



Jonathan Phillips  
917 Pacific Avenue, Suite 413  
Tacoma, WA 98402  
Phone: (253) 752-5800  
[info@searchtacomamls.com](mailto:info@searchtacomamls.com)

*Inside This Special Report...THE TRUTH!*

## **How To Get The Home You Want, At The Best Price And Loan Rate, With The Fewest Headaches!**

Dear Client,

Please read the headline above again, closely. When you decide to buy a home, those really are the most important things, aren't they?

Finding a home that you truly love.

Getting the best possible deal.

And doing it without losing all of your hair or ending up in psychiatric counseling!

Are those your goals? *OF COURSE!*

Unfortunately, sometimes buying a home ends up being any thing but a happy experience. For many, it turns into a terrible, stressful ordeal. In addition, making the wrong decisions can end up costing you thousands of dollars!

*It doesn't have to be this way!*

The key to avoiding the pitfalls and traps that plague many home buyers comes down to one thing:

**KNOWLEDGE!!**

Buying a home is a fairly complicated undertaking, but if you're armed with the proper knowledge and have a solid plan, it can be a whole lot easier. It all starts with

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understanding the home buying process, how the “*system*” works, and what can happen to the typical unprepared homebuyer.

Let me back up for a moment and say that the first step is to determine if buying a home is even in your best interests. Most of the time, buying a home is one of the smartest financial decisions that a person can make. *But not always!*

In meeting with lots of people over the years, I’ve learned that only after examining your overall financial picture can you discover if buying a home is the right thing for you to do.

There are lots of factors to consider, such as the effect that buying a house will have on your long and short term goals. I have seen situations where buying a house was not in the person’s best interest at that time.

Once you are sure that buying a home is the smart choice for you, it’s time to get busy.

**BUT WAIT A MINUTE!!**

This does not mean jumping in your car and tearing down the street to find your dream home.

Not so fast!

Taking the time to do things right will save you many hours of frustration and thousands of dollars. What happens if you take off on a journey without having a map or plan - not knowing where you’re going?

That's right... YOU GET LOST!!

Same thing when buying a home. Except that the thing that gets lost is not you, it's thousands of your hard-earned dollars!

The purpose of this report is to make you aware of the common mistakes that home buyers fall into, *and how to avoid them!* Having the right information leads to making smart decisions.

It doesn't matter if this is your first home or if you've bought a dozen before. No matter what, it makes sense to be armed with the facts!

Buying a home is like going out into a bad neighborhood at night – there is trouble lurking around every corner, and you can quickly become a victim if you're not prepared.

I am not kidding! A lot more money is lost due to bad decisions in the home buying process than in the average mugging. Only when you buy a home, the “muggers” are nicely dressed, and are smiling and shaking your hand instead of pointing a knife or gun at you!

There is an old saying, and although things have changed a lot from the old days of the traveling salesmen, it still applies today when you enter the home buying game:

## **BUYER BEWARE!**

I am not saying that everyone involved in the real estate industry is a crook – not at all. I'm just saying that there are lots of people out there that are only too happy to take your money if you are not savvy enough to ask the right questions or make the right choices.

It's not that there is a lack of information out there about buying a home, it's just that a lot of it is a bit misleading. Ask the same question from two different so-called “experts” and you'll get two different answers... and probably a bunch of technical mumbo-jumbo that you don't even understand!

The sad truth is that the structure of the home buying game is not set up in the buyer's favor. If you are not careful you'll get snared by a big financial trap.

Buying a home is a huge investment. You simply can't afford to “roll the dice” and *hope* that you come out a winner.

The implications of a bad decision can be amplified over many years, easily costing you tens of thousands of dollars... or even more!

The number one mistake made by home buyers that causes them to make bad decisions and waste thousands of dollars is failing to have an organized plan.

The number two mistake is almost as bad.

The mistake is *letting their emotions get out of control!*

Of course it is impossible to completely remove all of your emotion, after all, if you didn't have some emotion you wouldn't want to buy a home in the first place.

The key is to remember that you are entering into a complex business deal, one that can effect your financial situation for years to come. Just try to keep as focused as possible on the dollars and cents, and don't allow yourself to "get caught up in the moment", and make foolish decisions that you will regret later.

As I mentioned before, having a step-by-step plan will make the entire process much easier to handle. Here is the basic 9-step home buying plan that has saved thousands of dollars for many people like yourself:

**Step 1** - Determine if buying a home now is smart for you.

**Step 2** - Get pre-approved for your loan.

**Step 3** - Study the real estate market.

**Step 4** - Identify neighborhoods you like.

**Step 5** - View specific homes.

**Step 6** - Pick a home that meets your needs.

**Step 7** - Analyze the value.

**Step 8** - Negotiate the contract.

**Step 9** - Close and move.

Once you have examined your personal financial situation and given yourself the green light to buy a home, the next step is to get pre-approved for a mortgage.

Getting pre-approved is smart for two main reasons:

- 1) You'll have less stress and more confidence while home shopping because you'll know exactly what you can afford.

- 2) You'll have better negotiating strength with the seller when you can show them a pre-approval letter from the lender.

Yes, getting pre-approved is smart and it is the first step that you should take once you decide to buy a home. *But hold your horses!* There is a lot that you should know before you rush down to your local bank.

We are going to spend a lot of time discussing financing, because that is where the major share of mistakes are made. ***Mistakes that can end up costing you \$10,000 to \$30,000 or even more!***

In the real estate game, the field of financing is covered with hurdles and quicksand. In no other part of the process can you loose so much money... *and not even know it!*

We've been talking about how having a plan will allow you to keep on track to get where you are going. In the area of financing, having a plan is *critical!*

**If you don't have a plan of your own, you will fall into someone else's plan!**

Like the Boy Scout motto says, BE PREPARED.

The first thing that will happen when you go in for a loan appointment is you will be hit with lots of questions.

*Where do you work?*

*Are you self employed?*

*How much do you make?*

*How long have you been there?*

*How much cash do you have in the bank?*

*How is your credit rating?*

*What is your FICO score?*

*Can I see your last two year's tax returns?*

*How much will you be putting as a down payment?*

*Do you want a fixed or adjustable rate?*

*Do you want a 15 or 30 year mortgage?*

*Do you want the lowest rate with points, or a higher rate with no points?*

*Do you want to “lock-in” or float the interest rate?*

*Do you want a conventional or FHA or VA loan?*

*Fully amortized or balloon payment?*

And that’s just a sample! Do you see why you will need to do a little homework and have your plan in order before you step into the jungle – *oops, I mean* loan office?

I am NOT saying that most mortgage companies are full of crooks, liars, and cheats. Many are really excellent at what they do. It’s just that if you don’t know what *you want*, the loan company will put you into what *they want* for you... which may not be in line with your goals.

There are no hard and fast rules to answer all of the many questions you’ll be faced with. That’s because everyone’s situation is unique! What’s best for you will probably be different than the family down the block.

The only way to know for sure what is in your best interests is to take a good look at your overall financial picture and your goals for the future.

There are several questions that you need to ask the loan agent before you decide to do business with them.

- 1. Given my goals, what loan program do you recommend and why?**
- 2. Exactly what fees will you be charging me?**
- 3. Who makes the final approval decision?**
- 4. Is the loan underwriting done locally?**
- 5. When can I expect an answer?**
- 6. Will you put everything in writing and sign it?**

Shop around and talk to several different lenders. Take notes and compare what each has to offer. Costs can vary substantially from one lender to another... so do your homework!

## **FINDING YOUR NEW HOME**

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Once you thoroughly understand financing and have been pre-approved by the bank for your loan, it's time to do the leg work necessary to find your home and get the best possible price on it.

First, identify neighborhoods that you like and that are in your price range. If you have lived in your area for a while, you may have some already in mind.

Think about what you really want in a house. Are you looking for a big yard, or something with less maintenance? A new home, or a place more mature and established? One story or two? Contemporary, Tudor, Colonial, Spanish?

Also decide how many bedrooms and baths you need, along with items such as a den, garage space, fireplace, swimming pool, etc.

Hopefully, you'll be able to find what you want and stay in your price range. If not, you may need to adjust either what you want or your budget.

While you are looking, keep one thing in mind:

**THERE IS NO SUCH THING AS THE “*PERFECT*” HOME!**

You certainly want to make sure that the home that you buy meets your needs, but you will drive yourself crazy if you go through dozens and dozens of homes searching for the “*perfect*” home.

Make a list that includes your price range, all the items you must have in your home, along with the items you don't want. Take it with you whenever you look at homes, so you don't get sidetracked.

You will want to thoroughly research the values in your area. You need to know what people are asking for their homes, and most importantly, what they are selling for. You want to be on the lookout for and avoid areas that are experiencing depreciation in value.

Although you certainly don't have to use one, the services of a good real estate agent can be quite valuable during this stage. They can pull up all of this information in minutes by pushing a few buttons on their computer.

Once you have a home that you are interested in, you need to find out more information. There are several questions that you must ask the seller before you start any negotiations. You need to know as much as possible about the seller's position and motivation.

**1. Why are you selling?**

The answer to this question will tell you a lot about the seller. Everyone selling their home has a reason. The seller may have been transferred, bought another home, be going through a divorce, or need the cash to pay off debts. All of these things can be to your advantage when negotiating!

**2. Are there any defects or structural problems with the house?**

Watch the seller very carefully when you ask this question. If they look away or get nervous, HIT THE ROAD! Most states now have mandatory property disclosure laws that require the seller to fully disclose any problems with the property.

**3. How long has the home been on the market?**

If the home has been on the market for many months, you need to find out why. Is it simply because they are asking too much for it, or are there much deeper problems? Also, the seller may be more anxious to sell as the months go by – a big plus for you.

**4. Are you offering any special financing or assistance?**

The seller may have an assumable loan, or be willing to finance the purchase and carry the mortgage themselves. They also could pay some of your loan costs or points to help you get a lower interest rate.

**5. Are there any repairs you were planning on doing?**

This question is similar to number 2, but still needs to be asked. The answers to this question can give you valuable insight as to how the home has been maintained, and also give you some negotiating leverage.

When you have answers to these questions, you will have a good feel for the seller's situation and the house itself. You'll be in a position to decide if you want to move forward with the house or not.

## **CONTRACT AND NEGOTIATION**

If everything looks good, you may want to proceed in the process. The next step is to write up an offer to purchase.

This is where the information you learned from questioning the seller can be quite useful. For example, if the seller has been transferred to another city, they may be very motivated to sell.

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There are many different strategies for negotiating, but the one that I have seen produce the best results is not all that difficult. It starts by studying the market data to determine what the fair market value is for the house.

Your objective is to make your offer at a price that is lower than what the seller has in their mind as their “bottom line”, but is close enough that they say, “Oh, I guess we will go ahead and take it”.

Keep in mind the three basic options that a seller has when presented with an offer:

- 1) Accept the offer.
- 2) Reject the offer.
- 3) Make a counter offer.

The seller will always want to accept the offer if possible, because if they sign it, they will have a deal that the buyer is bound to. If they make a counter offer, the buyer is “off the hook”, and is no longer obligated contractually.

The price is always the focal point of the offer, but there are lots of additional areas that you need to address and pay close attention to also. In your offer, be as specific as possible about every aspect of the transaction. Details that are not clear or are left out can lead to big problems down the road.

Some of the items that you want to be sure to spell out in detail when putting together your offer include:

- PRICE
- DOWN PAYMENT
- EARNEST MONEY DEPOSIT
- INTEREST RATE
- CLOSING/POSSESSION DATES
- LOAN COSTS – WHO PAYS
- CLOSING COSTS – WHO PAYS WHAT
- PRORATIONS
- APPRAISAL – WHO PAYS

- HOME PROTECTION PLAN
- INSPECTIONS – WHAT TYPE AND WHO PAYS
- ITEMS INCLUDED (WASHER/DRYER, REFRIGERATOR, ETC)
- TITLE/ESCROW COMPANY/ATTORNEY
- CONTINGENCIES – WHAT AND HOW LONG

Spelling out every detail can save lots of confusion and misunderstandings, and keep you out of a costly court battle!

One area where you need to be especially careful is contingencies. These are things that must or must not happen in order for the transaction to be valid.

For example, the purchase may be contingent upon you getting approved for your financing, on getting a favorable inspection report, or many other things. Make sure to spell out the contingency clearly, as well as what specifically will happen if the contingency is or isn't met.

The important thing is to keep your goals in mind throughout your negotiations. This will guide you, and help keep you from making bad decisions based on emotion.

Keep one important fact in mind: **There is always another house!**

If you start to feel pressured or uncomfortable, step back and review your goals. Don't let yourself be bullied around. *Remember that the seller usually needs to sell that house a lot more than you need to buy it!*

## CLOSING AND MOVING

After all of the terms and conditions of the contract have been mutually agreed upon by both you and the seller, you still need to stay on your toes. Many people tend to relax and end up dropping the ball. There are at least a hundred things that can go wrong and foul up the sale.

Stay in contact with all parties involved in the transaction – mortgage company, real estate agent, title company, escrow company or attorney, appraiser, inspector, etc.

You will want to make sure that all of the terms of the contract have been met, and do a “walk-through” inspection of the home prior to closing.

All of your preparation and planning will pay off handsomely when you move into your new home!

## **SO WHERE DO WE GO FROM HERE?**

The only way to properly create your own home buying plan is to examine your personal financial situation AND your goals for the future. The next step is entirely up to you, but if you are serious about buying a home and avoiding the mistakes that can cost you thousands of dollars, here's what I recommend.

In about a half-hour, we can determine what the best course of action is for you to take.

### **There Will Be No Obligation, No Pressure, And No Tricks...**

*Just solid, helpful, useful information!*

After we meet and you are armed with the all of the facts, you will be prepared to make your decision about how you want to proceed.

You've probably figured out that I am not like most real estate agents. I concentrate on providing quality information to those who need it.

*“But why would you just give away all of this valuable information?”*

I know that you may be asking that question in your mind. I know that's not what most agents do, and it may seem a little bit odd. Its just that I have learned that good things come when you concentrate on really helping people.

Yes, I make my living selling real estate, and yes, I would love to handle your purchase.

**BUT ONLY IF THAT'S WHAT YOU DECIDE TO DO AFTER YOU HAVE ALL OF THE INFORMATION TO MAKE AN INFORMED DECISION!**

In less than 30 minutes you'll have all of the facts and information you need to make smart decisions for your future. We will discuss your situation, and look at the different options that you have.

Well, there is not much more for me to say. The next step is up to you. As I said before, there is absolutely no cost or obligation attached to your free consultation.

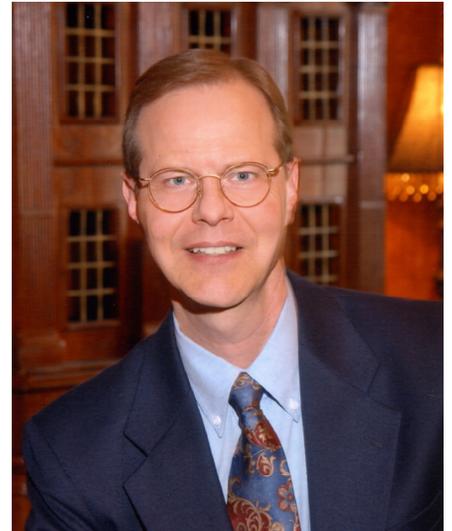
Pick up the phone and call me now while you are thinking about it. I know that you may be a little skeptical, but one phone call isn't much to risk, especially when you could save yourself lots of aggravation and thousands of dollars!

You can reach me at (253) 752-5800.

I look forward to hearing from you,

## Jonathan Phillips

Principal Broker,  
Phillips Realty  
917 Pacific Avenue  
Suite 413  
Tacoma, WA 98402  
(253) 752-5800  
(253) 752-0172 FAX  
Email: [info@phillipsrealtyllc.com](mailto:info@phillipsrealtyllc.com)  
Web: [www.PhillipsRealtyLlc.com](http://www.PhillipsRealtyLlc.com)



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