



You Get The MOST With MOSS!



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In real estate deals,  
only what's on paper  
is enforceable.

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Fun for All

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puzzles and more...

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# Real Estate Advisor

## REAL ESTATE NEWSLETTER

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May 2008

### Need Help Understanding Home Loans?

#### Buyers and Sellers Should Take Time to Read the Fine Print

RISMEDIA, February, 2008-The foreclosure crisis is focusing new attention on the need for consumers to understand what they are signing when they take out a loan to buy a home. Clearly, some salesmen misled some consumers. But there's reason to believe other consumers didn't carefully read what was put in front of them.

Buying a house is a foreign exercise for first-timers. But knowing in advance the importance of key documents can keep you from taking on more debt than you can afford or getting stuck with added costs and heartache.

The first rule is to take whatever a lender or loan broker tells you with a grain of salt. In real estate deals, only what's on paper is enforceable.

Because buying a house can be complicated, Congress passed two key laws to protect consumers.

The Truth In Lending Act, enacted in 1968, is intended to ensure consumers are made aware of the terms and costs of credit so they can compare offers from lenders.

The Real Estate Settlement Procedures Act (RESPA), enacted in 1974, requires lenders to explain in writing the settlement process and the resulting fees. Lenders must provide a fair estimate of the costs at the beginning of the process and an accurate itemization again at the end, or at closing.

Here are some of the most important documents that experts say you should have at least a working knowledge of when you buy a home:

**-Good faith estimate:** This provides a rough estimate of the interest rate you will pay along with fees and other expenses associated with your loan. These costs normally include fees paid to third parties, such as appraisers, the recorder's office, title companies, inspectors, and other legitimate processing costs.

*...continued on page 3...*

### Your Referrals Are Appreciated!!!

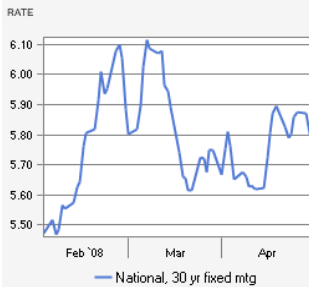
If you refer a friend or relative to us who lives anywhere in the US or Canada, we will make sure they have a real estate agent that will treat them like family!

**Call us first!!!!**

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# Real Estate Market Guide



## Mortgage Rates National Averages 5/1/2008

30 yr. fixed	5.80%
15 yr. fixed	5.38%
5/1 ARM	5.50%

## Affordable Ways to Makeover Bathrooms

A dreary, outdated bathroom can be a home sale deal breaker.

*Remodeling* magazine says the average price of a mid-range bathroom remodel in 2007 was \$14,445. But \$500 worth of nips and tucks can upgrade the room, says Lytel Young, host of HGTV's "Save My Bath."

"There are three important things in a bathroom," Young says. "Clean, simple, and orderly. That's the key for every budget, whether it's \$500 or \$40,000."

He recommends these inexpensive steps to sellers whose baths need a facelift:

- Rip out the dated medicine cabinet, and replace it with a big mirror.
- Replace the lighting with new sconces on both sides of the mirror plus a new overhead fixture on a dimmer.
- Re-caulk the tub and shower.
- Repaint with a neutral color, but decorate with big, fluffy colorful towels.
- Hang some framed art.

Source: *The Washington Post*, April 24, 2008

Search over 125,000 homes in the Chicago area MLS on our website

**TheChicagoAreaMLS.com**

***Who do you know that is behind on  
their mortgage payments and  
may be facing foreclosure?***

***We can help!***

***Our free consultation service will explain  
their options and allow them to make an  
informed decision.***

***More often than not, foreclosure can be avoided.***

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***Call Brad & Heidi Moss  
today for a free  
no obligation  
consultation.***

## Need Help Understanding Home Loans?

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But you should be careful of what experts call “junk” fees, unnecessary costs some unscrupulous lenders stick in to make a quick buck.

You are supposed to get it within three business days of applying for a loan. A caveat is that a good faith estimate is only that, an estimate. Charges at closing could still be higher.

Still, it affords an early way to compare the charges of one lender against another.

**–Truth in lending statement:** This should tell you clearly how much the loan will cost you by the time you pay it off over 30 years or whatever the term of the loan happens to be.

It should also tell you the annual percentage rate, the exact amount you are borrowing and how much you will have to pay each month over the life of the loan. In addition it should clearly state whether or not there is any prepayment penalty for paying off your loan early.

“You need to carefully read this before you complete your closing,” said a senior housing counselor at a Housing and Urban Development-certified home counseling agency. She said many first-time subprime borrowers with shaky credit got in over their heads because they listened to unscrupulous loan brokers who told them they didn’t have to pay attention to the truth in lending statement.

**–Settlement statement or HUD-1 disclosure:** This document provides a complete accounting of the transaction. In other words, it explains where all the money is going and how much.

If the terms look different from what you were told, you need to ask questions, said one Realtor®. You have a right to see this document a day before the closing so you can go over it more carefully. Understanding these documents is only a good start, however, he said. A buyer needs to understand how insurance and taxes can add to the loan payments. And there is also the need for an inspection and understanding how a mortgage works. That’s why experts say first-time buyers should first take a course in home buying or hire a professional they can trust to help walk them through the process.

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**KELLER WILLIAMS**  
R E A L T Y  
NEW HORIZONS OF ILLINOIS

## FUN FOR ALL

### SEINFELD QUIZ

1. What is Kramer's mother's name?

A. Lucy B. Babs C. Elaine D. Mary

2. What is the name of the diner that the gang always eats at?

A. Reggie's B. Gary's C. Eddie's D. Monk's

3. What did George always want to be?

A. Architect B. Marine Biologist C. Geologist D. Sports Announcer

4. What nickname does George attempt to give himself at work?

A. Koko B. T-Bone C. Mad Dog D. Rochelle

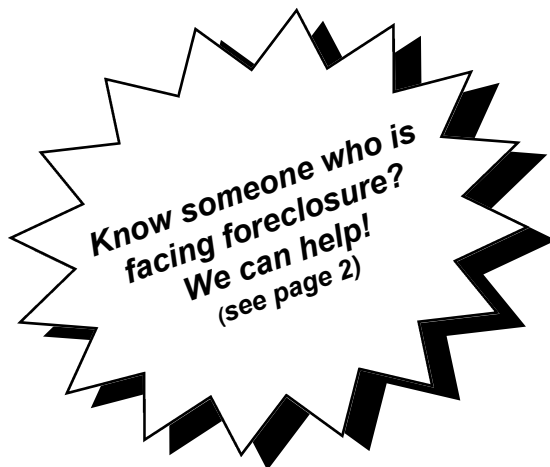


Answers: 1B; 2D; 3A; 4B



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# *Real Estate Advisor*

**Neighborhood Real Estate Newsletter**

If your home is currently listed for sale by another broker, please disregard.