

## MORTGAGE MYTHS

### MYTH #1

#### “THE BEST WAY TO SHOP FOR A MORTGAGE IS TO COMPARE INTEREST RATES AND POINTS”

In reality you must consider the APR (annual percentage rate). If the APR is much higher than the interest rate, a red light should go off alerting you that there might be hidden fees in your closing costs. The fact of the matter is that interest rates and points are only part of the information you need in order to shop for the best mortgage for you.



### MYTH #2

#### “IT’S ALWAYS GOOD TO PREPAY YOUR MORTGAGE”

While no one likes to have debt hanging over their heads, some debt can come in the form of an investment. While prepaying your mortgage may give you peace of mind in the short term, it may not be the most beneficial way to allocate and invest your hard-earned dollars. There is one place where you are guaranteed to get a better return than pre-paying your mortgage, paying down your credit card balance. To save the most, pay off your highest interest debts first. Likewise, if you can get a better rate of return on an investment, you are better off not paying down your mortgage in the long run.

## “HAPPY HOMEOWNER”



RYAN AND AMY TURNCLIFF,  
ALKERMES

“Choosing the right lender made finding our first home so much easier. The staff at Professional Advantage answered all of our questions with patience and expertly; they were truly great to work with! We highly recommend Professional Advantage to everyone we know!”

Ryan and Amy Turncliff  
Alkermes

## THE IMPORTANCE OF A PROPER PURCHASE AND SALE AGREEMENT

*continued from page 2*

Some examples of issues or safeguards that should be in place include but are not limited to:

- ▶ A “Mortgage Contingency Clause” that allows the buyer to cancel the contract if he or she can't get a mortgage.
- ▶ An “inspection clause” that allows for a home inspection from a qualified professional. This professional checks the structure, the interior as well as the exterior of the property. Findings from the home inspection may be included in the purchase and sale agreement in order to have the seller make certain repairs that are necessary to the property.
- ▶ What happens to the deposit if one party fails to honor the contract?
- ▶ Is the purchase of my new home contingent on the sale of another property?
- ▶ Is the purchase new construction? If it is do I need a “punch list” prior to closing that will tell the developer what needs to be completed?

These issues should be carefully considered by your attorney and not left to a novice to determine by using a standard form. Home inspection rights for example can lead to negotiations that can reduce the purchase price. In this area it is a wise person who does not represent themselves.

# PROFESSIONAL Perspectives

MORTGAGE SERVICE PROGRAM

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## Professional Advantage Financial Group

A Legacy of Providing Mortgage Expertise to Busy Professionals

Professional Advantage Financial Group has been committed to meeting the home financing needs of busy professionals since 1988 through our Mortgage Service Program. Because we are professionals ourselves, we understand the high touch service you deserve. Professional Advantage offers consistently low rates with unequaled service and convenience. Our mortgage consultants provide personalized service, time savings, value and peace of mind. We cultivate life long, personal relationships with our clients, which is why they return to us time and again.

## HOME OR CONDO? THINGS TO CONSIDER BEFORE MAKING THE DECISION



It has become an incredibly competitive and expensive housing market in the Northeast, and more first time homebuyers are choosing to purchase a condo over pricier single-family homes. What is the right move for you? Once you make the purchase and move in, it is not that easy to make the switch.

We have prepared the following questions to help you assess your situation and determine whether a home or condo best suits your needs.

### DO YOU WANT TO LIVE IN A MAJOR CITY OR ARE YOU WILLING TO COMMUTE?

As we all know, the closer you live to a city, the higher the real estate prices. More rural areas offer a larger selection of single family homes in the starter-home price range. But keep in mind, although your purchasing power increases the further away from the city you are, so does the commute. If you buy a condo you can probably afford to live closer to the city and limit your commute. However, if you are looking for a home, chances are you will need to look further outside a city and also be buying into a longer commute.

*continued on page 2*

## THE IMPORTANCE OF A PROPER PURCHASE AND SALE AGREEMENT

BY NEIL S. COHEN, ESQUIRE  
BARSH AND COHEN, P.C., ATTORNEYS AT LAW

Buying real estate is one of the single largest investments you will make in your life-time. The American dream of home ownership presents many challenges, as well as great enjoyment.

The purchase and sale agreement is the first legal document used in the process of buying or selling a home and should be drawn to protect your interests. A poorly drawn or disadvantageous purchase and sale agreement often eliminates the protection you would have bargained for and

*continued on page 2*

## In this issue:

- HOME OR CONDO? THINGS TO CONSIDER BEFORE MAKING THE DECISION
- THE IMPORTANCE OF A PROPER PURCHASE AND SALES AGREEMENT
- A MESSAGE FROM THE PRESIDENT
- MORTGAGE MYTHS
- HAPPY HOMEOWNER



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# HOME OR CONDO? THINGS TO CONSIDER BEFORE MAKING THE DECISION

continued from page 1

## HOW MUCH MONEY DO YOU HAVE TO SPEND?

Condos are in general much more affordable than single-family homes. However, while you yourself own the actual condo unit, you share ownership of the common space with others. Because of this there are monthly maintenance fees to consider when evaluating what you can afford for a monthly mortgage payment. Keep in mind when you purchase a home further away from the city, you also have to factor in the cost of the commute. In addition, there will be home maintenance costs to consider. Be sure to look into all costs, make a list, and compare the differences in your budget. Forgotten expenses can add up quickly.

## CAN YOU HANDLE PEOPLE LIVING NEXT TO, ABOVE AND BELOW YOU?

In a house you can pretty much get away with things like playing your music too loud and staying up all hours. This is of course your right; it's your home. In a condo, you have to respect the rights of your neighbors and be considerate of whether or not they can hear you and vice versa.

## DO YOU HAVE OR PLAN TO HAVE CHILDREN?

Make sure if you do have children or you plan to, you have the foresight to purchase a condo that is large enough for your whole family. There is very little flexibility when it comes to expanding the size of your condo, what you see is pretty much what you get. Should you purchase a house though, you can always add on, renovate and expand.

## DO YOU HAVE OR WANT TO HAVE PETS?

Many condominium complexes restrict the type and number of pets you are allowed to care for. Many won't allow them period.

## HOW MUCH STORAGE DO YOU NEED?

Beyond the closets in your condo, there may be a shared storage space located somewhere on the grounds. Other than that you'll be shoving boxes under your bed. Most single-family homes however have a basement, garage or attic, all which can be used as sufficient storage space for the long term. Take stock in what you own and make sure you access any storage fees you may incur into the equation should you be considering a condo.

## HOW MUCH OUTDOOR SPACE DO YOU NEED?

A condominium complex might have a private deck or patio and a few shared outdoor patches of grass. If you're lucky maybe there's even a tennis court or swimming pool. Most homes offer yard space for personal use. Keep in mind though that with the yard comes responsibility. With a condo your monthly fee goes towards maintenance, freeing up time and factoring in cost. With a home yard, you must take care of this and also assume the expense along with the pleasure.

Lastly, ask around. Check in with friends and family who have been there. Find out from them first hand the plus and minuses of their situation. But be sure you make the decision based on your needs, not on theirs, as every situation is different.

## THE IMPORTANCE OF A PROPER PURCHASE AND SALE AGREEMENT

continued from page 1



may jeopardize your peace of mind, as well as causing harm to your pocketbook.

Most people ask the question "Do I need an attorney to review my purchase and sale agreement?" Since the process of purchasing a home can at times be confusing as well as problematic the answer to that question should be most definitely yes!

A purchase and sale agreement is a legally binding contract between two parties in order to facilitate the transfer of ownership in real property. There is no one standard form for every transaction. Real estate is unique and needs a specifically tailored agreement for each property. There are standard forms and each one may be disadvantageous to some more than others.

The purchase and sale contract generally sets forth the full rights and duties between buyer & seller and sets the time for performance. There are many issues that are crucial in this contract. All of the issues that are incorporated should be included in the original offer to purchase. Once included in the offer to purchase they are then reduced to the final writing (the purchase and sale agreement) which will allow for the buyer to have substantial protection in the event that an issue regarding one of these matters arises.

continued on page 4



## A MESSAGE FROM THE PRESIDENT

### "Selecting Your Team"

JIM DEMETRAPOULOS  
PRESIDENT

**B**uying a home is a serious proposition not to be taken lightly. Your home is where you will grow, prosper, create memories; and purchasing a home is probably one of the largest financial transactions you will make in your lifetime.

As a first time home buyer, you may not be aware that quite a few people get involved to make the home buying transaction a successful one. And, if you've bought a home before, you know how critical a role each person plays.

At Professional Advantage, we strive to provide complete home buying support. This includes comprehensive service and referrals to most of the parties who need to get involved. Below is detailed list of players that comprise the team of professionals you will come to rely on throughout a typical home purchase transaction and how we can assist you with selecting your team.

**MORTGAGE CONSULTANT:** The mortgage consultant should be the first person you contact. They are the most qualified to tell you how much home you can afford and pre-approve you so you have a competitive edge over other home buyers not as prepared.

Professional Advantage offers free pre-approvals, reduced closing costs and reduced rate loans. In addition, we can coordinate the parties involved in your new home purchase, which will allow you to keep focused on the many other important aspects of your life.

**REALTOR:** You can use a listing agent, selling agent and or a buyer's agent, depending on your needs. Agents are responsible for guiding you through the home search or selling process, such as trying to determine a fair market value. The key is to find a realtor who will listen to your needs, not a realtor who is trying to push the wrong property on you or convince you to accept an offer you are uncomfortable with.

Professional Advantage Financial Group has arranged with its real estate broker network to offer you the services of their best agents. Only the top agents in local offices, each with many years of experience, have been asked to make a special commitment to Professional Advantage and its mortgage clients.

**ATTORNEY:** The attorney is a critical player in reviewing the Purchase and Sale agreement and reviewing the final closing documents. The attorney will also review the title and look for defects or problems that you, the prospective buyer, want to avoid. The attorney should handle most of your negotiating once the offer has been accepted, and prior to the Purchase and Sale being signed.

Professional Advantage offers referrals to attorneys who will represent you for reduced costs. Because of our relationships and consistent referrals, these attorneys feel it is worthwhile for them to offer their services at reduced rates to our clients. Also, because we have long-standing relationships with our lawyers, we work well together to head

off potential problems. We find our lawyers regularly clean up issues that other attorneys leave behind.

**HOME INSURANCE PROVIDER:** Home insurance is required on all mortgaged properties. If you are buying a condo, the condo association will take care of the homeowner's coverage. However, you should still consider coverage for your personal belongings. If you are buying a home, you'll need to purchase your own coverage. Homeowner's coverage must provide full replacement coverage. However, coverage typically does not need to accommodate the purchase price, which covers the building and land.

Through an affiliated partnership, we can assist you with securing discounted insurance premiums. If we are providing the financing on your home you can receive an additional discount.

**HOME INSPECTOR:** The home inspector plays a key role in determining what outstanding issues you may have with any property purchase. Professional Advantage can recommend a professionally trained inspector to lessen your burden by helping you make educated home buying decisions. Inspectors should adhere to the standards and professional practices of all societies in the home inspection field. We believe it is imperative that you receive an unbiased view. Use caution when referred to a home inspector by a realtor. The realtor has a vested interest in not finding any issues with the house that could result in a price reduction.

**LIFE INSURANCE:** It is important to review your life insurance coverage when purchasing a new home. If you already have coverage, you should review your policy to ensure it provides the kind of coverage you need.

Through an affiliated partnership, Professional Advantage can assist you with securing discounted insurance premiums on a variety of products, including Universal Life Insurance, Term Life, Disability (Short Term and Long Term) and Long Term Care. We work with a carefully selected group of financially sound, reputable insurance companies.

Professional Advantage has developed a long standing reputation for coordinating the different members that comprise the home buying team. We are known for making sure our client's transactions are smooth and painless. Professional Advantage can work with you to make sure that your interests are protected, and that isn't something every lender provides. That is what separates us from our competition. Be sure to call on me with any questions, I'd be happy to lend a hand and can be reached at 800.809.5626.



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## AS A PROFESSIONAL SHOULD'T YOU HAVE AN ADVANTAGE IN GETTING INSURANCE?

Professional Advantage now offers homeowner's property and casualty insurance and term/mortgage life insurance through an affiliated partnership. Professional Advantage can assist you with securing discounted insurance premiums on a variety of products.

We do not work for an insurance company; we work for you. We are affiliated with a carefully selected group of financially sound, reputable insurance companies and you can be assured your policy is placed with the company offering the best coverage at a competitive price.

Discounted rates are offered because of the relationships we have with a variety of insurance companies. Recommendations and cost comparisons on your existing insurance offered at no charge so you may be assured you are getting the best coverage. And, because we are your mortgage lender we are able to provide critical details about your home to our insurance partners allowing you greater savings that normally are not offered.

### Financial Planning Products include:

- Universal Life Insurance
- Competitive Term Life Rates
- Disability (Short and Long term)
- Long Term Care

### Personal Coverage Products include:

- Homeowners
- Mortgage
- Condos
- Apartments
- Automobile
- Umbrella Liability
- Boats/Yachts

For more information on this

service or any of our other

mortgage products and services,

please feel free to speak with a

consultant simply by calling

800.809.5626.