

TIPS FOR GETTING YOUR OFFER ACCEPTED

Every market is different. Currently, there are too few homes on the market and too many buyers. A combination of demographics, the long standing housing shortage, the increasing cost of rent, and several other factors are causing demand to exceed supply. This is a VERY competitive time to buy a home. Buyers have to be more prepared, ready to decide on a home very quickly, able to offer a higher price, and meet the list of seller demands. Now more than ever, using a great lender and a great realtor and being super prepared early in the buying process is critical. Here is what all of us at **The Cowart Team of NFM Lending** are seeing clients do to win contracts.

OFFER A HIGHER PRICE

Price matters but price is NOT the only factor. Many of the below factors can matter as much as or even more than price. Remember on a 30 year mortgage each \$10K in price is \$50 per month. You have to make a decision on how high you want to go. Also remember that currently the market is appreciating very quickly (as much as 15% per year!). Your high offer today could be the true price of the home in 6 months.

USE A TOP REPUTABLE AND LIKED LOCAL AGENT

This matters! There are almost 5,000 realtors in the Richmond area. Not only do you get better advice and guidance from an experienced, full time agent but you'll have less pain along the way. Using a WELL LIKED agent helps because agents know each other and not all agents play nice, are organized or play by the rules. When there are 5-10 contracts offered, selling agents are more likely to pick the buyer contract with the agent they like.

USE A TOP REPUTABLE LOCAL MORTGAGE LENDER

There are a lot of choices out there for a mortgage. Call Centers, Internet Lenders and Big Banks talk a big game and advertise but in general perform poorly. Agents generally don't trust these guys because they have missed details, denied loans, closed late or not responded in past deals. Choosing a reputable local lender is a REAL advantage vs. others buyers who use less reputable options.

GET PREAPPROVED OR BETTER A FORMAL UNDERWRITER COMMITMENT

Most of your competition will type their information into a website which then spits out a prequalification letter. A prequal letter carries little weight and often times clients don't even provide back up documents. A preapproval letter from our team means that we have reviewed your documents, double checked for issues, verified your information, and talked with you to explain the mortgage and answer questions and worked to proactively bulletproof your purchase to make sure you stand out as being prepared.

HAVE YOUR LENDER CALL THE LISTING AGENT

This is one of my favorite "extras" that we do for our clients. We know most top Richmond agents and they trust us. They appreciate hearing from the professional behind the preapproval letter and getting answers to questions they may have. Think of this as "buttering up" the selling agent to help them get warm fuzzies about your offer so that you stand out.

OFFER A QUICK (FLEXIBLE) CLOSING

Many mortgage companies need 45 or 60 days to close on your financing. Because 1) We are a small branch and control all aspects of your mortgage within our branch 2) We work with an efficient, decentralized company 3) The team has all worked together for years 4) We are experienced, efficient, and know what we are doing – we can close mortgages in as few as 15 days.* This can be a CRITICAL advantage for the right seller. Use our speed to help you when/if needed.

USE A MORTGAGE COMPANY THAT USES LOCAL APPRAISERS

Yes, to save money, many mortgage companies pay bottom wages for rookie appraisers to drive into the area from outlying counties. The result is poor work quality and appraisal complications which are a big deal. We pick our appraiser panel and use only top experienced appraisers, many of which we have worked with for 15+ years.

WAIVE A PORTION OF THE HOME INSPECTION NEGOTIATION

Some homes are so perfect or so competitive that clients waive the home inspection. Some buyers are OK waiving a portion of money of items discovered in a home inspection. Some clients will waive any one item under \$2K during a home inspection. There are many options your agent can discuss with you. Either way, waiving some of the home inspection negotiations helps.

PUT DOWN A LARGER DEPOSIT AT CONTRACT

This is an easy one. When contracts fall through, in most cases buyers get back their deposit at contract called an Earnest Money Deposit (EMD). The initial deposit goes directly to your down payment. Therefore many clients choose to put down larger deposits at contract (10K for example) since they know they plan on spending this money anyway and this action comes with minimal risk.

WAIVE SOME OR MOST OF THE APPRAISAL GAP

Wow, this one is really important and comes up all the time. Due to high demand, some homes will sell for more than they appraise for. Waiving the appraisal gap means that the buyer will NOT argue back with the sellers if the appraisal comes in low. Waiving appraisal gap CAN mean for the buyer that they have to pay more at closing HOWEVER not all the time. We have some ideas/ways that you can waive appraisal gap and NOT have to bring more to closing if you are putting down 7% or more.

BUY A HOME FURTHER AWAY FROM THE CENTER OF RICHMOND

The further you go outside the center of Richmond the less competitive the market is. If you are location flexible, this could be a huge advantage for you getting your home quicker or paying less.

WRITE THE SELLER A LETTER

This can really really help or can not matter at all. It really depends. Homes are emotional and sellers can be emotional about their homes. Talk with your agent about whether a letter to the seller with your contract is a good idea.

BE READY TO DECIDE QUICKLY

You need to be ready so that you can decide on a home and a price in a matter of hours. How can you be so sure so fast? Because you and those making the buying decision should all agree on a MUST, WANT, AND WISH LIST. Write it down, do this in advance, talk about it, reflect on it, and then refine it. When a house comes up you can pull out your list and compare it. This helps so much because it helps you be objective while making an emotional decision.

We see it all! We have seen buyers offer to pay some of the cost of the agent commissions. We have seen buyers be super flexible with long term closing dates. We have seen buyers rent back the home to the sellers for 1-2 months. The sky is the limit! Put yourself in the position of the seller. What can you do to have your offer stand out?

*The customer must be pre-approved and all the following must apply: The final approval cannot deviate from any terms of the initial approval. The loan closing cannot be delayed in whole or in part by actions of the buyer or seller beyond NFM's control.

The pre-approval may be issued before or after a home is found. A pre-approval is an initial verification that the buyer has the income and assets to afford a home up to a certain amount. This means we have pulled credit, collected documents, verified assets, submitted the file to processing and underwriting, ordered verification of rent and employment, completed an analysis of credit, debt ratio and assets, and issued the pre-approval. The pre-approval is contingent upon no changes to financials and property approval/appraisal.

Make sure you understand the features associated with the loan program you choose, and that it meets your unique financial needs. Subject to Debt-to-Income and Underwriting requirements. This is not a credit decision or a commitment to lend. Eligibility is subject to completion of an application and verification of home ownership, occupancy, title, income, employment, credit, home value, collateral, and underwriting requirements. Not all programs are available in all areas. Offers may vary and are subject to change at any time without notice. Refinancing an existing loan may result in the total finance charges being higher over the life of the loan.

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