boxes and newspapers by asking liquor and grocery stores for their sturdy boxes and the town's newspaper for their unsold editions, free of charge.

Home Improvement - If you're buying anything other than a brand new home, there will undoubtedly be some home improvements you want to make. One fairly inexpensive way to change the look of a room and make it more useful is to change the lighting. Placing wall sconces along a dark hallway can make it look like a new home. Newer and more efficient lighting can also cost less over time. Updated lighting methods can make a small room look larger and a large room appear cozier. A clean and organized house can make a surprising difference. If you're just moving in, consider hiring a professional cleaning team to scour the entire house from top to bottom (or better yet, ask the sellers to include that service for you). Purchase large pots and pack them with colorful flowers and interesting plants. Add lighting or a fountain of some type to the garden to really spice things up. New paint, either inside or out, is always a fairly inexpensive way to make a home look new again. For a small room, such as a bathroom, you can purchase cast offs on the discount cart at your local home improvement store. You can get enough to paint the room for pennies on the dollar. If you decide you need more, you can always have the store match the color and you'll still be money ahead.

Source: In Touch Today

HIGH-TECH MESSAGING SERVICES AIM TO HELP SELL HOMES

Like a house? Send a text message. New services are encouraging real estate professionals to post directions for accessing their text message information on For Sale signs so interested buyers can avoid the frustration of phone tag. The services deliver basic information about the property, including number of bedrooms, square footage, the asking price and the associate's contact information. Some also include photos of the inside of the house. Companies offering the text-messaging service include House4Cell and CellSigns. Podcasts are another high-tech sales technique, allowing real estate professionals to produce audio and video commercials for their listings and zap them to people who request them via the Internet. Companies offering this service include RealEstateShows.com, and the Xsites Network.



Source: The Los Angeles Times