



Hello!

The lead article in this month's e-newsletter has some key strategies to de-stress the process of selling your home - although buyers may gain some insights as well. It features proactive steps to keep it all Zen.

I've also included Part VI of the glossary terms. Hope you're finding them helpful.

The sidebar has specifics on the measures being taken by Cal Water for the drought, so check it out!

Cindy Chew

It Pay\$ to be Prepared

Sellers shouldn't wait until they receive a buyer's offer to purchase before they have thought through some major issues. Without some forethought, they may be forcing themselves to make too many decisions all at once and way too quickly. To be prepared for decision making and to be less overwhelmed by the selling process, here are 3 key positive actions sellers can be prepared for before offers start coming in:



#1. Start thinking that you're living in the buyer's new home. Mentally move out. Concentrate on making the property as attractive to buyers as possible. If you wait to start the "cut the emotional cord to home" process until you are presented with an offer, you're doing yourself a tremendous disservice. Making confident decisions is difficult when you're distracted by pride of ownership and personal history.

#2. Start thinking about what the buyer may ask you to do. Anticipate buyer requests regarding repairs, financing, moving dates, and other factors that may cause inconvenience or cost to you, the seller. For instance, if you had to wait many months for closing and the money from the sale, what problems could that cause you? Conversely, consider costs attached to moving in less than a month or sooner than convenient.

#3. Start thinking beyond list price to achieve full offer value. The value expressed in a buyer's offer to purchase involves some key elements in the overall financial package:

- **Purchase Price** is not automatically the amount the seller receives since other factors, like unpaid property taxes, can reduce the total. It's not the purchase price, but the net proceeds of the sale that sellers should concentrate on. I can help you calculate, or at least estimate, your net proceeds after costs related to the offer.
- **Closing Date**, or the day ownership is transferred and you as the seller receive the money, can represent cost or value. If you have to make two moves or have to pay two mortgages during the transition from one home to another, costs can add up and offer value goes down.
- **Terms and Conditions** are clauses in the offer which cover "what if" risks and the obligations of both parties. These clauses detail what the buyer asks the seller to do for the purchase price. The degree of uncertainty attached to the conditions and the buyer's related ability to close can effect the value of an offer.
- **Intent and Sincerity** are vital aspects of an offer although they are often difficult to quantify. For you as the seller, offer value lies in the certainty that the buyer will close in spite of market shifts and other problems ahead.

Real Estate Glossary Part VI (S)

Here is Part V of the segment started last November covering some of the most common real estate terminology you will hear during the process of buying/selling real estate:



Satisfaction of Mortgage - The document issued by the mortgagee when the mortgage loan is paid in full. Also called a "release of mortgage."

Second Mortgage - A mortgage made subsequent to another mortgage and subordinate to the first one.

Secondary Mortgage Market - The place where primary mortgage lenders sell the mortgages they make.

Security - The property that will be pledged as collateral for a loan.

Seller Carry-back - An agreement in which the seller provides financing, often in combination with an assumable mortgage.

Seller Financing - A financing agreement in which a seller provides part (or all) of the financing needed by a buyer to purchase the seller's home.

Servicer - An organization that collects principal and interest payments from borrowers and manages borrowers' escrow accounts.

Servicing - All the steps and operations a lender performs to keep a loan in good standing, such as collection of payments, payment of taxes, insurance, property inspections and the like.

Shared-Appreciation Mortgage (SAM) - A mortgage in which a borrower receives a below-market interest rate in return for the lender receiving a portion of the future appreciation in the value of the property. Or applies to a mortgage where the borrower shares the monthly principal and interest payments with another party in exchange for part of the appreciation.

Simple Interest - Interest that is computed only on the principle balance.

Standard Payment Calculation - The method used to determine the monthly payment required to repay the balance of a mortgage in equal installments over the term of the mortgage at the current interest rate.

Step-Rate Mortgage - A mortgage that allows for the interest rate to increase according to a specified schedule (i.e., seven years), resulting in increased payments as well. At the end of the specified period, the rate and payments will remain constant for the remainder of the loan.

Survey - A measurement of land, prepared by a registered land surveyor, showing the location of the land with reference to known points, its dimensions, and the location and dimensions of any buildings.

Sweat Equity - Equity created by a purchaser performing work on a property being purchased.

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Cal Water Update

Cal Water Update



Effective June 1, 2015, in accordance with Schedule 14.1, for the Palos Verdes area, the California Water Service (Cal Water) Board's requirement is a 36% reduction from 2013 water use.

Customers who exceed their budgets will receive a surcharge of \$9.54 for each billing unit used above their budget that month. On the bright side, customers who use less than their allotted budget in a month will have the unused units of water banked, or carried over, for use in a future month should they later exceed their budgets in a given month, like rollover minutes.

The outdoor watering schedule is limited to 3 days a week before the hours of 8am or after 6pm on specific days.

1) Odd-numbered street addresses: Sundays, Wednesdays, & Fridays.

2) Even-numbered street addresses (and no-numbered addresses): Tuesdays, Thursdays, & Saturdays



Prohibited Uses of Water:

- > No using potable (drinking quality) water on driveways or sidewalks.
- > No using water in fountains or other decorative water features with exception for recirculating systems.
- > No runoff when watering.
- > No use of hoses without shutoff nozzles.
- > No outdoor watering within 48 hrs of rain.
- > No outdoor watering between 8am-6pm.
- > Customers must fix leaks within their control before the end of five business days.

Violations will include fines of \$100 per day / each day of violation, or installation of flow restrictors, or discontinuation of water service.



Customers can get the latest information on the drought and other resources at: www.calwater.com/drought



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