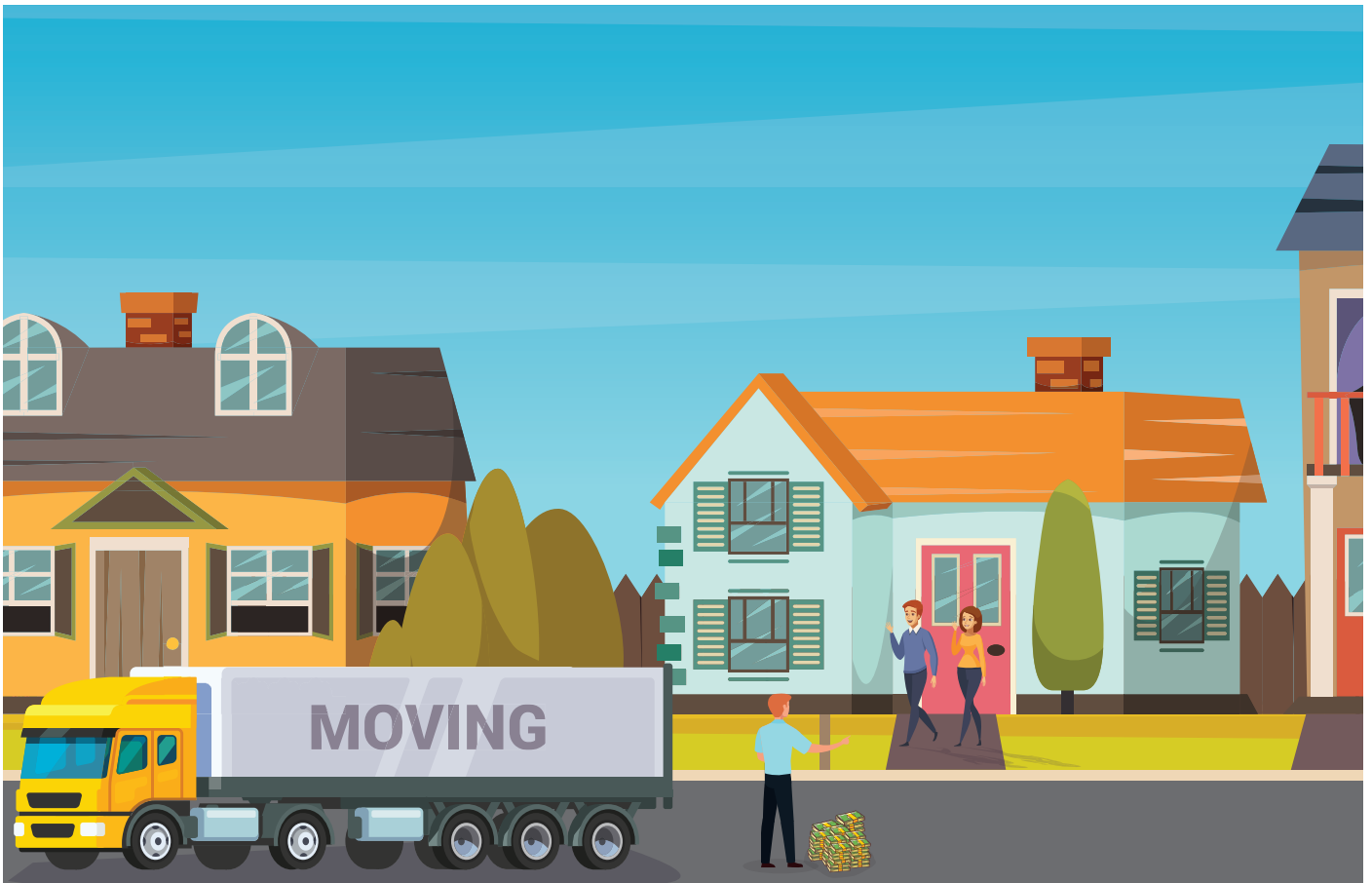


The Complete Guide to Selling Your Home Fast



Located in Charlotte, NC
Buying Properties Nationwide



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The Complete Guide to Selling Your House Fast

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First Things First

If you're in an ideal situation in terms of selling your home, you probably don't need to read this guide. (I'd humbly suggest that you might still find it worthwhile, as we take an unbiased look at different methods.)

That is, if you have no pressing time constraints, you have a home that's in great shape and needs no repairs, is ready to show, and you don't mind some uncertainty and stress in the process, then selling the conventional way (listing your home with a real estate agent) is going to be best for you to get top dollar for your home.

If you find yourself with a challenge in one area or another, however, this guide could be very important in helping you make the best decision. That decision could very well be getting a fast cash offer from an investor.

The bottom line is that we want you to be informed so you can feel good about the fact that you're making the best decision.



What You'll Discover in This Guide

- First, we're going to look at things from a big-picture perspective. Deciding what's most important to you. Thinking about how much effort and frustration you can put up with.
- Second, we'll recap the main methods for you to sell your house.
- Cash offers are generally about speed, and working with a real estate agent is generally about getting the top price for your home, but neither of those are absolutes. That's why we'll spend a whole chapter digging in to the speed side of things, and then the chapter after that will focus on the "price" issues.
- After that, we'll talk about some tough situations we can all find ourselves in, and how those situations can impact your options.
- Finally, in the Frequently Asked Questions (FAQs) section, there's a list of the most common questions that people ask.

What Is Best For You?

Just in case you haven't seen enough about us to be absolutely certain before you start reading this guide, I want to make it absolutely clear that we are real estate investors.



We're writing this unbiased guide because it's what we would want if we were in your situation - trying to sift through the facts and myths and advantages and disadvantages.

If you can find a similar guide written by a real estate agent, I highly encourage you to read it closely. So far, we haven't seen one, unfortunately.

That's why we wanted to write one as a service to people. We don't need to persuade or be slimy or lie in order to

get every single possible "deal." We want to do what's right for our potential clients, and we want to be able to sleep at night.

The simple fact is that there are plenty of people who are in a situation best helped by a real estate investor. And yes, plenty of people in a situation where a cash offer from an investor is not the best option, and they should work with an agent instead.

There, we said it.

Anybody who says you should never sell the conventional way with an agent simply doesn't have your best interests in mind.

Similarly, if you hear that selling to an investor is never the right move, you should run from that real estate agent's advice as well.

What you should do - in **your** unique situation - depends on many things that we're going to try our best to cover in this guide.

In later chapters, we'll discuss the biggest topics in more detail. But now we're going to talk about some things that you need to think about regardless of which direction you move.

There will also be some things you should think about first - before you even decide how to sell it and who with. Because those things might help you decide that maybe selling your house isn't the right thing.

Or maybe that it's just not quite the right time to do it.

So let's start with some of the things you should think about right now, at the beginning of the process.

The Current Housing Market

The very first thing you should do is to evaluate your market. You might have heard of a complex-sounding "Comparative Market Analysis" (CMA) in the past ... and maybe "evaluating your market" just sounds difficult.

Sure, to do a detailed report, it can take an expert and a lot of work. But don't let yourself get caught up in that. Just start simple.

Run an online search on a couple local real estate websites. Then run a couple more searches on some of the large sites like Zillow, Redfin, etc. You're not trying to get exact numbers to price your home yet - you're just trying to get a "feel" for the market.

(By the way, search for "evaluating real estate market" on the Business Insider website - they have a great process that could be helpful.)

If there are a ton of listings, and a majority of homes are sitting for a long time, unfortunately, you're in a buyer's market. Buyers have all the power because there are lots of home options out there.

So they know they can be picky, give lowball offers, expect more concessions, etc. We won't sugarcoat it - in a buyer's market, this whole process can give you a headache.

As you might guess, if the reverse is true and there are only a few homes on the market and they are moving fast, yep, you're in a seller's market. That's a good thing for you.

It means more buyers fighting for fewer homes, so prices are better, concessions are fewer, and the process is quicker and less stressful.

More information on CMAs can be found in the "**When the Price Needs to be Right**" chapter below.

Hope for a seller's market. :-)

Decide What's Most Important to You

This almost always depends on your situation, so you really need to make the decision. Make it at the beginning, before you've talked to an agent, or an investor, or your buddy who tells you to sell it yourself.

If you're clear on this beforehand, that's your best chance to make the best choices and keep from being manipulated by unscrupulous firms.

And you can even be manipulated by reputable firms - not on purpose, but just because it's human nature to try to help people with the skills we know best!

When I haven't gotten clear about a decision beforehand, then I'm much more easily swayed in one direction or the other because it just "sounds good." I've talked to lots of people about that, and everybody tells me that they are the same way.

But let me backup just a minute.

You clearly want to consult experts and not make this huge decision on your own.

What I'm saying is that if you decide what's most important to you first, then you can "frame" all of the other conversations you have in the right way.

If your "most important" is getting absolute top dollar for your home, that's something you should know going in.

Similarly, if your most important item is speed (especially if you're in a tough situation like job relocation, inheritance, or difficulty keeping up on payments), that's got to be in the front of your mind.

But like I said before, every situation is unique. And not everything boils down to price or speed, right?

Many people might be willing to give up a little money if they can sell their house without the hassle of open houses and showings. In other words, a hassle-free cash offer might be most important to them.

Still others might be OK with open houses and lots of showings because their house looks great, is always spotless, and they have no pets. So that stuff is a non-issue for them.

However, the last thing they want to do is spend a bunch of their time living through a major repair to their roof or foundation that their agent says they have to make before listing their home.

Those are just a few common examples, but your situation will probably dictate exactly what's most important to you.

Just do yourself a favor, and get really clear on that before you take the next step and start talking to different companies.

Decide How Much Frustration You Can Live With

This is a topic that comes up so frequently, we wanted to make sure to give it its own quick section. It's really important to think about your (and your family's) personality here, and what you can deal with.

Some people, like my Mom, are emotional wrecks going through the conventional sales process.

Hearing people tear apart the place they've made memories in for 40+ years. Listening to unrealistic expectations about "what it's worth." Listening to people talk about "ripping this ugly thing out", etc. Getting lowball offers. Having people pull out of contracts.

My Dad? He's pretty stoic and wouldn't think twice about those comments. He's not so happy about people pulling out of a contract way down the road, but who would be? Next, if you haven't had a pre-inspection done, you could wind up being frustrated even when your home has "sold" ... and is under contract. A foundation or roof issue could come

up and kill the deal completely. Or maybe there are electrical issues throughout the house.

Any of this can start a new round of negotiations around price, other costs, who repairs what, etc.

Even if none of this happens, and it's smooth sailing all along ... what happens if the buyer's mortgage company has an issue with the house? (I lived through that rollercoaster once, and it almost killed me.)

Anyway, just make sure you think about the potential "frustration factor." It might be a big deal to you, and it might not be an issue at all.



The 3 Main Options To Sell Your House

Above, we talked about some things you should think about to help you decide if selling your house is even the right move to make - regardless of how you do it.

If it is the right thing to do, the next step is to decide how to sell it.

Here are the 3 main options that you have:



- 1. Sell the conventional way using a real estate agent**
- 2. Sell to a real estate investor**
- 3. Sell it on your own (aka "For Sale By Owner" or "FSBO" - pronounced "fizz-bo")**

We're going to lump all the discount realty companies in with #1, and the local and national "quick-sale" companies in with #2.

So let's dig in to these three options.

Conventional Method/Real Estate Agent

The main advantage of using a real estate agent is that you'll usually get the highest price for your home. The main disadvantages are that it can take longer, be more stressful, require more work from you to do repairs, etc.

Let's be frank - if you've got an ideal situation, this is probably the best option for you.

That is, if you've plenty of time, don't mind having lots of showings and open houses, and don't mind making necessary repairs, you'll probably put the most money in your pocket by selling this way.

You'll want to think about getting your home ready for sale. Sure, the major stuff that buyers are looking for in terms of updating and repairs.

But getting it ready for sale also means removing most of your personal items so the potential buyer can "see themselves in the house." (And that's tough to do if you've got

pictures of your family all the way down the hall...)

It can also mean a professional deep-clean to get rid of the smells that you've gone "nose-blind" to. Of course, there's staging and other things like that, which can make a really big difference as well, which we'll discuss more later.

Anyway, the "most money in your pocket" discussed above assumes that you have a good agent that knows the area, and has time to really market your house the right way.

I think we've all had less than optimal agents at one time or other, so work hard to get the right one that works well with you, listens to your concerns, and other important items throughout the process.

Finally, I mentioned "ideal" situation above, because you'll find that most of the good agents won't necessarily want to sell a house that's behind on payments, or needs lots of repairs, or where you've got to relocate super quickly, for example.

They'll be plenty busy enough with "easier" homes that they just won't be as interested - and if they take it on anyway, you might find that they aren't as involved as you'd like them to be.

Getting a Cash Offer/Selling to a Real Estate Investor

The main advantages of selling to a real estate investor are pretty much the same as the disadvantages of going the conventional route. That is:

- 1. Speed**
- 2. No showings and open houses**
- 3. Repairs not necessary**

There are other advantages (just as there are other advantages for the other methods), but for this high-level overview, we'll keep to the main stuff.

Investors can usually get the process started immediately, and actually close and get you a check in days, instead of months.

Every situation is different of course, but as an example, we've been able to close even faster than a week plenty of times in the past.

Showings and open houses are tough enough when you have to live in a constant "spotless" environment just in case somebody is "in the area."

Otherwise, I know many years ago I got really good at cleaning up quickly when I wasn't keeping my house as clean as an operating room. I didn't necessarily like it, but that's what it took ... and then having to leaving the house and killing time while people were looking, etc.

Sometimes, that stuff above can be tough enough, but here's something people might not think about.

My Mom was nearly in tears when she was talking about the times she was in the other room, hearing people say things like "who would have an island this low?!" or "these cabinets are ugly" or something like that.

Sure, you should be out of the house anyway, but if you're not, steel yourself for some criticism of your beloved house.

So back to advantages/disadvantages...

As you might guess, the main disadvantage of selling to an investor is the main advantage in selling the conventional way - not necessarily getting the very top dollar for your house.

Remember though, the investor is paying for the repairs and fees and other things so that you don't have to. Yes, (just like a real estate agent), they also have their profit factored in.

Reputable real estate investors won't take advantage if you're in a tough situation to "lowball" you.

They'll ask questions about your situation to make sure they can help give you the best advice. Then they'll visit your house for a quick assessment.

Finally, they'll make you a fair offer, with no obligation, that takes everything into account. (We'll talk more about the details of how the offer is determined in the FAQ section.)

By the way, newer investors are probably good people and not intentionally trying to take advantage of you. But a common occurrence with them is to give you a higher offer, but then have a bunch of fees come up as they learn more and more about a home, and your offer keeps going down.

So just keep an eye out for that.

But anyway, if that fair offer works for you, great. If it doesn't, you do things a different way - either with an agent, or the third option ...

Sell Your Own House / FSBO

With all of the resources out there, it's easier than ever to sell your house yourself.

That's not to say that we, or real estate agents, would recommend that as your first option. Sometimes it just makes the most sense given your exact situation, and we can advise you if that might be the case.

Remember, though, that this is typically the biggest financial transaction in anybody's lives, so having an expert alongside you is highly recommended.

And before we dig in a little deeper ... please, don't do this yourself just to "save money".

Almost every time, the difference in market knowledge, marketing, house preparation/staging, interested buyer contacts, etc, will more than make up for the commission/fee you'll have to pay an agent or investor.

So, who should think about selling their own house?

If you have plenty of extra time to do the things that others would do for you, that's a good start. Also, if you have a strong marketing background (especially online marketing), that will be a huge plus for you.

Everybody knows how to use Zillow, and everybody has access to Facebook ... so you should be far more skilled than just that if you want a chance to do this yourself at a good price and decent timeframe.

(I'm not trying to offend you here, but I want to be very clear and talk straight - again, this is a huge transaction, and if I don't tell it like it is, I'm doing you a disservice.)

Here's the main advice I can give you if you want to do it on your own:

- Get an appraisal and an inspection, so you know exactly what you're dealing with
- Have your house professionally cleaned and staged - this can be huge!
- Have your house professionally photographed once it is staged
- Do your homework to find a realistic price for your home

That last one needs a little additional detail. (And be sure to also see Step 1 in the **"When the Price Needs to be Right"** chapter for more detail.)

Don't simply check out Zillow.com and use their estimate. Check 3-5 websites minimum to see what **similar** houses are selling for - and more importantly, what they have **recently** sold for.

Be realistic when you are finding houses similar to yours, as it is only hurting you if you use value higher than you should - you won't get activity, and you'll get frustrated quickly.

Pay attention to houses that have sold quickly. What can you find out about them that's similar to yours? And what's different?

Again, be realistic - if one of them is in a much more desirable area (even if only a short distance away) - that's really important.

If there is any updating or repairs to be done, that can be a really important factor in the price you set.

Many times, people think "I'll sell it for \$20,000 less, and the buyer can use that to update the kitchen and redo the flooring."

DON'T DO IT!

Although there are exceptions, most buyers have a tough time "seeing through" the older look, or carpet that needs to be replaced.

That's even in situations where they'll be doing some work to the house after they buy it - most of the time they'd rather see a nice-looking house - **because they can see themselves in it**, even if they have to pay more.

And yes, if you sell it for \$50,000 less, people will look past that because they're getting a

crazy good deal.

But is this any better than using a real estate agent or selling to an investor? It can be far worse, depending on the situation ... and you've had to do a ton more work to get there!

Finally, although we all hope our houses will appreciate in value (a lot), sometimes that's not the case. In tough situations, it might not even be worth what you paid for it.

Even though it's an emotional thing, and we invest lots of feelings into it, and remember how much money we've spent on repairs and upgrades over the years ... just remember to be realistic.



When It's All About Speed

We've done our best to set the context for selling your home, and then talked about the different ways you can do that.

Now, we'll dig deeper into one of the two most important things people are concerned about when selling their home - selling it fast. (As you probably guessed, the next chapter will be on the other most critical thing ... price.)

Sometimes speed is the most important thing in selling your home.

Maybe for good reasons like a great job relocation or being able to buy your dream house ... if you can only get your current one sold quickly.

Maybe for tough reasons like trouble keeping up on your payments after a major health issue or job loss or divorce or one of a thousand other things we've all been through.

If speed is critical above all else, typically a cash offer is the way to go. (Yes, that's self-serving since we are investors. But we've tried to give you a very unbiased look at everything in this document, so I hope you'll take that advice at face value.)

Below are some of the things to consider when you're in a hurry and trying to make the right decision.



How Fast Can I Really Sell My House?

We'd be fooling you if we gave you an exact timeframe, because every situation is different of course.

It depends on your exact situation - number and types of mortgages and liens against your property, any title issues, how extensive potential repairs are, etc.

At the risk of frustrating you if your investor can't equal their fastest transaction ... generally we and most investors have been able to make an offer within 24 hours of somebody contacting us for the first time.

Then, the transaction can close within a few days after that - so, a week or so if everything goes smoothly and no curveballs come up.

A week is a better time frame to shoot for the average transaction with an unexpected issue or two. Hopefully you'll agree that this is still blazing fast compared to selling it yourself, or with a real estate agent, right?

Hey, selling with a real estate agent has its advantages, so we've got to point out investor advantages too!

For comparison's sake, with a traditional sale/real estate agent, the average amount of time that it takes, nationwide, for somebody to get a loan and close on your home with a traditional mortgage is 47 days. (We'll talk about the entire process, not just the loan, in the next section.)

This 47 day figure is based on data that the leading mortgage software company Ellie Mae has published, and since they're impartial on this subject, I tend to believe it.

As a frame of reference, here's the breakdown from Ellie Mae with various steps and associated time in your buyer getting a mortgage. Remember, this is an average timeline with an average home once the offer has been made to you - **this does not include getting your home ready to sell, making repairs, finding potential buyers, etc.**

| Item | Amount of Time to Complete on Average |
|-----------------------------|---|
| Application | 1 day |
| Disclosure | Up to 3 days for delivery |
| Documentation Gathering | A few days up to a couple/few weeks |
| Appraisal/Inspection | 1-2 weeks on average |
| Underwriting | 1-3 days |
| Loan Approval (Conditional) | 1-2 weeks for initial approval and clearing of conditions |
| Cleared to Close | 3 day minimum for disclosures |
| Closing/Funding | 1-3 days to sign documents and receive/disburse funds |

A Rough Idea of Start-to-Finish Timeframes

Every situation is different, of course, so I hesitate to include these below. We have people ask us over and over about "time estimates that they won't hold us to...", so I'll do the same thing here.

Remember the section above where we said the average time just for the buyer to arrange financing to buy your home based on mortgage software data was 47 days. That's true. But of course that's what's tricky about averages.

Just ask my parents, who tried to sell their house a number of times over the years, where it always took over 180 days (with multiple buyers each time) ... to ultimately have the deals fall through as the market was crashing in the early 90s, and mid 2000s, etc, and have it never sell.

They say that if they didn't have bad timing, they'd have no timing, but I digress...

Remember to talk to real people, both on the agent side and the investor side to find out a better estimate of how long your specific situation will likely take from start to finish.

Listed below is what we think would be best to plan for just in case:

| | Agent/Traditional Sale | Investor/Cash Offer |
|-------------------------------|-------------------------------|----------------------------|
| Days to repair/prep/list home | 60 - 90 days | 0 days (not necessary) |
| Buyer financing time | 30 - 60 days | 0 days (not necessary) |
| Total days to close sale | 3 to 5 months | 7 - 14 days |

Figures above based on an average home transaction and can vary significantly

Time of the Year

Various studies have shown that in most parts of the country, the short "golden" window from May 1 to May 15 each year is best. You can typically sell about a week faster than any other part of the year (and for a little more money as well, so that's nice.)

Generally, spring and summer are best overall in most areas. There's no perfect time outside of that window above - and remember, that's an average of the whole country. Some areas get brutally hot in summer (and there's always vacations to take into account in summer of course.)

Winter is usually the worst overall ... but then there's places like Florida with nice weather and more people during the winter.

Be sure to research your specific area, but if you plan for spring and summer, hitting May 1 - May 15 if possible, you'll be in pretty good shape. If you slip a bit, you'll still have some time late summer maybe or fall - not ideal, but better than winter in most places.

Factors Influencing the Average

There are a bunch of things that can impact how long it takes to sell your home.

First, if you price your home higher than it should be, it will take longer to sell - every single time. So yes, setting the price correctly is extremely important.

After that, the condition of your home usually has the next biggest impact on how long it will take. If your home is in great shape, looks beautiful from the street, etc., it's going to go more quickly. Sure, there are bargain shoppers and people looking for their first home, willing to buy a fixer-upper.

Most buyers, however, will want you to take care of the issues and fixing things before they buy the home - that's just the way it is.

Location is the next big factor here. If you're in a great neighborhood, your neighbors have nice-looking houses, it's a quiet street and you have a nice view ... all of those positives would

add up and have an impact.

If your neighborhood isn't as desirable as some of the others around, you're on the corner of a busy street, and your neighbor has a broken-down car on his lawn and his house is painted purple, well, that would have a negative impact on how long it will take you to sell.

Most of the time, you won't have either of the extremes that I mentioned above - you'll probably have an average neighborhood with average neighbors and there won't really be much of an impact either way.

Here's the final thing about location though - you can't do anything about it, so it's not really worth stressing over, right? Just something to keep in your mind when you're thinking through everything and weighing your options.

Oh, and the last thing, which is obviously a complete wildcard? Luck. Sometimes you just get lucky and somebody falls in love with something about your house and it sells quickly. And sometimes it goes the other way, like with my parents, and you go through 3 different escrows within a couple years, and the buyers keep falling through.

So cross your fingers and hope for the best luck.

The Five Most Important Things to do to Sell Quickly

We've touched on some of these in other parts of the document. Just like when we were in school, when something gets repeated ... that means it's important. Speed in a real estate transaction is almost always one of the critical factors, so we'll dig in a bit more here.

1. Make all necessary repairs

Prospective buyers want to "see themselves" in your house as we've mentioned. They want to see themselves in a beautiful, trouble-free house, sitting around the table with their family laughing and having a good time. Or having family movie night in the living room. Or maybe working on a hobby in their man cave or she-shed.

There are lots of different possibilities for what they are envisioning. But almost never are they dreaming about fixing drywall, or a rotten subfloor in the bathroom, or living through a roof replacement or foundation fix, right?

(Again, if you give them a massive discount, the greed factor can override the "work factor." But if you're giving them a huge discount, why not sell quickly to an investor instead of doing it all yourself, or trying to get a real estate agent to take on a difficult property?)

Next, do an extra special look at potential issues - even small ones - in the front of your house. Have you ever heard of "The Eight Second Rule"? It says that buyers make their mind up about whether to purchase your house in the first 8 seconds that they see it from the street.

While that whole concept is fairly involved in terms of what it really means, to keep it simple, just think about all of the TV shows that talk about "curb appeal", and how often in the past you've heard real estate agents say that. It matters.

So let's say there's a little area on one of your front windows where some of the paint has

peeled off and exposes the wood underneath. That's the kind of thing where you're so used to it that you don't even notice it.

But I can almost guarantee that when a prospective buyer approaches your house for the first time, their eyes will instantly be drawn there, and even if they don't consciously think about it, it's a negative.

That's a good example of something that isn't structural or must be fixed for the home to be habitable, but is still extremely important to take care of.

Make sure your lawn looks nice, gardening looks at least decent if not perfect, no kids bikes or wagons on the lawn, etc.

2. Go above and beyond on "The Critical Four"

Let's say that all visible and obvious repairs have been done - that's great. But to make your home even more attractive - and sell faster - you should really go beyond what people can easily see.

The critical four items that have blown up many potential home sales over the years are the home's foundation, roof, electric, and heating/air conditioning (HVAC).

I'd recommend that you pay for an inspection to have those items looked at in detail (along with the rest of your house.)

When you can show a good inspection report to prospective buyers about the "critical four", it will put them more at ease, because they know there won't be any major surprises down the road if they make an offer on your home.

3. Junk Removal, including excess furniture and deep cleaning

This is similar to item #1 above, so we won't spend much time here since it's the same psychology of a buyer wanting to see themselves in your house.

Your favorite, old, worn-out chair that you know you should get rid of but is just so dang comfortable? Yep, that needs to go. The extra rug that doesn't really go with your home, but somebody was giving away and it's really nice ... well, that needs to go as well. (Ask me why I can speak so specifically about these examples - I'm a packrat, so I get this better than most.)

In addition to getting rid of things that will detract from the overall feeling you're trying to give people, it will open up your home and make it feel better to people

Removing junk from your yard needs to happen for the same reason, of course.

Finally, you should invest in a professional deep-cleaning of your whole home. One of my favorite TV commercials talks about something I've mentioned elsewhere in this guide, and that is, "going nose-blind."

You get used to the smells of your home - pets, kids/sports, certain types of pungent cooking aromas, etc. But it will hit people new to your home much differently, so this is something you really need to do.

4. How's your paint and carpet?

While you could lump these in with a couple of the items above, it's worth separating out to think about at least quickly.

Unless you're an experienced interior designer, you'll be best off sticking with fairly neutral colors that everybody likes, or at least, are used to. We've all seen the dark green walls in the library of some mansion on TV, or a bold red wallpaper in a formal dining room.

A small percentage of people might love it if you went for really bold colors like the above, or have beautiful emerald-green carpet throughout the house. But it probably won't appeal to the average person as much, and we've got to play averages when selling a home.

The bonus is that neutral/lighter colors will usually make your home feel bigger as well.

5. Have your home professionally staged

You could stop after the first four above, because this one sounds too difficult or expensive. But I really hope you don't. Here's why.

Many reports say that staging a home can add between 5% - 10% to the home's value. Further, many additional reports say that a staged home can sell 50% - 60% faster than unstaged. Pretty significant, right?

Let's be really conservative and say it's only a 3% increase and it only sells 30% faster. Trust me, if you're going the conventional route or selling the home on your own, you're really, really going to want to work with a professional staging company to get your house looking perfect for prospective buyers.

If you're working with a top-notch real estate agent, that's probably something they do for every house they sell - because they know how important it is.

If they don't do that (or if you're selling your home on your own), trust me, you really should spend the money to have your home staged. Look up some before-and-afters on the Internet, and see for yourself what a big difference it makes in your perception of a house.

One Last Tip To Help You Sell Your House Fast

If you're getting a cash offer from an investor, you can ignore this tip. That's because they know that getting your home sold fast is the most important thing. But if you're selling the traditional way, this is super important:

Be proactive.

If you're in the middle of the process, you're probably exhausted, we've all been there. Sometimes it's just too easy to think "Well ... we've got to wait for the appraiser" or similar because it gives you a tiny break in the middle of all of this.

You'll probably find that waiting for the appraiser here and the inspector there adds up to a considerable amount of time over the whole home-selling process.

But if the speed in selling your house through an agent is important, you'll want to be proactive from the start of the process until the day you finally get your proceeds from selling it.

When you do? Now it's time to relax. (And celebrate!)

Bonus Ideas

The section above was originally the last part of this chapter. But when we were editing it, we thought of a few more things that aren't directly related to selling your home, but might be better options for some people.

Some of these are really obvious, but we've found over the years that sometimes - especially in tough situations - that people get tunnel-vision and focused only on one thing. There are tradeoffs with them like everything in life, but maybe one of these ideas might fit best for you.

So make sure that you at least quickly consider the following:

- Moving out of your house and renting it to somebody if you could live in a smaller (cheaper) place but would prefer not to sell your house at this time
- Refinancing your current mortgage if you're in a "need cash immediately" situation
- Obtaining a second mortgage or equity line (similar to above)

With any of these, you should chat with a qualified financial professional to make sure they can take the emotion and stress out of it and help you do what's best for you.

For example, one of the items above (getting a second mortgage/HELOC) was used extensively in years past when mortgages were really easy to obtain. Some people spent and spent on credit cards, and then got a second mortgage to pay them all off.

If they controlled their spending, didn't run up new debt on their credit cards, and paid off their (lower interest rate) second mortgage, then everything was great.

What happened to some people, however, was that they didn't control their spending, ran up their credit cards again - in addition to their new mortgage - and found themselves in an even worse financial bind with more bills to pay.

But the tragic part of this example? If those people can't keep up on their payments, it's no longer just unsecured credit cards. It's something secured by their home ... and depending on the overall mortgage/lien situation, could lead to losing their house.

When The Price Needs To Be Right

As discussed in the last chapter, when selling your home fast is critical, getting a cash offer from an investor is usually the best way to go. If speed isn't important, then you'll probably be thinking about a sale through a real estate agent first.

There's some overlap in this chapter because price impacts speed and speed impacts price. But when you see things repeated, it's because it's important stuff.

In the "**When It's All About Speed**" chapter above, we talked about some things to consider to make sure that was the way that made the most sense. In this chapter, we'll do the same thing - make sure we bring up various things about a price-centric offer, to make sure that's the right decision.

So let's get going.

Different Ways to Sell Your Home (Quick Recap)

We talked about this in the beginning of this document, but just to recap real quick (or for you skimmers :-), remember that there are three different ways to sell your home:

- Using a real estate agent
- Selling to a real estate investor
- Selling on your own ("FSBO")

(See the "**3 Main Options to Sell Your House**" chapter above for much more detail on these items if you haven't already read it.)

Step 1: "Price" Your House Correctly

Even if you don't sell your house on your own, regardless of whether you use an agent or sell to an investor, you'll need to price it correctly.

I put "price" in quotation marks because an agent is going to have very strong opinions about that (and if they're good - and they should be - you should listen closely.)

Similarly, for a real estate investor, price is also in quotation marks because they'll determine the amount, and not you.

However, if you don't have any price in mind, then you can more easily be taken advantage of. If you have a very unrealistic price in mind, you might find that real estate agents or investors may not even be willing to talk to you.

Overall, the more you know, and the better, more realistic pricing idea you have, the better off you'll be.

Of course, if you're selling your property on your own, you actually do set the price - and you better get it right if you want to sell quicker than a year or two.

We mentioned a "comparative market analysis" (CMA) above in terms of just getting a feel for your market. If you didn't do that earlier, do it now - it's really worthwhile.

At the risk of being repetitive, I'll copy the short version above below to simplify things, and then add some additional detail.

The very first thing you should do is to evaluate your market. You might have heard of complex-sounding "Comparative Market Analysis" (CMA) in the past ... and "evaluating your market" just sounds difficult.

Sure, to do a detailed report, it can take an expert and a lot of work. But don't let yourself get caught up in that. Just start simple.

Run an online search on a couple local real estate websites. Then run a couple more searches on some of the large sites like Zillow, Redfin, etc. You're not trying to get exact numbers to price your home yet - you're just trying to get a "feel" for the market.

(By the way, search for "evaluating real estate market" on the Business Insider website - they have a great process that could be helpful.)

If there are a ton of listings, and a majority of homes are sitting for a long time, unfortunately, you're in a buyer's market. Buyers have all the power because there are lots of home options out there.

So they know they can be picky, give lowball offers, expect more concessions, etc. We won't sugarcoat it - in a buyer's market, this whole process can give you a headache.

As you might guess, if the reverse is true and there are only a few homes on the market and they are moving fast, yep, you're in a seller's market. That's a good thing for you.

It means more buyers fighting for fewer homes, so prices are better, concessions are fewer, and the process is quicker and less stressful.



So we're hoping for a seller's market first of all.

If you run the online search we talked about above on Zillow, Redfin, etc., you'll get a general feel for the market.

Now, get out a piece of paper, or open a spreadsheet if you prefer, and start gathering more detail. Get the following information:

- The sale price and date of similar homes in your neighborhood
- The approximate distance from your home (your exact neighborhood is best, but not always possible, we understand)
- The age of the home
- The square footage of the home
- The lot size of the home
- The number of bedrooms and bathrooms
- Major landscaping features
- The look and condition of the home (subjective of course, but do your best)
- How long it was on the market before it sold
- What the original listing price was

You might not be able to get all of that data for every single house, but do your best. And as I mentioned above, some of this stuff is quite subjective.

Maybe you live in a more rural area, and 5 houses have sold in the past year within a couple miles of your home. Yours is in great shape, has 3 bedrooms and 2 baths and a half-acre lot, and the one 2 miles away has 1 bedroom, 1 bath, is half the square footage, and is rundown.

I looked at 4-5 home appraisals a week for many years in a past life, and even I couldn't appropriately "adjust" and price the scenario above perfectly.

(That's why we have licensed real estate appraisers!)

To take the guesswork out of this process, you might decide it's best to just hire an appraiser on your own and get an appraisal so you know exactly where you stand.

But if you can do most of this on your own, and at least get a rough estimate in your mind, that will save you a few hundred (+++) dollars.

Step 2: Decide On Your Rock-bottom Price

We've already discussed this a bit ... so when you hear things over and over, makes you realize they're important, right?

This step is more important than you'd think, because emotions run through all kinds of financial transactions, and never more so than with the largest transaction most of us will ever make!

Let me give you a reverse example real quick.

Have you ever bid for something on eBay or another auction website? Did you ever get caught up in "Dang, that person outbid me and I really want that antique Pez dispenser! I'll just bid a couple more bucks..." And another couple bucks. And so on.

(If not, I need your willpower, because pretty much everybody has been in this situation - again, that's emotions tied up with "money stuff.")

The same thing can happen when you're thinking about selling your house. You get caught up in getting the monkey off your back when you're thinking about a million other things when relocating or whatever.

So you accept \$2,000 less than you really wanted just to be done with it. Then something comes up on an inspection and you lose another \$1,500. And \$3,000 more here, and \$800 more there.

Sometimes, yes, that's the way it is, and if you have to sell your house quickly, regardless, you just have to accept it.

However, wouldn't you agree that coming up with your very bottom price beforehand, when you have some time and space to think clearly will tend to make you the happiest?

You might be in a tough position where the house is worth less than you owe, or it's an inheritance issue and siblings are pressuring you. I get it.

But if you have some flexibility in what you can accept for the house, you owe it to yourself to really think it through, and if you've done your homework and that's a realistic price, you're in good shape.

Step 3: Decide on Your Drop-dead sale date

Yes, here's a "speed-related" item in the Price chapter. Once you've switched gears and are thinking about price and what's important to you in terms of that, you should briefly revisit what you're thinking about in terms of time.

When going through the previous chapter, you might have decided that speed isn't that important to you. Let's say that as you've been going through the steps directly above, doing your market research, and comparing to similar properties, your home appears to be worth more than you thought.

With that, maybe you can get your desired price for your home, and still take advantage of a much faster offer from an investor. Or as you've thought about your drop-dead date again in light of that information, you realize speed still isn't that important, and selling with a real estate agent makes the most sense.

Of course, the exact opposite can happen. What if you thought speed was the most critical thing to you, and selling to an investor was the only way to go.

But then when doing your due diligence on price as discussed in this chapter, maybe you find that your home might not be worth as much as you thought. So then speed takes a backseat to getting the top dollar for your property, and you decide not to be impatient and go through the standard process with a real estate agent.

All we're trying to get across in this section is that this is a very fluid situation, and you might want to review it from different angles and during different stages in the process.

Stage Your Home for a Top Price

Staging your home impacts both how quickly you can sell it, as well as the maximum price you'll get. It's a pretty dramatic difference, so let me copy the statistics from the previous chapter:

Many reports say that staging a home can add between 5% - 10% to the home's value. Further, many additional reports say that a staged home can sell 50% - 60% faster than unstaged.

I won't repeat any more than that statistic above, but please don't overlook how important staging your home is. Even if your house is only worth about \$100,000, at the low end of the statistic above, that would mean you'll hopefully get an extra \$5,000.

Even high-quality staging for the average house would be less than \$5,000. But even if you only broke even on the price ... wouldn't it be worth it to sell your home 50% faster?

Finally, most staging companies won't agree to it and demand payment up front, ask if they'll let you wrap their costs into the proceeds of your home sale at closing, and be paid then.

How Do I Receive My Funds (and What's a 'HUD-1'?)

Money is obviously a slightly important part of this whole process, right? So knowing that it is being handled by reputable companies in the right way, is important.

Regardless of how you sell your house, everything needs to go through a title company, or in an "attorney state", through an attorney. Either of these are a neutral party who make sure that the buyer gets what they want, and the seller gets what they want (not to mention making sure that mortgage and other lienholders get what they want.)

This whole process can be pretty complex, but that's the whole reason that a title company or attorney is involved. (If a buyer of your FSBO tries to suggest doing something different than a standard attorney/title company closing, run, don't walk, because they're planning to scam you somehow.)

Anyway, in a closing for your property, a HUD-1 document will be prepared. This is a standardized form that is used as a settlement statement for your property. It will show all of the debits and credits for the entire transaction.

Finally, the money. You can receive your funds via certified check or a wire transfer. A wire transfer is usually quickest, so unless there are other circumstances, that's what you should shoot for. Keep in mind that even with a certified check, a bank may place a hold on it upon deposit.

Watch out for closings that occur late in the day. Sometimes "the wire" won't make the cutoff for the originating bank if all of the documents don't get processed and checked off in time. Sometimes that's just the way it has to work out, but if you shoot for a late morning/early afternoon closing (especially if you're on the East Coast), that's best.

Tough Situations: Divorce, Probate, Foreclosure

This is a tough chapter to write. I've been through some of these issues, and more than half of our team has been through one or more as well. Still, if you're in one of these situations, we don't want to presume to know what you're going through because every situation is different.

We'll try to provide as much straightforward, honest information here as we can, in the hopes that it will help you to at least understand your options. With all the stress and emotions wrapped up in these kinds of things, we hope that having solid information to fall back on will at least help a little.

Divorce

Divorce is difficult even when you've got a relatively "good", amicable situation. Changing your residence, dividing stuff up, becoming "you" again instead of "we", losing friends/in-laws, pets, etc. It's rough regardless ... and don't even get me started on the impact on children. I still get emotional thinking about what my kids went through.

We'll get back and focus on home issues, but just wanted to set the stage and show that we understand that it's much more than just your home.

First things first - here are the three main ways that a home can be "divided":

- 1. The house can be sold, and the proceeds split.**
- 2. One person can buy the other out**
- 3. Keep the house as it is, both continue to own it**

In some situations, a divorcing couple decides to coexist in their current property together, typically for the sake of their children. When that happens, there's usually not an impact on the home.

Other than that relatively uncommon situation, one of the parties typically moves out of the home. The other stays in the current home. When they do, they will typically refinance the home into (solely) their name, paying agreed-upon proceeds, if any, to the other party.

When the person who retains the home has good credit and can qualify for the new mortgage with only their income rather than both incomes, then there's not too much to worry about from a financial perspective.

I mean, the "buyout" process, figuring out the value of the home, proceeds to the other spouse, how that might impact any support payments, trading equity for one's interest in the other's retirement plan and all that can be extremely challenging.

But when I say "financial perspective" above, I'm not including that side of things. Even if you are going the mediation route in your divorce or doing it on your own through an online legal service for example, you should consult your own financial advisor for those topics.

(Yes, we understand that there are still all of the emotional issues and memories wrapped up in that home, which sometimes leads to a sale after a divorce as well, we get that too.)

When one person retains the home, the person who leaves will be "refinanced out", so that it isn't a burden on their credit report, and they can do what they need to do for their housing.

In a majority of situations, however, the home is purchased based on combined income, and is not sustainable with just one spouse's income - sometimes even with divorce-stipulated support payments from the other.

Important Note: Sometimes one spouse will ask the other to "quit claim" the property over to them to "make it easier." PLEASE talk to legal and financial professionals about this, but essentially this would mean that you are giving up all claims and rights to the property.

While you might feel like you should do this for the good of the children, for example, make sure you understand all of the ramifications. The good thing about this is that the person remaining in the home wouldn't have to requalify and get a new mortgage (and possibly be turned down.)

The bad thing is that while you no longer have any claims or rights to the property, you are still on the mortgage, and just as responsible for the payments as your ex-spouse is.

Even if they are in good shape financially on their own at the time of the divorce, what if things change? Any problems paying the mortgage a month, a year, or 10 years later will directly impact your credit as well.

So back to the majority of situations we started talking about, when one spouse can't make the payments on their own. In that case, the home needs to be sold. (And sometimes, regardless of how you and your spouse decide to handle it, the judge might have other plans and force you to sell the home.)

Sometimes you're in a hot market, and the court's deadline is far enough away that frankly it isn't an issue, and you can sell the traditional way, hire an agent, list on the MLS, etc.

When your home is in pretty good shape, doesn't need any repairs, is close to "listable" condition - nice and clean, etc., then that can work well.

Since many divorces are due to financial issues, sometimes that isn't the case and the home needs repairs, or at least a decent amount of work to get it looking great to be able to sell. If you're in an amicable situation, and you and your spouse can work together either to pay for that kind of stuff, or do the work together, again, you'll probably be alright.

When you're not in a hot market, or can't work together with your spouse, or whatever the

situation is that makes the deadline tough to hit, a sale to a real estate investor might be the best fit for you. Don't feel bad if this is the case - it's much more common than not that the two parties can't work together.

If you jumped to this chapter without reading the rest of this book, please promise me that you'll go through and read the rest of it before you reach out to the first investor you see from a yellow sign on the side of the road. (Or a real estate agent, for that matter.)

If you do read the rest of this book, you'll be well-positioned to make sure that you can find a reputable company, and not be taken advantage of. Unscrupulous people, upon hearing that you're in the middle of a divorce, will know exactly how to push the right buttons and take advantage of you if you're not armed with the right knowledge.

Finally, sometimes it is specifically a rough situation with your home that leads to divorce (or at least causes it to come to a head.) Sometimes a couple can't make the payments for whatever reason, and that leads toward foreclosure ... which leads to divorce.

Or sometimes, an unhappy spouse who is preparing to leave the other will start squirreling away money instead of paying the mortgage. When the other spouse finds out, that's when the "official" divorce starts moving forward.

And in either one of those unfortunate situations, that means the house is in foreclosure or on the way toward it. Unless something is done to remedy that situation, the house will typically be foreclosed upon, with the loss of all equity in the home.

This is certainly not the best situation for anybody, but a short sale can be significantly better than a completed foreclosure - please see the "Foreclosure" section below for more information.

Inheritance and Probate

As another section in the "Tough Situations..." chapter, we'll do our best to provide honest and unbiased information here so that you at least have a baseline.

We understand that you're already in the middle of a grieving process due to your loss. Even on an everyday basis, emotions and money are so intertwined that it can be difficult to make the right decision every time. (I've been in finance and real estate much of my life, and I can fill a barrel with my bad decisions.)

So we won't presume to understand exactly what you are going through, but we know it's an emotional time, and difficult even in relatively "good" situations.

As such, when going through inheritance, we strongly recommend that you consult legal, financial, and tax professionals.

There are many ways to arrive at the two main outcomes here, but typically it boils down to two choices:

- 1. Keep the property**
- 2. Sell the property**

Keeping the property might carry with it all kinds of issues, especially if others are part of the inheritance.

And selling the property, as you probably guessed, can carry even more potential problems - particularly when others are involved.

Keeping the Property

First, let's explore some of the issues in terms of keeping a property. If you're the sole heir, have sufficient assets to deal with taxes, potential outstanding mortgages, and want to keep the property, that's about as straightforward as things get. But that's not too common, unfortunately.

Much of the time, there are other heirs involved - sometimes even with complex relationships due to multiple marriages, adopted children, half-children, etc. It's possible that a group of heirs can all agree on keeping a property and moving forward in a way that's fair to everybody. It's just pretty uncommon.

That's significantly easier if your loved one had a will that spells everything out. If not, the probate process can be long and costly, so just prepare for that. Sometimes there's a long and complicated process just to identify the heirs, much less come to a consensus about keeping the property.

Each additional "issue" involved adds another layer of complexity - an existing mortgage, repairs that need to be made, other liens that need to be settled before refinancing, unexpectedly expensive HOA or property tax payments, difficult co-heirs, no will in place to spell out specifics about the inheritance and the related long journey through probate, and various other items can all make it tough.

For now though, let's assume that the decision has been made to keep the house. You'll certainly want to get an appraisal and a home inspection done so that there are no surprises as the process moves forward.

During that process, you would discuss who, if anybody, would move into the property of course. You'll want to plan for removal or storage of the contents of the home, and put a plan in place for the associated expenses of the property - whether you as the sole heir, or multiple people.

If nobody is going to move in, sometimes the decision will be made to rent it out to "keep it in the family", but to help to defray the costs of keeping it.

Other times, maybe it will instead be kept as a "family house" for the future, vacation use, etc. Either way, it will either be mostly vacant, or at least vacant for a period while looking for renters for the property. As such, there are some related issues to put on your radar to think about.

One of the immediate issues is "time-critical" maintenance. Pipes that could freeze in winter, brush that needs to be cleared in peak fire season, and even keeping the yard looking nice so you don't get fines stacking up if you're in an HOA.

Most of the other stuff falls into just regular maintenance - which utilities should be kept on, maintaining the backyard (non-critical in terms of potential fines, for example), but still important, and other things.

You'll also want to talk to a professional about what kind of insurance to carry on the property. Part of that might be to protect your interest in the property, but more importantly, you'll want to make sure that you and others are protected from liabilities that the property could bring up.

While this isn't specific to the home being vacant, the last major issue you don't want to forget about, and to absolutely seek professional advice about, is how you and others will be impacted by inheritance tax.

Selling the Property

Let's switch gears and talk about the more common situation, and that is, selling an inherited home. Even in a fairly straightforward situation with few or no other heirs, adding a house to your life that you may not have been expecting, or at least not expecting yet, can be a challenge.

Even if you skipped straight to this section of the book, I'd encourage you to at least skim some of the other sections that can help you decide what's most important to you, how much (potential) frustration you can put up with, the pros and cons with different ways of selling, and other items.

Not always, but typically, there's some amount of urgency to selling an inherited home. There are many reasons for this, among them:

- 1. Long discussion process with other heirs before the decision to sell is made**
- 2. Long probate process**
- 3. Significant monthly expenses for the home (mortgage, property tax, HOA, utilities, etc.)**
- 4. Wanting to wrap up the difficult-at-best process with other heirs as quickly as possible**

The positives and negatives to a speed-prioritized sale have been discussed throughout this whole document, so we won't belabor that point again here.

As for other issues that commonly come up when selling an inherited house, let's start with the more-likely-than-not situation that the house will need repairs and/or significant updating. Sure, I'm generalizing here, but that tends to be the case.

Of course there's a time factor involved with repairs and updating, but that's the obvious part. What people don't always think about until they're waist-deep in the process is the additional stress and frustration that can come up when multiple parties are working together in making this happen.

If everybody is on the same page in general, but more importantly in terms of the time aspect of the sale, this won't be as much of a problem. But that tends to be the exception more than the rule.

It's already an emotionally-charged situation due to the loss of a loved one. Add the money factor into it, and things can easily get blown out of proportion. Some of the other heirs may not be as close to your loved one as you were.

So any impatience from them is more from the "business" side of the transaction if you'll excuse me for saying it that way, and not necessarily insensitivity to someone passing away. Many times, unfortunately, that's how it is perceived.

If emotions flare and relationships become strained at that point, it usually becomes a fire-drill, and now speed becomes critical - which can lead to bad decisions. Therefore, I advise that at the very beginning of the process - even if it doesn't seem like speed is extremely important - that this topic be thoroughly discussed.

Much better to do it at the beginning, when clearer heads prevail.

What's an Executor?

The other party who can be impacted by a home inheritance is the executor of the estate. They're the one who is responsible for the maintenance of the home while all of the heirs are located, and a decision is reached about the disposition of the house.

This can get complex, and has nothing to do with how the house should be sold, since the executor won't make that decision on their own. Just think about the fact that the executor might already have borne some costs related to the property before the heirs even know about it. Just wanted to mention that in the interest of being thorough.

A fairly uncommon situation in terms of selling an inherited house would be if the house is worth less than the mortgage(s) outstanding on it. (Usually, it's older people in an older home ... which has been owned for a while and has a small mortgage or no mortgage.)

But this can happen more often than you might think, especially if additional mortgages are taken out for medical purposes.

A "short sale" (selling the house for less than the mortgages against it) with an inherited house isn't really much different than a "regular" short sale. Speed is usually pretty critical in these situations, especially when various heirs have to work together, not to mention all the related emotions from the loss of a loved one.

We'll talk more about short sales in the next section.

Foreclosure

Everything in this chapter is tough to go through, there's no doubt about that. I view foreclosure as the worst, however. Maybe this is just my viewpoint, so don't hold it against me, OK?

Divorces can be brutal, no doubt about it. Many times it can come out of the blue, with one of the spouses being blindsided, leading to an acrimonious situation that can drag on for a long time. (That's what I went through, and it was the worst time of my life ... so know that I don't take it lightly.)

I know a number of other couples who have gone through it in a more "positive" way though. Sometimes both people were decent humans, and good parents, and just didn't work together. So the situation, while a massive change of course, wound up being better for the kids and everybody else.

With inheritance and probate issues, again, they're in this "tough" chapter for a reason - they can be heartbreaking and emotionally exhausting for sure. But sometimes they can solve problems for heirs. Sometimes they can bring distant siblings together to focus on what's important in life - family, etc.

While losing a loved one is never easy, we've heard from more than a few people that ultimately they felt OK because the loved one wasn't suffering or in pain any longer.

Divorce and inheritance situations are difficult to go through at the best of times. But at least there's a glimmer of potentially positive side effects, maybe some positive relationship outcomes, etc.

Now, for a completely opposite situation, let's talk foreclosure.

I could really stretch to make a point and talk about how it could possibly be a "fresh start" for your family and all that other junk. But I don't really believe that.

In my mind, foreclosure is just horrible all around. You're dealing with faceless people at mortgage companies who couldn't care less about you - they're just "doing their jobs." You're publicly embarrassed. Your credit is destroyed. You live with dread that every time the doorbell rings, it could be the sheriff starting the "official" process.

You're not going to repair any relationships with family. The kids, especially younger ones, aren't going to be in a "better situation" when they have to leave their beloved house quickly. It's certainly not going to be a positive situation between you and your spouse.

Sometimes a foreclosure leads to divorce, as mentioned in that section above. But sometimes a divorce leads to foreclosure, which only makes the divorce more difficult.

Just like what I've written in some sections and chapters above, I'm not writing all that to make you even more upset and hopeless. I just want you to know that we truly know what all of that is like and some of us have gone through it - we're not sitting and writing about it from our mansions, living off of a trust fund.

We get it. It's horrible, so we'll treat you just like we wish we were treated when going through these situations.

That's why we hope you'll ask lots of questions so you can do what's right for your family. To make decisions after being well-informed, as early in the process as possible, so that you can't be taken advantage of by the scumbags who prey on people in tough situations.

So let's move on and talk about what you need to know.

The foreclosure process is all about time. Sure, money and all kinds of other stuff comes into it as well, but it boils down to how much time you have to do something about it (or not.)

It's easy to be in denial about this situation, because usually there's something else going on (or a number of things going on.) The loss of a job. A major medical issue. Divorce.

Sometimes you can look up and realize your mortgage is already 30 or 60 days behind. Then the stress and fear can kick in, and when you originally thought you'd just get it taken care of once the other stuff was done, now you can't even talk to your bank anymore.

You've got to talk to a special department at your lender, and then you find out there's all kinds of crazy fees added, and you start to really worry that it might not be as easy to resolve as you thought.

Even though money is critical, that's the reason we said that it's "all about time" above. The earlier in the process you can start trying to resolve this, the better.

Next, there's something about the foreclosure process that many people don't know, and we think it's really important. Your mortgage lender doesn't want to have to take your house away from you!

Don't get me wrong, this isn't because they're sweet, caring people - I believe that most of them eat their young, as a matter of fact. But it's because it's all about money and profit for them.

Most people believe that they can't wait to get the house back and sell it and make a bunch of money. That's not usually the way it works. Foreclosing on a property is a very expensive process for a bank. Although sometimes this will happen even with a property that has a ton of equity, that's the exception.

Much of the time, it's a house that's "underwater" and isn't worth on the open market even what the outstanding mortgage(s) total. That means that it's a long, expensive process to get the house back, and then the bank can't even make any of that back when they sell it.

They'll never tell you this, of course, because they want you scared into doing what they tell you to do. What they really want you to do is to make up on past due payments and then continue making your payments until the loan is paid off - that's what's best for them.

And don't confuse this advice and think that you don't have to take it seriously, or can somehow apply leverage because "they don't want the house back." We think it's still something you should know, because if you realize that they really want to resolve the situation, and not just rip your house away from you, then it can feel a little less intimidating.

Do your best to talk to your bank as quickly as you can, and as honestly as you can. There's no sense lying or even "wishful thinking" to them, because they have to do what they have to do. They'll still take your house away from you without shedding a tear, even though they don't really want to as discussed above.

So now you have a bit of a foundation that you can start building on in terms of working through this problem. While we know more about this than many for-profit "foreclosure help" or "loan modification" companies, this isn't our full-time job.

That just means that there's a bunch of other information out there that you should read up on - just make sure that you know the motivation behind things you read, or people you talk to. As the old saying goes "If you have a hammer, everything looks like a nail..."

Some cash buyers without your best interests in mind may tell you the only thing you can or should do is to sell your house to them. What if you have a ton of equity and can refinance? What if there's a simple problem that can be resolved with your lender? What if a loan modification is best?

Similarly, if you start working with a company who can "delay a sale" or help modify

your loan, what if that isn't the best way forward, and selling it quickly is? Some of those companies are good, honest people that will tell you the realities of the situation.

Unfortunately, many of those types of companies make more money the longer they work with you, so it's in their best interest to prolong the situation. They'll commonly get compensated on a monthly basis to "buy you time" or help "delay a sale."

They'll tell you that instead of making your mortgage payment or trying to catch up, that you should pay them instead so they can buy you time. Sometimes that can be the best thing for you, but either way, it's a band-aid that just helps give you more time rather than help resolve the situation.

And if you worked with them first, rather than pursue refinancing or a quick sale with a cash offer, then you might find out it's too late and you're out of any other options.

So, use the information in this section as a starting point, but keep your eyes wide open as you talk to other experts and research other alternatives.

What is a Short Sale?

We'll wrap this section up talking about one specific issue that comes up with lots of people in foreclosure. And that is, getting it resolved with a short sale.

Basically, a short sale is when you sell the house for less than you owe on the mortgage. There are all kinds of different ways that people can find themselves in that position. Not having great timing when the house was purchased combined with almost any bump in the road like losing a job or significant medical expenses could do it, for example.

Let's say you bought a home for \$200,000 and put \$20,000 down. Then over the next year or two, home values decline just 15%. At that point (simplifying the numbers to make it easier), your home is worth \$170,000 and you owe pretty close to \$180,000 on your mortgage.

None of us would want to be in that position of course, but that's where if anything else comes up, your options disappear quickly.

Let's say a major medical expense came up. If the real estate market was strong, or you purchased your home long ago, you'd have equity and might be able to pull some cash out of your home. Or you might be able to refinance it to get a lower payment.

With the example above, however, there's no equity to pull cash from your home. And if you owe more than your home is worth, except for very unusual loan products, you won't be able to refinance to lower your payment.

Again, there are lots of different ways you can find yourself in that position, but hopefully showing how easy it is for that to happen will take the stigma and guilt away so that you can just get busy trying to resolve it.

So let's dig a little deeper and discuss some of the mechanics of a short sale. Most of the time, banks prefer a short sale to completing the foreclosure process. Due to the realities

of the market, they realize that they probably can't sell the property at auction for more than they'd accept for a short sale - and then they don't have to go through the time and expense of selling it.

Sometimes, some lenders don't want to allow a short sale even when it appears to be the best solution for everybody. The complexities of their loan portfolio and why this happens is beyond the scope of this document, but I wanted to mention it quickly just so you're aware.

Like we mentioned in the beginning of this section, speed is critical in a short sale as well. Yes, the offer (price) needs to be right, but usually the challenges come when a slow-moving short sale approval process bumps up against other deadlines in the foreclosure process.

A traditional sales process using a real estate agent can sometimes work to resolve this situation, but it's not as common. Usually the uncertainty of how quickly it can be sold that way doesn't work when the clock is ticking.

The other common thing that comes up in a foreclosure situation is that the home might need repairs or other work done. After all, if you've lost your job, or are dealing with a medical nightmare, or a divorce that's led to foreclosure, maintaining your home and making necessary repairs aren't going to be on top of your list.

That's one of the more common situations where a quick cash offer from a real estate investor can be the best option for you. This is compounded by the fact that when you're in foreclosure, your lender will typically prefer a cash offer.

They know that it can be done quickly by somebody that has the financial means to make it happen, rather than waiting for a buyer to be found, hope that their financing doesn't fall through as things move along, etc.

I want you to know that we understand something very important about this situation. If you're thinking about selling to an investor when you're in the middle of a foreclosure, you're still "losing" your house.

It can be much better for your credit, your pride, and even your finances, but at the end of the day, you no longer have your house, and that's tough no matter what. A reputable investor who truly has your best interests in mind will do everything they can to make the situation work for you.

You should get a little extra time to move things out of the property if you need it. Or maybe you need a small advance on the proceeds of the cash sale so that you can start the moving process. Those are reasonable requests, and the good ones will do that for you.

A final, important note for the foreclosure section:

Please make sure you're talking to various professionals about the situation you're in, so that you have different options. (Remember the "if all you have is a hammer, everything looks like a nail" quote above.)

Here's a quick example... If you do have a decent amount of equity in the home, you have options that you might not be aware of. For example, let's say your home is worth the same

\$170,000 like we talked about above for the short sale example, but you've had it a long time and you only owe \$70,000 on it right now.

A major medical problem came up, and you had a tough time paying other bills and your credit was destroyed. You're behind on your mortgage and trying to catch up, but it looks like you're heading toward a foreclosure being started by your bank. You don't think there's any way to refinance the property because your credit is so bad.

But did you know that there are various lenders who will refinance you out of that situation with no problem? Equity fixes lots of things. If you have such a low "Loan to Value" (LTV) percentage, especially with an understandable situation like this, they'll figure that you're a good "risk" and more than likely will pay the loan back.

If they were to make you a new loan on the property, they're guessing that you would not want to lose all of that equity you've built up in the property by failing to pay them and having them foreclose.

Some people might find that example above obvious, but you'd be amazed at some of the things that people have told us that "experts" have told them. An unscrupulous real estate investor, for example, would jump all over this situation above, and try to convince you that doing a quick cash sale would be best for you to "start over."

In reality, they're looking at that situation with dollar signs in their eyes, because they know they can give you an offer that will pay off your mortgage, give you a big chunk of cash ... and still put a ton of money in their pocket because there's so much equity to play around with.

The bottom line is just to make sure you're talking to reputable companies - whether a real estate investor, real estate agent, "foreclosure prevention" company, loan modification company, etc.

But do talk to different kinds of companies to get different potential solutions. Yes, you do need to move quickly so that you don't lose different options, but don't get sweet-talked by the first person you talk to and wind up with tunnel vision for their solution.



FAQs

We've seen lots of questions over the years. Many of them might not apply to your situation, but some of them could be exactly what you're wondering about.

Just keep in mind that there's a decent amount of overlap in some of the topics below. So check the contents to see if any of the information that's pertinent to you is discussed more fully in one of the chapters above.



Keep in mind also that some of the things below that only have a paragraph or two of info will probably give you a lopsided view of the subject. For example, when you see how fast you can get your cash in the first topic below, that might sound great to you and you plan on getting a cash offer ... even though that might not be the best solution for your exact situation!

I know it's tough to take the time to read a bunch - especially if you're in a time-critical situation. But I'd argue that there are few other things in life that are more important than making sure you make the best decision on one of the biggest financial transactions you'll ever make.

How Fast Can I get Cash From Selling My Home?

I promise I won't say this in every single FAQ answer, but remember there's a bunch of additional info about this in previous chapters that you really should read...

With a **real estate investor**, sometimes you can get cash from the sale of your home as quickly as 7 days from your first contact. When speed is the top priority, this is usually the best way to go.

With a **traditional sale/real estate agent**, the average amount of time that it takes, nationwide, for somebody arrange financing on your home is 47 days. Add that to the amount of time it takes to get your home ready for sale, do repairs, find an agent, get pictures taken, find a buyer, etc., and it can easily be 3 to 6 months.

By the way, the 47 day figure above is based on data that the leading mortgage software

company Ellie Mae has published, and since they're impartial on this subject, I tend to believe it.

Make sure to see the "A Rough Idea of Start-to-Finish Timeframes" section in the "***When It's All About Speed***" chapter above for a breakdown of the different timeframes in a conventional sale.

How Can I Get the Maximum Amount for My Home?

The #1 question we get is "How Fast..." directly above. This is the #2 question as you might imagine, since they go hand-in-hand.

There's a clear advantage in speed with a cash offer. And the winner for getting the maximum amount for your home? Yep, it's just the opposite - you'll get the maximum amount by selling with a real estate agent.

Just like there's tradeoffs for the speed of a cash offer, there's tradeoffs for the maximum price of a conventional sale. Be sure to see the "***When the Price Needs to be Right***" chapter above for much more on this topic.

How is the Purchase Price Determined?

Even though people usually ask this in a cash offer scenario, determining the price of your home really applies to both sales methods.

It's more of an "open" discussion with your real estate agent - but you should really listen to their expertise if they're competent and can back up their recommendation. For an offer from an investor, they'll give you an offer to buy your property in cash, and that's usually final unless other unknown facts come to light that can allow them to increase the offer.

So in terms of how an investor's offer is determined, here's a quick summary:

1. An investor will look at current market conditions, to come up with an "After Repair Value" (ARV)
2. They'll subtract holding costs, their profit margin, and closing costs (usually roughly 30% of the home's value)
3. After that, they'll subtract the cost of the repairs (if any) that need to be made
4. The final cash offer = ARV in #1 *minus* costs in #2 *minus* cost of repairs in #3

What Situations Usually Work Best With an Investor?

Generally, investors help people who need to sell their home quickly by providing an alternative process. Here are a few of the more common situations people might be in when they choose to take a cash offer:

- Inheritance with high expenses, difficult "family tree"
- Relocating quickly, usually for a time-sensitive job opportunity
- Paying off urgent debts or liens
- Frustrated/Tired landlord
- Aging relative
- Divorce
- Selling as-is without making repairs
- Avoiding foreclosure
- Flooding

What Situations Usually Work Best With a Real Estate Agent?

You can probably tell that we're trying to do a "point/counterpoint" discussion here, and give equal time to both major sales methods. As you know by now, generally real estate agents help people in better situations who have the luxury of more time and want to get the top dollar.

Here's a few examples:

- No pressing issues that require fast, more certain cash
- People "testing the market" for example, where if the home sells, great, but if not, they'll just keep it and try again in the future
- Inheritance of a home without a mortgage, sole heirs, small/cooperative co-heirs
- Relocating when the new company will take care of any home sales challenges
- Newer, nicer homes with no or very few repairs to be made (definitely not "The Big Four")

How Does my House Being Empty Change Things?

Selling a vacant house can be a little more challenging. Of course, it's a little different if you're a street or two away, instead of across the country. Some people think it might even be easier to sell when vacant, because they believe that buyers will be thinking "Gee, it's all ready for me to move in quickly!"

But it's usually the reverse - buyers see it less like a "home" and more like a disconnected, empty space. Strangely, the mind can perceive an empty house as looking even smaller than a furnished one, because people can overestimate how big their "stuff" is.

It's true that a vacant house would sell faster than a cluttered, smelly house, so be sure to see the section on "The Five Most Important Things..." in the "*When It's All About Speed*" chapter for more.

What are the Differences in an Agent's Commission and an Investor's Commission?

This question is more common than you think, and it's our (investors and agents) fault. We think that everybody understands how we do things, and that's not the case. So let's quickly talk about how this works.

Here's a quick summary of commissions and some of the other items that people ask about:

| Costs | A Traditional Home Sale | Selling to an Investor |
|-------------------------------|-------------------------|------------------------|
| Agent commissions | \$12,000 | included |
| Closing costs | \$8,000 | included |
| Repairs and make-ready | \$40,000 | included |
| Market risk (price reduction) | \$10,000 | included |
| Total fees and costs | \$70,000 | included |

Figures above based on a 2,000 square foot home, in average condition, with an expected sell price of \$200,000

Let's be crystal clear about this information above. We are **not** trying to tell you that a real estate investor does a transaction without making any money. We're also not trying to tell you that somehow an investor who buys your property doesn't need to do repairs.

The important part of the comparison above is that these items are **already factored in** to the cash offer that an investor makes to you. There are many people who think that after they get an offer from an investor, that they'll still have to pay a commission, or have to pay for repairs or something.

That's not the case. Unless anything changes, the cash offer is the cash offer - without any decreases or increases. That offer might work for you, or it might not - but we want you to know the bottom line for either scenario.

What If I Still Have a Mortgage?

Most people do, but that's still a really common question. If you have a mortgage, that's expected and never a problem - it will be paid as part of a cash offer from a real estate investor, or through the closing with a traditional real estate agent scenario.

The only thing that can change that slightly is if you owe more on your mortgage than your home is worth. In that case, you should see the "*Tough Situations...*" chapter above. In the "Foreclosure" section, we talk about a short sale and how that all works.

I Want to Sell Now, but Not Necessarily Move Immediately. Is That OK?

With a traditional sale through a real estate agent, it depends. In some cases, the buyer of your home will allow you to "rent back" your property for a short time after the closing of the sale. This is all written out and agreed to by both parties, and buyers usually don't mind a little extra cash from you renting their property, if they aren't in a rush or closing on their own sale and needing to move.

In most situations with a reputable real estate investor, they will be able to arrange for you to sell now and move later. Typically investors have a little more flexibility since they aren't waiting to move into a house they just bought - so, just ask them early in the process, and many will accommodate that request.

What Repairs Do I Need to Make?

With a real estate investor, one of the big benefits is that you don't need to make repairs before you sell your house.

To be completely transparent, that's not because investors are just going to be nice people and forget about the cost of the repairs. They'll deduct the cost of the repairs when arriving at the cash offer amount for you, and they'll take care of the repairs on their own so that you don't have to.

Most of the time, if you even need a cash advance to pay for moving or other expenses, that's something investors can do. Finally, you don't even need to worry about hiring a professional cleaning crew or hauling away any junk that you don't want to move. Good investors will handle all of that for you.

Closing Thoughts

By now, you've seen lots of information about the speed advantages of that selling to an investor can bring. And you've read plenty about the price advantages that selling your home with an agent can bring.

We've done our best to get you to think even deeper about this whole transaction - what's most important to you, how much frustration you can put up with, what your rock-bottom price is, etc. The more you think about that critical stuff, the easier it will be to decide which way to go.



Just realize that you need to find the right partner, whether that partner is a professional home investor, or a real estate agent.

Find a reputable investor who has a long track record and lots of experience in your area if you want to go that way - don't just call some number you saw on some yellow sign while driving one day. Make sure they listen to your needs and understand your whole situation.

And if it's an agent, make sure they understand exactly what you want and are willing to listen to you. Make sure that you'll get the attention from them that you need, since timing is an issue, and that you won't get pushed to the side in some big real estate company machine with 100 agents.

That said above, when you find the right agent or investor that will take time and listen to you, make sure you listen to them as well - they've got lots of experience doing things most of us do only a couple/few times in our life!

More than anything, whichever way you decide to go, whatever price you decide you need, and however quickly you decide you need to get this done ... be a smart seller!

Can We Help?

If you like all of the knowledge that we put together to help people just like you, just imagine how good it would be to have an expert discuss your exact situation with you and give you personalized advice.

We've given you all of the common pitfalls to look out for, and helped you become informed so that a smooth-talking salesperson can't take advantage of you - either an agent or an investor.

So give us a call without worrying about being "sold" or manipulated, and let's see if there's something that works for both sides. If not, we'll part as friends.



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