

21 Strategies To Help Your Clients WIN In A Competitive Market



Disclaimer

- ❏ Everything in this presentation should be at your buyer's direction and should be for THEIR benefit, not for the broker's benefit or lender's benefit.
- ❏ **Follow the advice of your managing broker**
- ❏ Contact a Real Estate Attorney as necessary for some of these strategies.

1 – Buyer Interview

- 🔑 Educate buyers about the market
 - 🔑 Trends Booklet
 - 🔑 Showing Stats
 - 🔑 Brokerage Data, etc.
- 🔑 Find out what your buyer is willing to be flexible on or not.
- 🔑 “Are you able to operate within the reality of the current market?”
- 🔑 Go over details related to CBS, property, and transaction.

2 – PreApproval

- 🏠 If buyers are using a loan include pre-approval letter
- 🏠 Pre-approval is better than pre-qualified



Castle & Cooke
MORTGAGE, LLC® NMLS #1251

Pre-Qualification Notice

Mr. and Mrs. Buyer,

You have provided Castle & Cooke Mortgage, LLC with reliable information regarding income sources and assets available to qualify for a residential mortgage loan. Based upon the information you provided, Castle & Cooke Mortgage has determined that you are eligible for such financing and are qualified to meet the financial requirements of the loan.

GOOD



Castle & Cooke
MORTGAGE, LLC® NMLS #1251

Pre-Approval Letter

Mr. and Mrs. Buyer,

You have provided Castle & Cooke Mortgage, LLC with reliable information regarding income sources and assets available to qualify for a residential mortgage loan. Based upon the information you provided, Castle & Cooke Mortgage has completed our initial underwriting and has determined that you are eligible for such financing and are approved to meet the financial requirements of the loan.

BEST!

3 – Listing Broker Call

- 🏠 Find out all the details you can from the listing broker
- 🏠 Especially what items are important to the sellers.
- 🏠 “If your seller had a magic wand and they could have any offer they wanted, what would it look like?”
- 🏠 Your GOAL with this phone call is to “make a friend” and show them how great you will be to work with.

4 – Cover Letter

- 🏠 Write it as if the listing broker AND seller will read
- 🏠 Explain the details of the offer in an outline
- 🏠 Explain what you're sending: lender and pre-approval info, proof of funds, etc.
- 🏠 That you will be easy to work with and look forward to a smooth transaction etc...

5 – Path of Least Resistance

- 🔑 Make it easy for the other side to work with you and tell them you and the buyer are easy to work with.
- 🔑 Use online contract software
- 🔑 Be available to answer the phone
- 🔑 Let them know when you're sending the offer over
- 🔑 Send to the correct email or fax, etc...

6 – Buyer Love Letter

- 🏠 Include a love letter from the buyers to the sellers
 - 🏠 MANY people say these are illegal – **THEY ARE PERFECTLY LEGAL** – The seller can not make a decision based on a protected class (race, religion, family status, etc.) – But it is NOT a problem for the buyer to write a letter focusing on the home, the transaction, etc.
- 🏠 Make it personal about the parties and the property.
- 🏠 Include photos of the buyers if helpful and ok with buyers.
- 🏠 Optional - Video Message from Buyer

7 – Source of Funds

- ❏ If buying with cash, include source of funds showing FULL amount necessary for purchase
- ❏ If buying with a loan, include source of funds showing the FULL down payment already in the bank account
 - ❏ \$600K price with 10% Down = \$540,000 Loan PreApproval
 - ❏ Include a bank statement showing \$60,000+ in the bank, **in the borrower's name** and ready to be used for the down payment

8 – Lender Call

- ❏ Pro-actively have the lender call the listing broker –
Copy the lender on the offer
- ❏ Explain the buyer's qualifications
- ❏ Lender's experience with the buyer (easy to work with,
responsive, etc.)
- ❏ Lender's experience with the agent (closed 10+
transactions, multiple year relationship, etc.)

9 & 10 – Contract to Buy and Sell

- 🔑 Structure so it is easy to see what is going on
- 🔑 Group dates together whenever possible
- 🔑 Minimize seller work, i.e. due diligence doc's
- 🔑 Don't include unnecessary info. i.e. if there's no HOA don't ask for HOA doc's etc...
- 🔑 Escalation Clause – Be aware of pros and cons of this

11, 12, 13 & 14 – Contract to Buy and Sell – Cont.

- ❏ Move all buyer dates up as soon as possible (insurance, inspection, appraisal, etc.)
- ❏ Higher Earnest Money than asked for
- ❏ Release EM or part of EM early. - Use a Real Estate attorney to structure this
- ❏ Specific Performance
- ❏ U/C before listing broker deadline
- ❏ Offer higher price if accepted sooner
- ❏ Unusual offer price \$534,597 gets attention

15 – Best Financing Terms

- 🔑 Use only the best payment option that is available
- 🔑 Cash, Conventional, FHA/VA, Higher down payment
- 🔑 Don't include multiple loan types/down payment assistance unless you are unsure

4.5.3. Loan Limitations. Buyer may purchase the Property using any of the following types of loans: Conventional FHA VA Bond Other **Down Payment Assistance**

- 🔑 Don't do this – This just signifies to the seller that the buyer has not figured out how to qualify for the loan.
- 🔑 If I'm the seller, I'm looking at the next offer.

16 - Inspection

- ❏ Waive this contingency in the contract
- ❏ Don't do one if it is the right property and right client
– However advise the client of the risks
- ❏ Limit inspection items to a dollar amount and/or specific systems*
- ❏ ***Be SPECIFIC** – Don't say “Health and safety items only.” This is up for debate and can create issues depending on the definition of “Health and Safety”

17 - Appraisal

- ❏ Waive this contingency in the contract
- ❏ Don't do an appraisal if the right property and client – Again advise the client of the risks – Appraisal Waivers are very common these days
- ❏ Complete the Appraisal BEFORE the inspection – “Mr. Seller, we know that everyone is worried about the value of the home, so we are going to order the appraisal immediately and have it back within 3 days, this way we can remove that concern for you and for the buyers. After that we'll complete our inspection and review any concerns with the property. How does that sound?”

18 – Appraisal – Cont.

- 🏠 Appraisal Gap - Buyer pays difference between appraised value and contract price or some dollar amount between
 - 🏠 YES, you can do this on FHA / VA transactions. It is NOT enforceable, but you can do it.

6.2.2. FHA. It is expressly agreed that, notwithstanding any other provisions of this Contract, the purchaser (Buyer) shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of Earnest Money deposits or otherwise unless the purchaser (Buyer) has been given, in accordance with HUD/FHA or VA requirements, a written statement issued by the Federal Housing Commissioner, Department of Veterans Affairs, or a Direct Endorsement lender, setting forth the appraised value of the Property of not less than \$ **Purchase Price**. The purchaser (Buyer) shall have the privilege and option of proceeding with the consummation of this Contract without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value nor the condition of the Property. The purchaser (Buyer) should satisfy himself/herself that the price and condition of the Property are acceptable.

- 🏠 Price TBD - Buyer agrees to INCREASE price if property appraises for more than purchase price (be careful with this one...)

19 – Leaseback & Timing

- ❏ Be flexible with your closing dates
 - ❏ The fastest closing may not be the most beneficial for the seller. Sometimes a longer closing is more helpful for them.

- ❏ Seller lease-back
 - ❏ Be flexible with moving dates and timelines for vacating
 - ❏ Be cautious of loan deadlines, insurance deadlines and closing dates

19 – Leaseback & Timing – Cont.

🔑 Seller conditional sale language

SELLER REPLACEMENT PROPERTY CONTINGENCY. Seller`s obligations under this Contract are contingent on Seller, by _____ (the "Replacement Property Deadline") finding and entering into a contract for the purchase of replacement property which is satisfactory to Seller in Seller`s sole subjective discretion. Seller has the Right to Terminate under § 25.1, on or before the Replacement Property Deadline, if the foregoing contingency has not been satisfied on or before that Replacement Property Deadline.

🔑 ****Have your Real Estate Attorney and/or Managing Broker review and approve this verbiage before using**

20 – Backup Offers

- 🏠 Historically 20% -25% of under contract properties go back at active status. **Currently more than 30% are going back on the market.**
- 🏠 Written back-up; NOT verbal.
- 🏠 Explain value to the listing agent
- 🏠 Explain benefits to your buyer.

21 – Aged Listings

- 🔑 Look at listings that are more than 15, 30, 45 days old
- 🔑 These may not be the “Primo” listings, but they are likely overpriced and your buyer has a chance
- 🔑 These are great options for buyers using CHFA, DPA or other Grant Programs
- 🔑 Best opportunity if you need seller paid closing costs
- 🔑 May need to write a solid cover letter explaining your price methodology to the seller and agent
- 🔑 Make offers on day 13, 28, 43, 58 – Likely to have a price reduction on days 15, 30, 45, 60

BONUS – New Builds

- 🏠 More inventory available
- 🏠 Longer Timelines
- 🏠 More likely to take a contingent offer

At Castle & Cooke Mortgage we offer:

- Conventional
- FHA
- VA
- USDA
- Jumbo
- Investor Cash Flow Loans
- Purchases
- Refinances
- Primary Residence
- Second Home Owners
- Investment Properties
- HELOC/Fixed 2nd Mortgages



Joe Massey | NMLS 7538
303-809-7769

jmassey@castlecookemortgage.com
www.loansbyjoemassey.com



Why use Team Massey:

1. 8 Day rush service
2. Average CTC in 21 days
3. 100% Pre-Approval record
4. Set & Forget database – Homebot
5. Free E-flyers & Website for listings
6. Classes in person & online



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Why Use First Alliance Title

When it comes to service, we believe that proactive communication is absolutely critical to successful closings. We believe that real estate closings should involve a personal touch and not be treated as mere business transactions.

We also believe that the experience of homeownership, whether selling or buying, is a special process. Our commitment to customer service originates from the core belief that the transaction is incredibly important and should be celebrated.

Why Work with Jerrod Paterson

- 30 Years in the Real Estate Industry
- Real Estate Investor
- Love to help agents grow their business through accountability calls
- Love to help you grow your database

Scan below to get my contact info:



**Jerrod
Paterson**

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21 Point Checklist

- Buyer Interview
- Pre-Approval
- Listing Broker Call
- Detailed Cover Letter
- Path of Least Resistance
- Love Letter
- Source of Funds
- Lender Call
- Clean/Easy to read Contract
- Escalation Clause
- Early Buyer Termination Dates
- Higher Earnest Money
- Specific Performance
- Unusual Offer Price
- Best Financing Terms
- Inspection Waived or Limited
- Appraisal Waived or Limited
- Appraisal Gap or Increase
- Closing Date Flexibility & Leaseback
- Backup Offers
- Aged Listings

BONUS – New Builds!