

EQUITY SMART REALTY INC.



EMPOWERING EQUITY SMART INVESTMENTS

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Real Estate Investing: How to Find Great Deals

When deciding to go into real estate investing, undeveloped lots can have great potential. Purchasing a plot of land can be one of the best investments to make. A landowner has great (but not unlimited) freedom in how to develop their plot, and land never expires so its potential is essentially infinite. That said, buying undeveloped or vacant land can be risky business, so read on to find tips on purchasing a plot.

Do Your Homework: Before You Get Onto The Land

Before anything else happens, figure out your priorities. Decide what you want the land for, what amenities and what location you want, what you're looking for in terms of neighbors or

local government, and, of course, know your budget. More specific questions will arise around taxes, fees and permits for building and available utilities/water access – but, first, just start with your ideal land plot and work backwards (and into reality) from there.

Do Your Due Diligence: On The Land Itself

Once you find a plot that fits your needs on paper, get out onto it. Walk the land with an eye on the topography (any unexpected hills or valleys? Is the ground solid/fertile/arable, depending on what you need?), neighboring properties, size and shape of the plot, and any other element that the walk brings to your senses (smell and hearing as well as sight). Ideally, do this walk in the fall, so there is no foliage hiding



your view of the property and what's around it.

Don't Despair: It's Costly, But There Are Deals Out There

Remember that developing the land will incur costs too. Budget for as many foreseeable costs as you can, including: a land survey, well/utility installation, legal fees, land-clearing, landscaping and road construction. That said there are places you can look at for deals on the initial land pur-

chase, including property lots for sale (which are cheaper the farther they are from major cities, road access and already-connected utilities) or bank-owned plots. For those, you can talk to your real estate agent about asking local banks for lists of their foreclosed properties, which tend to be cheaper as banks look to sell them off.

Don't Be Afraid to Ask: Reaching Out to Experts

Finally, talk to people. Ask locals about the neighborhood, previous uses of the land and potential surprises (like calm paths that turn into snowmobile trails in the winter). Connect with professionals in the local health department, zoning and building departments, accountancy and other areas of development for in-depth answers to your municipal questions.

But remember: while you will need to talk with many professionals in your due diligence, let your local real estate agent be your first point of contact.

A good place to start is Equity Smart Realty. Call us at 855-768-8845. ■

DEED TRANSFERS

Do you need to do a deed transfer? Our Firm would be happy to help. Our fee is \$750, plus ACTUAL recording fees.

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- Advise you on the best type of deed to use (there are many types of deeds).

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\$750 +
RECORDING
FEES

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Should You RENT or buy?



Call Equity Smart Realty at 718-596-3234 for a FREE consultation.

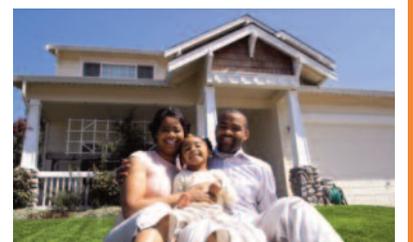
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Pros and Cons of Using Your Savings to Make Your Full 20 Percent Down Payment

If you've been perusing the real estate market with the hope of purchasing a home, you may be aware that the oft-touted amount you should put down is 20 percent. However, there are good things and bad things involved in investing so much money into your new home. If you're wondering how to decide on your down payment amount, here are some things to consider before putting in 20 percent.

No Rainy Day Fund

It might seem like the best option is to put down as much as you can, and use up your savings if needed, but putting all of your money into your home can be a mistake. While you may not foresee any financial issues arising in the next few years as you pay down your mortgage, not having any extra money can put you in a vulnerable position if the market shifts or other life issues appear. Investing in a home is a good choice, but you may want to protect some of your other assets.

Lowering Your Monthly Payment

While putting down the full 20 percent can seem like a huge chunk of change, it can be a boon for your monthly finances in the sense that your monthly mortgage payment will be automatically reduced. While this is



a good thing and can make your monthly amount more manageable, it's important to remember that your monthly payments should be affordable and you shouldn't be stretching for an extra house because you can. Make sure you're buying a home you can afford, with or without 20 percent.

Avoiding Mortgage Insurance

Putting less than 20 percent may seem like a good decision if you're ready to buy a home and don't quite have the money saved, but putting less down can actually increase the cost of your home overall. Be-

cause you'll have to pay mortgage insurance if you put down less, this will add to your monthly payment and will be money that you can't get back. If you're ready to dive into the market, you may want to move forward, but it can also be a better investment to wait and save a bit more.

Twenty percent is often the magic number when it comes to a down payment, but there are pros and cons associated with putting this much money down. If you're currently on the market for a new home, you may want to contact us at 855-768-8845 for more information. ■

Investing In a Vacation Home?

With approximately one million people having purchased vacation homes in the last year, this type of residence is gaining popularity for those who are interested in a home in a beach setting or a vacation hot spot. However, while a second home can seem like a great purchase and solid investment opportunity, there are different requirements that go into this type of purchase. If you're considering a vacation home, you may want to be aware of the following financial factors.

The Down Payment Amount

If you currently have a primary residence, you may be aware that you don't need to put down 20 percent or even 10 percent in order to make a home purchase, but things are different when it comes to a vacation home. Because you will be taking on an additional mortgage, there is greater risk involved, and this means you will likely have to put in at least 10 percent. Because of this, many home buyers utilize the equity they have in their first home to make up the down payment.

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JUST SOLD:
Welcome Home!

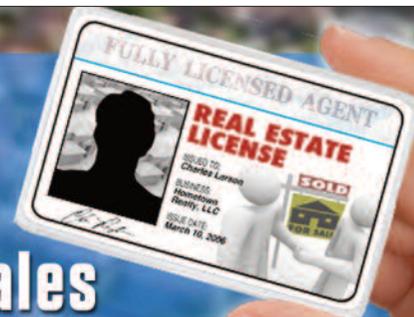


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**To register visit
www.chambercoalition.org/esr
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First-time Home Buyer? Avoid These 3 Common Mistakes

Deciding to purchase a home will be one of the biggest investment decisions you'll make in your life, but it can be confusing for the first-time home buyer to know all the ins and outs of buying a home. If you're wondering what things first-time buyers often forget about before purchasing a home, here are three important things that you'll want to keep in mind.

Ignoring Their Credit History

If you have a high debt load or you haven't been making your minimum payments, it can be pretty frightening to consider looking at your credit report, but it's very important to do this before applying for a mortgage. A lender will be taking a look at your credit history and reviewing it carefully before approving your application, so it's important for you to be aware of what your credit history says about you and how it might impact your mortgage.

Buying Too Much Home

It's easier than you might think to be swayed into purchasing your dream home, but it's necessary to keep a cool head and make an informed decision so that your home investment can be financially beneficial for you. The amount you should be paying for a home on a monthly basis will



leave you with enough that you can pay for the necessities, any existing debts and any extras while still having wiggle room in case of emergency. While you may want to spend a little more, this can end up being a mistake if things don't go as planned.

Forgetting The Documentation

This may be among the easiest of steps, but not having the appropriate documentation can push back your home purchase, so ensure you have all the necessary paperwork for when you need it. Beyond the Verification of Rent you'll need from your previous landlord, it's also important to make sure

that you have liquid assets – not just investments and Registered Retirement Savings Plans (RRSPs) – as this will prove to the lender that you can handle a financial hurdle in the event that it arises.

There are so many things involved in obtaining a mortgage that it can be easy to forget some very important aspects of approval. By being aware of your credit history and keeping your payment price within your means, you'll be well on your way to a sound purchase. If you're currently looking at homes, you may want to contact one of our mortgage professionals for more information. ■

Vacation Home...

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About The Credit Score

Most people that have a credit score of more than 500 have the ability to use a mortgage product and purchase a home, but if you're buying a second property, you'll need a higher credit score in order to facilitate the purchase. Because there is more risk involved, lenders will want to make sure you're a good bet.

The Income Required

Since you've been through the mortgage process for your first home, you're probably aware that your debt-to-income (DTI) ratio needs to be a certain amount in order to qualify for a mortgage. While your DTI for a primary residence may be a little bit higher since it's your only payment, this ratio will be lower for your vacation home since it's higher risk. This means you'll require a slightly higher income than for your primary residence in order to get approved. ■



COMMERCIAL REAL ESTATE DEVELOPMENT & FINANCE



Figeroux & Associates combines talented attorneys and breadth of expertise to offer a comprehensive, creative and value-added approach to legal services. We represent property owners, developers, mortgage, debt and equity investors, tenants, brokers, and managers. With a particular emphasis on the New York area, our team regularly handles every aspect of any real estate or development transaction including:

Sales and acquisitions

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- ✔ Equipment leases, office leases and retail leases
- ✔ Equity transactions, accounts receivable transactions and debt transactions
- ✔ Property development and construction
- ✔ Brokerage and management arrangements
- ✔ Disposition of assets
- ✔ Permitting before local, state and federal authorities



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The Major Keys to Understanding When It's Time to Refinance Your Mortgage

As a homeowner, you may have heard the term refinancing without being aware of exactly what it means, but there are a lot of pros and cons associated with what it can do for your financial situation. While getting a different new loan for your mortgage can be a good financial decision in certain situations, here are some things you should consider before you decide that this is the right choice for you.

Getting a Lower Rate

One of the main reasons that refinancing can be a popular option for many homeowners is that it can provide the opportunity for considerable money savings. Since you will be acquiring a new loan with a lower interest rate, this will be an opportunity to reduce your monthly payments, increase your equity at a faster rate and invest the extra funds into something else. While a lower rate can definitely mean money savings, it's important to consult with a mortgage professional so you're aware of any associated fees and can make a decision that will be financially beneficial.

Consolidating Your Debt

It is often the case that people will choose to refinance their mortgage with a lower-in-



terest rate in the hopes of paying off the debt they've accumulated, but with the cost of refinancing this is not necessarily the best financial decision. While consolidating debt can be great if you go into it with a budget that you plan on sticking too, if you're leaning too much on the idea of a lower interest rate meaning instant savings, it may be a good idea to take a look at the numbers.

Investing In Your Home

For many people, refinancing their mortgage is a good opportunity to renovate their home and increase its value. However, while renovating your home can be a good idea for resale, there are many home renovations that will not necessarily increase the value of your home and make up for the amount you've invested. If you're making forward-thinking renovations, refinancing is one thing, but ensure you've seriously considered what will add value.

There can be a number of financial benefits when it comes to refinancing your mortgage, but it's important to work out your tentative budget and crunch the numbers before you make a final decision. If you're currently looking into re-financing your home and are curious about what it entails, you may want contact Equity Smart Realty at 855-768-8845 for a mortgage professional referral. ■



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- *Health
- *Peace of Mind/Health
- *Marriage/Relationship



Documents Required:

- *List of debts
- *Your most recent tax returns
- *Correspondence from creditors
- *Lawsuit documents
- *Social Security and ID
- *List of assets

Filing a Chapter 7, 11 or 13 bankruptcy may be your only choice!



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