

However, law requires these fees to be disclosed. Ask about them early on and review your documentation before signing. Verify again before closing that you do *not* have a pre-payment penalty. If you do have one, ask for an explanation. Some unconventional loans carry these penalties to compensate the lender for the added risk. If you have a low down payment loan or a bad credit rating, be especially watchful for these penalties.

7: BEING TOO TRUSTING

Don't blindly trust that the seller will keep up their end of the bargain. Even honest sellers forget about concessions and commitments amidst the stress of moving. Make a list of seller commitments from the agreement and use it as your guide during the final walk through. Make sure that all conveyances were left and all repairs completed. These oversights can easily delay a closing and cost you more money.

8. FINANCING FLUBS

Understand the terms of your loan up front. There are many different ways to structure a mortgage, and finding the right fit is not always cut and dry. Consider asking your agent to look over your loan agreement. An experienced buyer's agent will be familiar with various mortgage products and can give valuable guidance. While it's always advisable to trust the financial professional, a second set of eyes never hurts.

9. RUSHING CLOSING

It is difficult to perform your due diligence as a buyer when you are being rushed through a purchase assembly line. Work with an agent that respects your pace and values thoroughness as much as expediency. Do not allow seller's to force your hand or bully you into a rushed closing. While time is of the essence, you should allow enough room for unforeseen surprises and delays. Take your time at closing and go through every document with the attorney before signing. Don't be afraid to ask questions or speak up about terms you were not prepared for.

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Buying a Home?



Avoid These 9 Critical Mistakes

9 Critical Home Buying Mistakes, and How to Avoid Them

Buying a home can be a stressful and harried experience. Even the savviest consumers make mistakes due to inexperience, oversight, or the frenzy that can surround the purchase experience. Don't be caught off guard. Know these 9 critical home buying mistakes and how you can avoid them.

1: BUYING TOO MUCH (OR TOO LITTLE)

Assess your needs before you begin the search. A house can quickly go from a great investment to a great burden. Even if you can comfortably handle the payments, consider how much space you actually need. Are you prepared for the additional work that comes with a larger home? Remember that grounds have to be tended, furnaces have to be fixed, the home has to be furnished, and utility expenses will increase with square footage.

The same is true for buying too small. A two bedroom cottage may be quaint now, but it could get pretty cramped very fast if you plan on having kids. Plan as if you will stay in this house for at least the next five years. If you see your needs changing within that time frame, buy to suit future needs now.

2: GAMBLING ON VALUE

Don't leave your home purchase to chance. Your home is an investment, not a gamble. Take the guess work out



of your buying decision by working with a seasoned professional who knows the market. Seller's often value their homes differently than the market does. An experienced agent will guide you in your purchase, identifying the good deals, steering you past bad ones, and helping you to bid according to the *market* value- not the asking price.

3: TITLE ASSUMPTIONS

Don't assume the title of a home is clean. Order a title search early in the purchase process to identify any liens and/or encumbrances. Should any be discovered, you'll have time to renegotiate with the seller and adjust the financing accordingly. If the deal can't be salvaged, at least you'll have gotten out before spending money on an appraisal and inspection.



4: NEGLECTING TO REVIEW THE SURVEY

Ask the seller to show you the original survey that was performed when they purchased the property. It will show the property's true boundaries and reveal any existing encroachments or easements. If financing requires a new survey, do not delay in ordering one.

5: LAST MINUTE REPAIRS

Serious defects discovered in the final walk through can delay or kill a deal. Have a professional inspection done early on to allow the seller ample notice to make repairs. If defects are serious, you'll have time to do some research and re-consider the purchase. Perform the final walk through as early as possible. You may discover flaws or damages once the seller has moved out that were previously hidden.

6: PRE-PAYMENT PENALTY

A pre-payment penalty is a fee assessed if the mortgage is paid off within a pre-determined period, typically within the first 3-5 years. The penalty adjusts with each year and is a percentage of the pay-off amount. Less reputable mortgage professionals may be tempted to slip these in on the sly to bolster their commission.