



Selling a House

Selling a house is one of the biggest financial transactions that most consumers will ever make. Mistakes can be costly. Before you make a decision to sell, you should look at all of the changes in your budget that will occur because of the move. The mortgage, taxes and insurance will change. Gasoline and repair expenses may increase if you will be moving further from your job. You might even need an additional vehicle if you are moving further from public transportation.

The move could also affect child care expenses and utility costs. You should check every item on your budget, and see how it will be affected. If you do not have a budget, a financial counseling agency, like Novadebt, can provide free help.

Once you decide that selling your house is the right move, here are some things you should consider:

1. Decide whether to sell it on your own or to use a real estate agent. With a real estate agent you get their advice, professional selling skills and someone who will take you through the process and remind you of important details. You will pay a commission, which is negotiable. You should interview several agents. Even $\frac{1}{2}\%$ of the price of a house is a big number, so you should bargain with them. It is also important to interview the agents. Find out how long they have been selling houses and how many they have sold. Get a personal recommendation from someone you know. Check with the Better Business Bureau. You may be working with the agent for a long time, so it is important that you feel comfortable with them. If you sign an agreement with them, make sure there is a time limit. If you sell on your own, you can avoid paying commission. You will also have to spend a lot of time showing the house and negotiating and arranging many details. Mistakes can be costly. Before you decide to go this route, you should research what needs to be done to make sure you are willing and able to do it.

2. You may need an attorney. Find one who specializes in real estate transactions, if possible. The cost of an attorney is small in relation to the potential cost of mistakes. State regulations and the complexity of the transaction vary by state. If you decide not to use an attorney, make sure you research carefully.

3. Determine any improvements that need to be made to the property.

Cleaning, painting, de-cluttering, or fixing leaks and squeaks can add value beyond the expense. Don't forget the basement, garage and attic. The first impression is



important, so improving the landscaping or hiding the garbage cans can help. Getting rid of stuff that you will not need after the move will also save on the moving expense. A real estate agent should be willing to give you a frank assessment of what needs to be done. If you are not using an agent, try to get a friend or family member to do this.

4. Don't purchase a new house before selling your old house, unless you know you can carry the expense.

Prepare a budget for the worst case scenario. Since your house expense is usually the biggest part of your budget, carrying two houses can push you into huge debt. If you are in contract to sell your house, you may be able to get a bridge loan to carry both houses for a short period of time.

5. If you will be using a professional mover, get several written estimates.

Make sure you are clear on what is covered and what is not so you can compare estimates. If you will be paying by the hour, make sure you know how many movers will be included. The mover should come to the house and do a room by room inventory. Stay clear of a mover that wants to give you an estimate on the phone. Check the mover out with the Better Business Bureau. Try to get personal recommendations from someone you know. If you can move some items on your own, you can save money. Consider the cost of gasoline, wear and tear on the car and your time.

6. Make sure you cancel all services before you move. Do not cancel heat and electric until you are sure the title is transferred.

7. If the house will be vacant for any time, notify your insurance company.

There may be a higher premium for a house that is unoccupied.

This brochure is meant as an overview and is for general information purposes only. Please call us if you need further assistance.

An Educational Message from

novadebt

A Garden State Consumer Credit Counseling Organization



225 Willowbrook Road
Freehold, New Jersey 07728
1-800-99-BILLS
www.novadebt.org

