

the Mortgage Bulletin

Last Century Mortgage

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Old Geezer

Conforming Loans to \$359,650

Type	Rate	APR	Trend
30 Yr FIX	5.875%	5.956%	→
15 Yr FIX	5.625%	5.506%	→
5/1	5.625%	6.293%	↑
3/1	5.500%	6.371%	↑

Jumbo Loans above \$359,650

30 Yr FIX	6.250%	6.311%	↑
15 Yr FIX	5.875%	5.973%	→
10/1	6.000%	6.1293	→
7/1	6.000%	6.359%	→
5/1	5.750%	6.337%	→
10 Yr Bond		4.361%	↑
Prime		6.750%	→

For Sale by Owner FSBO

This is a topic we dealt with last year. The strong seller's market is still here and the temptation for sellers to sell their own homes still exists today. And so we revisit the issue.

As loan agents it is our experience that FSBO (for sale by owner) transactions can be fraught with problems – problems if the seller has no listing agent and more than double problems if the buyer has no selling agent. Most buyers and sellers lack the knowledge and experience required to deal with potential problems let alone anticipate or prevent them. So the likelihood of problems increases and --- who handles them if they arise?

In FSBO transactions, the absence of experienced Realtors to address problems leaves their resolution to the parties (buyer and seller) or, even worse—to us, the poor loan agent. And frankly we are not equipped to deal with issues or disagreements between buyer and seller. So the FSBO issue is important to us.

We are aware of the opinion that Realtors do far too little for far too much money. And we strongly disagree with that opinion. Here's why.

Absent a listing agent, the seller assumes all responsibilities and duties normally assumed by the listing agent.

A complete list of these responsibilities and duties is too lengthy to include here. A short list includes: market knowledge necessary to set a realistic price; advice and coordination to get the home ready to present it's most attractive face to buyers; coordination of necessary inspections and legally required disclosures; arranging (and paying for) advertising and open houses; evaluating and negotiating offers; handling any unforeseen problems; and in general representing the seller's interests.

The selling agent (representing the buyer)

has a challenging job always, and an exceptionally challenging one in today's competitive market.

Again, space prevents a complete list. But, among services provided: making sure the buyer is exposed to properties that meet his/her requirements; guiding buyers when making offers, effectively presenting the buyer in multiple offer situations; guiding buyers through myriad disclosures and paperwork; negotiating price and terms on behalf of the buyer; and in general, looking out for and protecting the buyer's best interests.

There is usually something going on with the buyer or seller or both besides just buying or selling a home. Reasons for selling or buying can include huge and personal events: marriage, divorce, birth, death, new job, lost job -- and the list goes on. Emotions present in most real estate transactions can create problems. Having someone in your corner can help ameliorate these emotions.

Does a seller want to assume, entirely on their own, pertinent legal responsibilities in a real estate transaction? Most sellers don't even know what these responsibilities are. Does a buyer want to rely on only his/her own market knowledge in finding and purchasing a home?

And finally, the reason for a seller or a buyer to "go it alone" without a Realtor is to save money.

So when neither side is represented, each knows the underlying reason and the tendency is to negotiate away the "savings." But the work and responsibilities do not go away. So they do the work for which they are not prepared and accept all responsibility for the same financial net position (or worse) than if each had competent representation and someone else to do the work.

Does that sound sensible? Think about it.

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