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Real Blog

Real Estate Financing 101

To: Home Buyers & Investors | **From:** [Cary Muhammad](#)



"7 Funding Options to Purchase Real Estate"

1. **Private Money:** Borrow money from a private lender. Each private lender is different, but these individuals typically offer much lower rates than hard money lenders. In addition, many allow you to walk away from closing with cash and/or defer all interest payments until you sell the property. You'll find a list of private lenders in our Resources section.
2. **Hard Money:** Borrow money from a hard money lender. As your exclusive buyer agent, I am subscribed to a list of Hard Money Lenders. The lenders on this list are less concerned about your credit or income. They're much more interested in whether you're buying at a discount. Not only will they lend you money to make a wholesale (less than market price) deal, sometimes they will fund the entire repair amount.
3. **Long-Term Loan:** Take out a traditional long-term loan from a mortgage company or bank. Unlike hard money lenders, these companies prefer to lend to individuals with good credit and a healthy income. The money is cheaper to get, but there are drawbacks. They are typically slow to fund your deal, and they tend to shy away from properties that need a substantial amount of repairs.
4. **Your Own Cash:** Use your own cash. Those who have it generally prefer this method because it eliminates borrowing costs and speeds up the closing.

5. **Someone Else's Cash:** Bring another individual into the deal who will either partner with you or be your private lender. If they partner, they will get a portion of the profits. If they lend, they will get paid based on an agreed-upon interest rate.
6. **Take Over Payments:** Take over the existing mortgage "Subject To" the existing financing. This technique is much more likely to be effective for motivated seller leads as opposed to wholesale deals.
7. **No Money Needed:** If you primarily pursue motivated seller leads and your plan is to wholesale those properties, then you don't need cash or financing. I can share information on how to do wholesaling. This is how many investors get started in real estate.

CONSIDER INVESTING IN REAL ESTATE TO HELP BUILD YOUR PERSONAL NET WORTH.

FIRST, hire me as your real estate professional to get started.

NEXT, together we can decide on the best method for you to "Secure Financing."

AND FINALLY, **CALL NOW!** Make an appointment for a "**FREE BUYER CONSULTATION,**" and I will help you through the steps to homeownership and/or real estate investing.

For more information or a **FREE Buyer Consultation**, contact Cary Muhammad – (213) 373-3863 – CarySellsHomes@gmail.com

Serving home sellers and buyers in Pacific Palisades, Malibu & select Los Angeles, CA areas.

ATTENTION! First-Time Home Buyers

To: Home Buyers | From: [Cary Muhammad](#)



"3hree Steps to First-Time Homeownership"

- Step 1. Use facts to overcome home buying fears.
- Step 2. Decide to buy.
- Step 3. Hire your agent.

BASE ALL OF YOUR IMPORTANT DECISIONS ON FACTS, NOT FEARS

STEP 1: Use facts to overcome home buying fears.

- Fear # 1: I can't afford to buy a home right now.
Fact # 1: Actually, you can't afford NOT to buy a home right now.
- Fear # 2: I should wait until the real estate market gets better.
Fact # 2: There is never a wrong time to buy the right home.
- Fear # 3: I don't have the money for the down payment.
Fact # 3: There are a variety of down payment options available to you.
- Fear # 4: I can't buy a home because my credit isn't very good.
Fact # 4: A less-than-perfect credit score won't necessarily prevent you from buying a home.
- Fear # 5: I can't afford to buy my dream home.
Fact # 5: The best way to get closer to buying your dream home is to buy your first home.
- Fear # 6: I should wait to buy a home until I get married.
Fact # 6: There is no reason to wait.
- Fear # 7: Buying a home seems way too complicated.
Fact # 7: Buying a home can be way too complicated, but that's why you hire help.

YOU'VE OVERCOME YOUR FEARS. NOW YOU'RE READY TO BUY YOUR FIRST HOME.

STEP 2: Decide to Buy

—Financial net worth comparison, according to the U.S. Federal Reserve Board of Consumer

* Average net worth of renters = \$4,000

* Average net worth of home owners = \$184,400

—A home is the largest financial asset most people have due to equity and appreciation over time.

* Why pay rent when you can own?

* If you took out a 30-year fixed-rate mortgage for \$150,000 and made monthly mortgage payments of \$900, you'd pay \$324,000 in mortgage and interest payments over the life of the loan. And after 30 years you'd own a home with an appreciated value potential of \$364,000 (at 3% annual appreciation).

* Keep in mind, appreciation rates vary greatly based on local conditions.

* Average annual appreciation rate nationally is 4 to 6 percent since 1977.

* At 3% annual appreciation, a home purchased for \$150,000 would grow to \$364,000 in 30 years.

* Even at 1.5% annual appreciation, this same home would still grow from \$150,000 to \$234,462 in 30 years.

* Compare that to paying \$800 per month in rent over 30 years.

* Even if your landlord improbably never raised rent, you would still spend \$288,000 and own nothing.

—Home is where the heart is.

* A home represents your personal tastes and provides a haven of stability and security for both you and your loved ones.

* Buying your first home is an emotional decision.

* Provides a pride of home ownership, because it is yours.

STOP PAYING RENT!

PURCHASE A HOME TO INCREASE YOUR PERSONAL NET WORTH

STEP 3: Hire Your Agent

Real estate agents perform 7 main roles:

1. Educate you about the market
2. Analyze your wants and needs
3. Steer you to homes that fit your criteria
4. Coordinate the work of other needed professionals
5. Negotiate on your behalf

6. Review paperwork and deadlines
7. Solve any problems that may arise

USE THE PURCHASE OF A HOME TO START [BUILDING YOUR PERSONAL NET WORTH](#)

After Steps 1, 2, and 3, **GET FUNDED** ...

CALL NOW! Make an appointment for a **"FREE BUYER CONSULTATION,"** and I will help you through the remaining steps to homeownership.

For more information or a **FREE Buyer Consultation**, contact Cary Muhammad, CarySellsHomes.com – (213) 373-3863 – CarySellsHomes@gmail.com Serving home sellers and buyers in Pacific Palisades, Malibu & select Los Angeles, CA areas.

("3hree Steps to First-Time Home Ownership" used excerpts from the book "Your First Home" by Gary Keller with Dave Jenks and Jay Papason.)

FREE Information eBooks

To: Home Buyers & Sellers | **From:** [Cary Muhammad](#)



"Start Over, Finish Rich" by David Bach

RECOMMIT TO WEALTH... The recovery is starting now -- and you cannot afford to miss it! This book gives you your action plan to:

- Fix your credit
- Rebuild your 401(k) plan
- Take SMART risks
- Make your financial recovery automatic
- Rebuild with real estate
- And much more

Whatever you may have lost in the last few years, that's behind you. Life is too short to stay down. So please take these books, take your dreams, and START OVER.

--David Bach

HOME BUYERS & HOME SELLERS:

When you are ready to add real estate into your investment portfolio, call or text me and together we can discuss your options with a qualified financial expert -- (213) 373-3863.

It is my pleasure to be of service to you and to keep you well informed.

Read "Start Over, Finish Rich" NOW.

[FREE eBook](#)

ATTENTION Realtors! Join Keller Williams ...

To: Realtors | From: [Cary Muhammad](#)

Here's your personal invitation to be an associate with the Number 1 Realty Company in North America ... and tell them "**Cary Muhammad**" (in the Palisades | Malibu, California office) referred you. Thanks.



Technology
Training & Coaching
Wealth Building
Culture of Caring

It's all about YOU!

Agent centric /ey-juhnt sen-trik/ n, adj

1. Every coaching program, every technological innovation, every educational resource, every event, the culture of Keller Williams Realty – absolutely everything – is driven by a thorough understanding of what it's like to walk in an agent's shoes.
2. A company whose leadership all has in-the-trenches real estate expertise and has powered through up markets, down markets and every kind of market in between.
3. A knowledge of what it takes to win and a companywide passion to ensure that agents have access to the best technology, the best coaching, the best training, the best support and the best opportunities to build wealth.

DID YOU KNOW: Keller Williams Realty is the #1 Realty Company in North America!

WE
are **#1** in
NORTH AMERICA, UNTIL ...

#1 in
the **WORLD**
Transactions
Volume

#1 (Sept. 2013)

#2 in U.S. (Feb. 2013)

#2 in U.S. (2011)

I am proud to be with the largest
real estate franchise in North America*

**KELLER
WILLIAMS
REALTY**

*Based upon publicly available year-over-year figures for North America as of September 9, 2013.

Cary & KW

HOME OWNERS
Let's Analyze Your Needs

HOME BUYERS
Define Your Dream Home

HOME OWNERS
Prepare Your Home to Sell

HOME BUYERS
A Home Buying Guide

Join Our Mailing List

Name:

Email:

Comments:

Guides & Information

- STUDY THIS: Home Buyer's Guide
- The Home Buying Process
- Cary Muhammad & The MORE Team
- Keller Williams Realty
- Community Report: Demographics

The Areas We Serve

Southwest Los Angeles, California

The Los Angeles Southwest area consists of the area bounded on the west by Western Ave., on the north by Jefferson Blvd., on the east by the Harbor Freeway, and on the south by Florence Ave. It abuts the areas of Mid Los Angeles, Downtown Los Angeles, Metropolitan Southwest, and Park Hills Heights.

[Read More](#)

Pacific Palisades, California

Flanked by the Santa Monica mountain range and bordered by the Pacific Ocean, this paradise is the ideal location for the discriminating home buyer.

[Read More](#)

Malibu, California

Malibu is perhaps the premier beach community in the United States. Malibu beachfront property is glamorous and high desired. Malibu is an exclusive community minutes from the bustling city of Los Angeles via the famous and breathtaking Pacific Coast Highway (PCH). Malibu is comprised of 22 miles of beaches and 45,000 acres of canyons. This makes Malibu a nature lover's paradise.

[Read More](#)

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