

10 SECRETS THAT HOME BUYERS SHOULD KNOW BEFORE GETTING STARTED*



*Including a few that could save save you a lot of money!

BROUGHT TO YOU BY:



WELCOME TO THE HOME BUYING REVOLUTION



If you're reading this, you're already a revolutionary. We're not talking about roving groups of angry youth waving banners and wearing black armbands while promoting anarchy and violence or planning on overthrowing the government. Instead, this revolution is focused on changing the way we buy real estate in this country to an approach that is more fair, transparent and affordable for home buyers.

Real estate has evolved in the past 150+ years. There have been ups and down, buyer and seller markets and a constant influx of what home buyers want and expect.

The past few years of economic upheaval have created one of the longest lasting buyer's markets in recent history but have yielded few buyers. As a result, many thousands of real estate agents have been driven away from this line of work in search of more lucrative careers. But this turmoil has also brought with it new opportunities for home buyers and the real estate agents who have been able to hang in there.

Apart from creating a prolonged buyer's market, the last few years have seen huge advancements in interactive online home searching tools, services and resources designed to give home buyers more options when looking for and buying a home.

Many years ago if you wanted to buy a home, your first stop was a Real Estate Agent's office. There the Realtor® would interview you, make a list of your needs and would use that information, along with tools only available to

them (like the multiple listing service or MLS), to locate homes currently on the market that best matched your needs. From there, the agent would take the responsibility of "shepherding" you by giving you tours of available properties and share their knowledge of local communities, schools, zoning restrictions, taxes, houses of worship, and other services of value. Once you made it to the closing table, your broker would receive a commission check in exchange for their help.

Today, Realtors® still provide value in the services and knowledge they provide homebuyers. But the tools they use to find and research new homes are now available for free to anybody who wants to access them. Quite literally, there are now thousands of websites that can offer home buyers access to the MLS and the research that used to make Realtors® a necessary part of the home search. Modern technology has made it possible to do virtual walk-throughs of properties, price shop online and even allow home shoppers to see aerial views of entire neighborhoods to help with the decision making process using tools like Google maps.



Today the National Association of Realtors® reports that over 90% of all new home buyers begin their search on the Internet. This means that a big part of what real estate agents used to bring to the table is now being taken on by home shoppers themselves.

This also means that more and more buyers are taking on the legwork necessary to find the perfect home before they need the more in-depth fiduciary expertise that Realtors® provide (such as getting the buyer from contract to close).

In spite of all of the work and responsibility that the home buyers are now taking on themselves, traditional real estate models don't generally acknowledge the value that home buyers bring to the agreement. Instead, they mostly focus on giving real estate brokerages and the Agent for the Buyer full credit for their role in the home sale.

But shouldn't real estate really be about helping people buy and sell homes in a fair, transparent and honest way?

We started **Home Buying Revolution** as a way to make the home buying process more equitable to those home



shoppers willing to take on more of the responsibilities for buying a home themselves. The models we support also bring more value to Realtors® by helping them create new streams of income by offering alternative ways to make a living using fee-based real estate agreements and truly serve as supporters and advocates for their home buying clients.

Creating a Revolution isn't easy. There are plenty of people who work in real estate who don't want things to change because they are already the beneficiaries of a broken system. But it is future home buyers like you who will be leading the revolution away from the 'status quo' and toward new models that allow home buyers to keep more money in their own pockets while allowing hard working Realtors® to earn a fair living as well.

We wrote this e-book to help you better understand some of the tricks and traps you face as you start your home buying journey. Our goal is to arm you with the



knowledge and understanding you need to navigate the often choppy waters of modern home buying.

This book is not intended to diminish the value of Realtors® nor to suggest that what they do is unethical or unnecessary. Having the expertise of a good Realtor® by your side is an invaluable part of the home buying process but we do want to help level the playing field a bit. Home buyers should be free to make deals that are beneficial to them. They should be able to choose which services they want to buy and be able to see what they are getting for their money.

Membership in Home Buying Revolution will not cost you a cent. We offer free access to training videos, articles that explore how to get better home buying deals, access to our exclusive database of U.S. Realtors willing to work with you on fee-based real estate agreements and plenty of other resources that will help you find money saving deals on your next home. We can also help you find mortgage lenders willing to compete for your business along with title companies, home inspection companies and other home related professional services so that you get to choice from the best price for the best services. This is all provided to you with no obligation.

Overall, we hope that your time with Home Buying Revolution will give you a greater understanding of the tools, methodologies and options available to you so that you can be forearmed with the understanding and knowledge you need to make important decisions that are in your best interest.

We're glad you're part of the revolution. Now let's go save you some money.

SECRET 1 - THE HOME BUYER DOES PAY THEIR REALTOR'S® COMMISSION...AND EVERYTHING ELSE!



There's a common myth in traditional real estate that home buyers get the services of their agent for free because it is the seller's broker who pays for that service. While the mechanics of traditional real estate may suggest this is the case, **the reality of the transaction is that it's the buyer who brings all the money to the table to begin with.**

Consider this for a moment: The money that the sellers use to pay the broker's commission didn't just magically appear in their bank account. It was given to them by the home buyer as part of their payment for the home. In basic terms, the buyer is the one who ends up bankrolling the entire agreement. **No buyer = no money!**

This is an important distinction because if we change the way that home buyers pay their Realtor's® for their help, we change the whole dynamic of the transaction.

For example, in traditional commission-based real estate agreements, the sellers sign a contract with their agent stating that they will pay a certain percentage of the home's selling price to their real estate brokerage that their Realtor® works for in exchange for help selling their home. In many cases this percentage is as high as 6%.

However, home buyers also have a Realtor® who represents them (called the Agent for the Buyer). Most standard real estate agreements are written to include the services of the Agent for the Buyer by agreeing to split the commission for the deal. This means that when the Seller's Broker receives the commission check at the closing, they in turn write a check for the shared amount to the agent for the buyer (or, more accurately, the Agent for the Buyers brokerage).

But what would this transaction look like if the home buyers didn't need to pay a commission to their Realtor's® broker and instead offered to pay their agent directly for the time and tasks that were performed on their behalf?

To begin with, the price of the house could be reduced by the amount that the commission would have been paid. As you'll see in the next section, home buyers often end up spending a lot more money on their homes than they need to.

SECRET 2 – FEE-BASED REAL ESTATE AGREEMENTS HELP BOTH HOME BUYERS AND REALTORS® MAKE MONEY!



In traditional real estate transactions Realtors® and their brokerages can justify the big paychecks because they are taking on the bulk of the risk of the agreement.

For example, when a brokerage represents a home seller, they take money out of their pockets to promote, advertise and show a seller's property and assign a Realtor® to take the reins of the agreement to work with the home sellers in the hope that can secure a buyer during the contract period.

On the buying side, Agents for the Buyers usually have less cash outlay and instead put a lot of sweat equity into working with prospective home buyers in the hopes they will be able to find a home together. But they too run the risk of spending countless weekends driving prospects around and spending their valuable time and money setting up meetings only to have buyers wander away.

The risk is that if they can't sell the home during the period covered by the agreement, then the seller or buyer is free to find another agent to work with or another way to sell that home, leaving the initial Realtor® holding the bag for money already spent. In either scenario, Realtors® take on the vast majority of the risk for the home being bought or sold.

Every year United States Realtors® work with 16 million 'home shoppers'. Of these only one quarter will actually ever make it all the way to a closing (4 million on average) due to a number of different factors. The big challenge that Realtors® face is they don't necessarily know which shoppers are going to become buyers. As a result almost 3/4 of the effort they put into selling homes gets wasted by people who either don't qualify for a loan, change their minds, or aren't really committed to the process. As a result, when a Realtor® gets a buyer from contract to close, the commission check they receive not only pays for the work they did for the current buyer but also covers the work they did on all the other agreements that fell through.



This means that in most traditional real estate models, Realtors® take on the majority of the risk but have very little control over the outcome.

However, in fee-based agreements there is no risk to the Realtor® because the Realtors® brokerage is being paid directly by the buyer, regardless of the outcome. They don't need to rely upon big checks in order to cover their wasted time. Instead they get paid for the work they do when they do it and don't have to constantly worry about controlling an event (making sure the buyers make it all the way to the closing) that they really have no control over.

At Home Buying Revolution one of our goals is to share new models that minimize or totally eliminate risk for Realtors®. Because the home buyers who are willing to pay directly for the services and support they need are more serious buyers there is no risk to the Realtor and the home buyer reaps the reward of this relationship by either reducing the cost of the home by the amount originally earmarked as a commission payment or as a payment back to the home buyers at closing (depending on state laws).

Shifting of risk elimination from the Realtor® to the buyer also means that any huge payout left on the table goes back into the buyer's pocket because they *did* take on the all of the risk themselves.



This model is not designed to shortchange or diminish what Realtors® bring to the table. But putting the entire responsibility of success on the shoulders of someone who has little control over the outcome of that agreement makes little sense. Instead, shifting the risk to the buyers eliminating risk not only incentivizes them (because they are paying the Realtor® directly for their services and help) but also motivates them to complete the deal so they can save money at closing.

But why would a Realtor®/Brokerage be willing to walk away from a big paycheck in exchange for being paid directly by the hour or task?

At first glance it may seem like a bad decision. However, if you factor in the number of times that brokers and Realtors® don't make *any* money for the work they do it starts to make more sense.

Let's say, as an example, a Realtor® helps sell a house for his/her brokerage every two months on average. Let's also say that the average commission check they receive is for \$10,000 (before it gets split).

This means that in the course of a year the Realtor® brings in \$60,000 to the brokerage.

This \$60,000 annual gross may represent the sale of 6 houses but also represents working with approximately 24 home shoppers during that same year – statistically with ¾ of them never becoming buyers.

Now let's say that a brokerage offers fee-based agreements as part of their services (note that offering fee-based services doesn't mean that a brokerage/Realtor® can't also offer their clients commission-based agreements). In this model, every time they work with a home shopper, they are paid directly by the hour or task for their professional services. Now let's say that the average Realtor® is able to dedicate just 16 hours a week (a small percentage of the number of hours most Realtors® seem to work every week!) toward providing their fee-based clients with assistance at an average of \$125 per hour. This would mean that they could bring in \$2,000 every week or \$8,000 per month -and that's just for 2 days' worth of work!



This little shift in how real estate service are offer to home buyers means that a single Realtor® can bring in an additional \$96,000 a year into the brokerage for working less hours and taking in less risk!

Fee-based agreements make sense for home buyers because they save home buyers a lot of money. Fee-based agreements make sense for Realtors® because they eliminate risk and can increase cash flow.

SECRET 3 – YOUR REALTOR® ISN'T WORKING FOR YOU!



When you make a decision to buy a home, you want to make sure that you get a professional on your team who can help you avoid making any mistakes that might come back to haunt you in the future.

Realtors® bring their understanding of the financial process of home buying to the table. Most also have experience selling dozens of homes in the past and know what problems to be on the lookout for. In short, having an experienced Agent for the Buyer on your side is a huge advantage.

Of course this Agent for the Buyer doesn't work for free. As we've mentioned, under tradition home selling models they get paid a percentage of the commission by the Seller's Broker at the closing.

What? Come again.

That's right...**the person who's responsible for making sure that the home sellers get the most money possible for their home is also the one who is paying your Realtor® to help you.**

This isn't to say that there is anything illegal going on here or that the vast majority of Realtors® aren't honest, hard-working and ethical people (in my experience they are). But it's worth pointing out that this scenario puts the Agent for the Buyer into several very difficult positions.

On one hand, there is an obvious conflict of interest in having somebody negotiate a deal on your behalf when they stand to make more money when you spend more money.

Could you imagine walking into an electronics store and asking the Director of Sales to negotiate the price of a new large screen TV on your behalf? Of course not...the idea is laughable. But in real estate that's pretty much the arrangement that is made all the time between the Seller's Agent and the Agent for the Buyer.



The Agent for the Buyer is also continuously put into a situation where they need to do what's best for you, as a buyer, and what's best for them as an agent.

Let's say that as a buyer you planned on getting the new home inspected. As part of a traditional agreement the Agent for the Buyer would oversee that process. But what if it's bad news for you? What if the home inspector discovers that the only reason the house is still standing is because the termites are all holding hands?

Your Realtor® is legally obligated to share this information with you – even if it means killing the deal and losing their payday in the process.

Once again, a large majority of Realtors® are going to do the right thing, but it's still vastly unfair for them to be put in a situation where they have little control over their own pay check and are put in a situation where they might have to choose between what's best for you as a buyer and what's best for them as a person trying to make a living.

Believe it or not, this current scenario is better than it used to be.

Prior to the mid-1980s, it was often the case the Seller's Agent handled both sides of the transaction. That's right! **One Realtor® was allowed to represent the best interests of both the sellers and the buyers.**

It doesn't take a genius to figure out the severe conflict of interest in this model. As a result, the rules changed and the Agent for the Buyer position was created.



Today real estate buying models are changing again. By using fee-based agreements, the real estate broker doesn't need to rely upon a commission payment in order to get paid. Instead, they reach an agreement with the home buyer in which the home buyer pays the brokerage directly to take on specific tasks to get them from contract to close.

This means that the Agent for the Buyer gets paid for their time and council even if the agreement never makes it all the way to closing. Just like how you would work with and pay your accountant, attorney or any other professional.

Fee-based non-contingency models eliminate any conflict of interest from the agreement. They also eliminate any situation in which an Agent for the Buyer would need to walk an ethical tight rope. Instead, the agent for the buyer is able to represent their clients as a true advocate and consultant.

SECRET 4 – HIDDEN REAL ESTATE FEES CAN COST YOU BIG!



For most people buying a home will be the single largest purchase of their lives. Most of us can't really comprehend the amount of money that we're committing toward our new home even while we're doing it. After all, writing a check for a half-million dollars or more isn't something that most of us have a chance to do very often. As a result, sometimes these large numbers take on a rather "unreal" quality as we find ourselves at a closing with checkbook open and writing checks for things we don't understand.

In a traditional real estate transaction there are four primary players who get paid to participate:

- ✓ The Seller's real estate broker
- ✓ The Seller's Realtor®
- ✓ The Agent for the Buyer's brokerage
- ✓ The Agent for the Buyer

At the core of any real estate transaction, there is the home buyer who finances the entire process. They start the transaction by paying the sellers the price of the home. In turn, the seller hands a commission check for a percentage of the home selling price (often 6%) to the Seller's Broker who in turn hands part of that payment to the Seller's Realtor. The Seller's Broker also pays the agreed upon percentage of the commission to the Agent for the Buyer's broker who then pays their agent.

In the end that 6% payout is divided into four smaller pieces that represent about 1.5% of the buying price of the home each.

Although the money is being paid to four individual parties, the check coming from the home buyers is what sets things in motion. **It is their money that is being used to pay the commission regardless of who is doing the distribution.**

SECRET 5 - THE HOME YOU'RE BUYING IS PROBABLY MORE EXPENSIVE THEN IT'S WORTH!



Let's do a little math. Let's say that as a buyer you have reached an agreement with a home seller to buy their home for \$400,000. As part of the agreement, the seller has agreed to pay their Realtor's® broker 6% of the home's selling cost (in this case \$24,000) in commission fees. Furthermore, the broker will split that payment with the **Seller's Agent**, the **Agent for the Buyer's broker** and the **Agent for the Buyer**. (in this case a 50% split means \$12,000 for the Agent for the Buyer Realtor®/broker).

So here's the question: what is the actual price of the house? Yes, the selling price is listed at \$400,000 but if you stop and take out the \$24,000 in commission payments that were factored into that price, the real cost of the house is \$376,000.

So here's another question: what is the market value of that house? Is it \$400,000 or is it \$376,000?

We feel this is an important question to ask because in many cases the real estate is being bought and sold around us is overvalued in order to factor in the Realtor's® commission payments.

Now let's say that we were able to eliminate the commission payment to the Agent for the Buyer/broker by instead paying them directly for specific tasks to help us get to a successful closing. Using fee-based agreements,

the Agent for the Buyer would exchange their 3% commission for the opportunity to be paid hourly or by the task instead.

As a result, the actual selling price of the home could be amended to \$388,000 without changing the amount of money the seller's walk away with one little bit. Instead, the \$12,000 (minus what they paid directly to their broker) stays in your pocket and reduces the amount of money you need to borrow to buy the house.

And what does this \$12,000 savings mean in the long run?

Let's say, for example, that a home buyer was able to put \$100,000 in cash down as a payment for a \$400,000 home. In a traditional commission agreement for that would mean needing to borrow an additional \$300,000 from a mortgage lender to cover the balance.

If the buyer were to pay off that loan over 30 years at a rate of 6%, then the total amount you would need pay back would be approximately \$647,514 (ouch!).

Now let's say that you were able to pay the Agent for the Buyer directly for their services and reduced the cost of the home by the amount of the proposed commission - \$12,000.

For starters, you would need to borrow \$12,000 less in order to close on the home. This means that instead of borrowing \$300,000, you would only need to borrow \$288,000. Using the same mortgage factors as before, the total amount that would need to be paid back would be approximately \$621,615 (ouch a little less!) Doing some quick back



of the envelope math we can quickly figure out that the additional \$12,000 borrowed on the mortgage resulted in over \$25,000 of mortgage payments during the life of the loan! **So in the long run you aren't saving \$12,000, you're saving over \$25,000!**



The real question that we might consider answering is what that \$12,000 in savings could mean for you if you were to invest it instead of handing it over to their mortgage company. For example if you could take the \$12,000 in savings from this particular house purchase and put it into an interest-bearing account that averaged a 5% return over the same 30 years, then that same \$12,000 would instead grow to almost \$52,000! **It doesn't take a financial genius to figure out whether it's better to give your mortgage lender an additional \$25,000 or use that same money to give yourself an investment of \$52,000!**

It's also worth pointing out that the asking price of the house can also have a significant financial affect in other areas. For example, according to Pennsylvania law in the counties around Philadelphia, where we do business, there is a transfer tax that also needs to be paid for every home purchased. Philadelphia has a 4% transfer tax rate currently. **This means that the \$400,000 home a buyer closes on costs them an additional \$16,000 to cover the transfer tax payment (split between the buyer and seller).** Ignoring for the moment that this \$16,000 is partly based on the money that went to brokers in commissions, (meaning an additional \$960 gets added to the tax), if the price of a home were changed to reflect that it only cost the buyer \$388,000, then the transfer tax would only be \$15,520 -- a savings of \$480.

So the grand tally in savings for a homebuyer who is working with a Realtor® using a fee-based agreement includes the cost of the agent for the buyer's commission plus that percentage of the transfer tax. **By tossing that extra \$240 that you would save in transfer taxes into your interest bearing account, the grand total generated after 30 years would be closer to \$53,000!**

Fee-based home buying agreements make sense for home buyers. Why pay more than you need to if you can take on some of the necessary home buying tasks yourself, especially if you're doing it anyway. In the long run your direct participation in the process can save you an awful lot of money.

SECRET 6 – YOU NEED TO KNOW WHO YOUR REALTOR® IS AFFILIATED WITH AND WHY!



Many Realtors® are salespeople. **While their primary job is to help you buy a home, they are also in business to make money.** This means that if they can also ‘upsell’ you on other services the brokerage offers (like working with specific mortgage lenders, title companies or home inspectors) they can also increase their paychecks.

These are perfectly legal and commonly used business opportunities but, it also means that home buyers don’t get the same level of business transparency they would get if they could choose their own service providers.

In an open marketplace consumers are allowed to compare offers and choose the one that best suits their needs. In most traditional real estate models, the brokerage that the Realtor® works for has made a number of side agreements with different vendors that allow vendors to share revenue with the broker for the business that comes their way through these referrals. While it's possible that a buyer can still get a favorable offer, keep in mind that if a company like a mortgage lender needs to pay a referral fee then they're going to recoup that money by charging the buyer just a little bit more to cover their expenses. **In reality, when the broker is driving the transaction the buyer may be relinquishing their ability to take on competitive bids or have little, if any, control in the outcome.**

One of the benefits that membership in Home Buying Revolutions offers home buyers is that we can help you find the best price on your mortgage. Mortgage companies, like most vendors, just want the opportunity to provide you with service. Based on the relationships that Home Buying Revolution has with different mortgage lenders, home inspectors and title insurance companies, we can introduce you to an environment where vendors will compete to give you their best offers. You are never obligated to do business with any of the companies we suggest. The bottom line is that you control the transaction and can choose to do business with the company that gives you the best offer.

Maybe there is such a thing as a free lunch!

SECRET 7 – YOU’RE NOT AS SMART AS YOU THINK YOU ARE!



Well, you’re probably plenty smart but not about everything. One of the reasons that you are hiring an Agent for the Buyer in the first place is because of their knowledge and expertise.

Realistically what Realtors® know about local taxes, school systems, politics, zoning etc. is going to be based upon their familiarity with the area in which the house you want to buy sits. Any Realtor® worth their pay is going to know how to find any information you need to be comfortable when signing a purchase agreement.

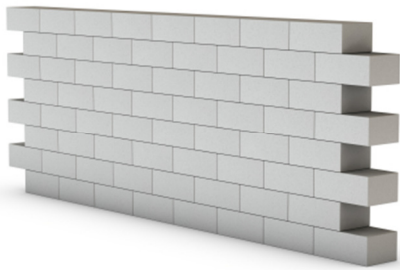
But this is your home purchase we’re discussing. You should feel free to take on some of the ‘due diligence’ here and do some research of your own.

Use public records to find out what you can about the history of the home you want to buy. Ask your friends; canvass the neighborhoods you might want to live in. **In short, do what you can to feel comfortable with your decision to buy, and make certain to take advantage of the insight that your Realtor® can offer as well.**

One of the true advantages of the Internet is that home shoppers and buyers have literally thousands and thousands of resources that they can use to help them find and buy a new home. However, while most home buyers can find

and use these tools to their advantage, this easy access sometimes lulls buyers into a false sense of 'icandothismyselfitis'.

An experienced agent may have insights into things that could affect your family deeply, such as which neighborhoods go with which grade schools. For example if you buy a house thinking that it means your kids will be going to the best school in town, then you don't want to later discover that the borderline is one block north of your new house and your kids are now part of a school that has far fewer benefits.



Same holds true with zoning. While you may believe that your new property is zoned residential, you may later find that the previous owners added some sort of addendum to their title that made it a commercial property for tax purposes. This means that if you bought the property expecting a nice quiet neighborhood you may soon find that the front of your house is where busses come to idle first thing in the morning, overnight street parking rules are different for people who live on your street and the guys who clean the streets will think nothing of starting up at 2 am with leaf blowers.

Not doing your homework on your new investment may come with an awful lot of time sitting in front of city planning board try to get a zoning exemption.

The bottom line is that when using fee-based agreements your Realtor® is your advocate. Rely upon them for a better understanding of the minute details that go into any real estate agreement. And while it's fair to say that most

may not know the answer to every question you have, any Realtor® worth their salt will know how to get the answer. Likewise, many homebuyers don't know what questions to ask. A seasoned Realtor® may be the one asking the questions that you never even knew. Take advantage of this relationship.

The reality of home buying, especially once the contract has been agreed upon and signed, is that there are lots of small details that need to be addressed correctly otherwise the buyer could be in for a world of hurt in the future.

The reality is that Realtors® have a lot more experience buying homes than you do.

Unless you've had the opportunity to run through the home buying and selling process a dozen times or more the odds are good that you don't understand everything that you really should in order to take on these tasks yourself. The good news is that they probably do.

Using fee-based agreements, home buyers are able to take on as much of the legwork that they can or want to do themselves and in most cases, already are. This means that you have full control over finding the house, researching the house, doing property background checks, even participating in home inspections. But to have a seasoned professional at your side can help prevent your dream house from becoming a nightmare.

For example, depending upon different state laws, the sellers may or may not be liable for things they failed to disclose when you sign the agreement. Understanding your rights as a consumer and being able to take action to prevent things from going terribly wrong in the future, whether it's based on things discovered during a home



inspection, last-minute changes to the agreement at the closing, zoning issues that you were unaware of, and a whole host of other granular, very specific things that most of us would never think of looking into.

The bottom line is that having a Realtor® by your side to take care of the things that you don't understand or don't want to do yourself is solid gold. Paying that professional for their time and expertise is at the core of the Agent for the Buyers relationship in the first place. Any money you spend to do it right and cover your butt during the buying process will pay dividends for you down the line.

SECRET 8 – WITHOUT PRE-APPROVAL FROM A LENDER, YOU’RE JUST WASTING YOUR (AND EVERYBODY ELSE’S) TIME!



One of the realities of real estate is that very few of us have the ability to buy our new home for cash. Instead we need to borrow from a **mortgage lender who will do their a risk assessment on our ability to repay that loan** by crunching some numbers to let us know specifically how much they are willing to lend us. This means that your "dream home" has to stay within the practical bounds of what you can afford.

It also means **that you owe it to yourself, as well as any Realtor® you work with, to know what that number is.** It makes little sense to do all the legwork to find the perfect home only to find that there is no mortgage lender who is willing to back you up for the purchase. Get preapproved before you start looking for your home.

It's worth mentioning that with fee-based agreements in which the agent for the buyer's commission can either be removed from the house's price tag before closing or come back to the buyer in the form of a rebate at closing (depending on that state's law) means that that preapproval can go a little further by buying more house for less money.

SECRET 9 – ATTENDING BUYER OPEN HOUSES CAN COST YOU BIG!



We've all seen the open house signs.

Usually on weekends, you and your significant other are driving by and say 'Hey, let's check it out. It won't cost us anything!' So you walk up to the front door, admiring the clean lines and color of the house and upon entering, next to the plate of seemingly homemade cookies, is the guest registration book. There's a polite sign that asks you to add your name, address, and phone number to the list and so you dutifully do so.

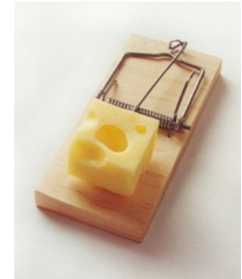
Uh-oh!

Chances are good that you just signed an agreement with that Realtor® to represent you if you buy this house or any other during the next six months. Say what?

There is nothing illegal about this common practice and I'm not going to weigh in on whether it's ethical or not. After all, the brokerage that set up the open house is actively looking for buyers. But before you sign your name to ANYTHING you need to first read the fine print. It's possible that the open house will only use that information to contact you in the future as a potential home buyer. But you need to be very careful before you sign anything at an open house to make sure that you haven't just given away your right to work with another Realtor®.

This is particularly important if you really embrace the idea of using fee-based agreements that allows you to get that commission payment back in your bank account at the end of the closing. But if you have accidentally signed up to work with a particular open house broker/Realtor® who will only work for commission, then you're going to have to wait until that agreement expires before you can go out and find a fee-based Realtor® to work with. **In short, you could be screwing yourself out of a perfect opportunity by not paying attention to details.** Feel free to look if you want to but do so as an anonymous consumer and not a brokerage's newest client.

Caveat emptor.



SECRET 10 – USING FREE INTERNET TOOLS CAN SAVE YOU THOUSANDS OF DOLLARS!



The Internet has proven to be an amazing resource for letting home buyers surf the MLS listings for homes that fit their budgets, features and lifestyle criteria. Advances in technology allow buyers to take virtual tours of homes, view entire neighborhoods, learn about local schools, taxes, places of worship, great restaurants and just about anything else that a person might want to know about a community without ever needing to leave the house.

As a result, the role of Realtors® is changing. While they still bring a great deal of value to other aspects of the home buying process, finding the perfect home is now something that home buyers can pretty much handle on their own. Certainly from time to time there will be a desire for physical tours of a property but in most cases this now only takes place after the home buyer has narrowed the list down to a smaller group of properties that they wish to see in person instead of needing to rely entirely upon the Realtors® understanding of their needs to come up with a list of suitable properties.

This is actually good news for Realtors®. As you might imagine, showing another person around doesn't require any unique skill sets. Being able to ask and have these questions answered online means that home shoppers can be better informed and, quite frankly, waste less of their Realtor's® time. This also means that Realtors® can be brought

in to help with the tasks that require their unique and professional skills and understanding of the home buying process -- getting from contract to close.

Here's a short list of some of the online resources that you may find useful when starting your search for the perfect home:

<http://www.HomeBuyingShouldntSuck.com> is a sister site that we created to start a dialog between real estate professionals and home buyers. It is our hope that a frank exchange of ideas and feedback can help both sides to create a real estate marketplace that benefits everybody.

<http://www.Realtor.com> offers buyers access to home listings nationwide and also has tools that allow buyers to assess the value of real estate in different cities and neighborhoods.

<http://www.Zillow.com> offers home values and listings. While a reputable service, Zillow's home pricing index is based on assessed home values and not sales prices of homes so the pricing for an area may be higher in the listing than in reality.

<http://www.Trulia.com> offers real estate search tools through the MLS and includes rental property.

<http://www.Homes.com> offers real estate search tools through the MLS and includes rental property.

<http://www.HomeFinder.com> offers real estate search tools through the MLS including foreclosure properties.

Finally, <http://www.homebuyingrevolution.com> is a free site where home buyers can find free training videos, articles, discussion areas, access to qualified fee-based Realtors® and tools to help them save money and empower you when they buy your next home.

Again, it costs nothing to join up and your membership can end up saving you literally thousands of dollars.

While these secrets represent only a few of the money saving things that all home buyers should know about, they are very important considerations when starting your home search.

When you join the Home Buying Revolution you will learn a lot more about home buying best practices that will save you time, heartache and plenty of money. To join today (for free) check us out online at <http://www.homebuyingrevolution.com>.

