



Buying A New Home vs. A Foreclosed Home.



With the large number of foreclosed homes on today's market, homebuyers are considering them for their housing needs, often due to below-market pricing. While saving upwards of 25% off the market price of a home can sound very enticing...

**ARE THE RISKS
WORTH THE REWARDS?**



RISKS

- **You are purchasing the property as is.**

Often times, when a previous owner is unable to meet the financial obligations of a mortgage, they are also unable to meet the financial obligations of maintaining their property altogether. Buying a new or resale home requires full disclosure on details and drawbacks on the property, so the seller is liable. There is no requirement on disclosures with a foreclosed home. This opens your pocketbook to liability.

- **Disgruntled owners.**

Along the same lines, when being evicted, owners don't necessarily care what shape they leave the home before they are forced to leave. You could end up with steep cleaning, repair and maintenance bills to get the home back to a livable condition.

- **No warranty.**

Foreclosed homes do not come with any kind of warranty, and often times are not even available for inspection before purchase. This leaves the new owner open for substantial risk, with additional investments having to be made for repair and replacement work.

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In the end, if you are not a risk taker, and would prefer peace of mind on this significant investment, not only is it still a great time to buy a home, but it is a great time to buy a NEW home.

NEW HOMES ARE:

- **Protected** by workmanship, material and structural warranties, protecting you from large out-of-pocket expenses after purchasing.
- **Available** for immediate occupancy or in a timeframe that is conducive to your moving schedule, and are available in a variety of designs, sizes and locations.
- Available with **Special Incentive Programs**, making it more affordable for you to own a new home in many instances.
- Open for you to **Make Them Your Own**. Why live in someone else's dream home, when you can live in your own.
- More **Energy Efficient**, saving you money and helping the environment.
- Made from the **Latest Materials** and **Newest Technologies** that require little or no maintenance.



RISKS

(continued)



- **The selection is limited.**

If you are buying a foreclosed home versus a new home, you are limited to the locations, features, characteristics, etc. of the homes.

- **Eviction responsibilities.**

If a bank has not begun to initiate formal foreclosure proceedings, you may have to evict the foreclosed owner, tenant or whomever else may be occupying the property yourself.

- **Need to be a savvy buyer.**

Some properties are mortgaged so steeply that banks often ask for bids that are higher than the property is worth. You need to research the home values in the area you are looking in. And as buying a foreclosed home is a different buying process, you need to be well-educated and well-prepared to enter into this process.

- **Financing.**

Although often times purchasing a foreclosed home might mean a discounted purchase price, if the home is not available for inspection before purchase, getting a mortgage can become quite difficult. If you intend to purchase the foreclosed home at an auction, you may need to come armed with cash or a cashier's check, as most courts require the winning bidder to pay the down payment - and sometimes even the balance - on the spot.

