

FAQs **Beating the Shell Game**

With all the negative housing market stories of late, buying or selling a house may feel like a shell game. Any time can be a good time to buy or sell if you go into the market with open eyes and good counsel.

Here are some common questions we've been hearing of late.

I'd like to buy my first house, but I'm afraid I won't be approved for a mortgage.

Actually, loans for first-time home buyers are widely available and mortgage rates are still quite low. But you will need some savings for a down payment and closing costs, generally at least three to five percent of the purchase price, and more is better.

In addition, your credit score is more important than ever before, as it can affect not only whether you are approved, but also what rate you will pay.

Regardless of your past credit, it is worth getting a pre-approval before you shop for a home. Many lenders will do this for free, and it will help you know whether you are ready to buy a home and how much you can afford if you are.



I'm ready to move up, but I'd have to sell my current home. Isn't the market flooded with homes for sale right now?

Actually it's not. Although sales have been down this year, so have listings. As a result, the inventory of homes available for sale is remarkably low (less than a five months' supply in July).

I've heard about all these mortgage scams. How do I find a good lender?

First, get references from your real estate agent or friends and neighbors who have recently obtained new mortgages. Make sure your lender has been in the business for a while and will continue to be in the future. It's also good to work with a local lender. That way, if any problems arise you have someone you can meet with face-to-face to get them resolved.

Next, don't delude yourself about how much you can afford to pay on a mortgage. Many of the people losing their homes to foreclosure these days simply over-stretched themselves, taking on more debt than they could handle.

Finally, if a deal seems too good to be true, it probably is.

Even so, it will take forever to sell my home.

Not true. In the first half of this year, more than three quarters of all homes sold in less than three months. The homes that sit on the market for a long time are typically in poor condition or listed for an unreasonable price. Homes that are in move-in condition and properly priced continue to sell quite quickly.

Look for more helpful tips, resources and links for homeowners and buyers on our website at realestate.wichita.edu.