Real estate questions and answers

by Ilyce_Glink

Q: I'm purchasing a house. But the seller refuses to sign closing paperwork unless I give her $3,000 cash (outside of the deal) for her house payments. The escrow is closing. Am I being blackmailed?A: Yes, you are. Please hire an attorney to make it clear to the seller that this is unacceptable. If the seller doesn't want to listen to reason (where is the seller's agent in all of this?), then you and your attorney can think about suing the seller for specific performance, that is, selling the property for the pre-determined price.But here's one thing to think about. If the seller needs the additional funds to close on the home and is several months behind in her mortgage, and the house is now worth less than she owes, her lender might torpedo your deal. Please consult with your real estate attorney for details.Q: I live on the eastern shore of Delaware and am located 10 miles from the beach. I have put my house up for sale. It is completely remodeled inside and out.I intend to go back to Florida's west coast, which is where I lived for 25 years. My questions are: Would it be a mistake to buy a house in Florida before I sell here? And, what are the downsides to showing an empty house as opposed to a furnished one?A: I've written extensively on selling vacant homes and how difficult it is, especially now, when there are more than 2 million vacant homes for sale. Most of these houses are owned by investors who never lived in them and can't find anyone to rent them. It's tough competition for sellers like you.The reason that vacant homes are more difficult to sell is that buyers have a hard time imagining what a vacant home will look like with their stuff in it. Vacant rooms lose all sense of proportion because there's nothing for your eye to use as a tool for comparison.Even if you took a measuring tape and an outline of your pieces of living room furniture, and laid them out on the floor, you'd have a hard time imagining how they'd look in the room.It's also easier for buyers to see all of the flaws of the house. Bottom line: I'd hate to see you try to sell a vacant house. As for buying your new house first, it depends on how quickly homes are selling in your area and how much money you can afford to spend carrying two loans. If it were me, I'd sell first and then buy. In this market, it's the safer bet.Q: I'm looking to refinance my 30-year, $100,000 mortgage. The interest rate is 6.50 percent. This mortgage is only eight months old, but my credit is very good.Should I try to refinance with my current mortgage company or shop the rate, or what would you do? Thank you for all of your advice.A: Usually, I think about mortgages as a commodity - that is, you can pretty much shop around, and as long as you're going to a legitimate lender (whether it's a national lender, mortgage broker or local bank), rates will, by and large, be available at the same price.The mortgage market is generally very efficient - because of the Internet, everyone knows what the competition is charging, and so no one wants to be much higher than anyone else. Consequently, prices are about the same.Except now. What's happening is that the mortgage market has become chaotic. There is a lot of variation in what loan programs are being offered at what rates at the moment. You'll really need to shop around with several lenders (more than three) to find the best program for you with the lowest fees.There's no downside to shopping the rate around to see what you can get and how much you'll save. I recommend you do just that.And, by the way, if you belong to a credit union or are eligible to join one, you should check there for mortgage rates. Credit unions tend to offer the best programs at the cheapest rates.As for your current lender, you should consider talking to a loan officer at the company in any event. If you've received an offer from your current lender, you can pursue that offer. Sometimes talking to your lender (especially national ones) can be more difficult that starting from scratch. In other cases, lenders will go out of their way to take care of their current customers and may even streamline the refinance process for them.(If you have questions, you can call Ilyce Glinkâ€™s radio show toll-free (800-972-8255) any Sunday, from 11 am-1 pm EST. You can also write to Real Estate Matters Syndicate, PO Box 366, Glencoe, IL 60022 or contact her through her Web site, www.thinkglink.com.)Â© 2008 Real Estate Matters - Distributed by TMS