



▶ **Pat Zaby, CRS,** has taught for RRC since 1983 in every state in the country. He has been sharing marketing techniques for financing, investments, marketing and technology to real estate professionals of all ages.



## Become a Financial Expert for Your Clients

**I**f you have ever watched the product pitch show *Shark Tank*, you know that the potential investors always ask the contestants if they have a patent on their new product. They do this to learn if they will be investing in something that no one else can bring to market.



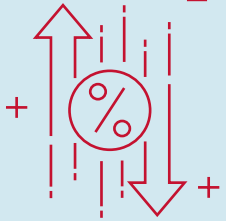
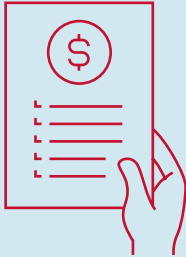

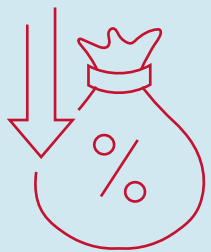
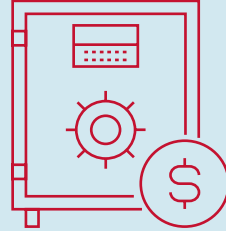

As a REALTOR®, you need to adopt a similar mindset: What can I bring to my clients that (nearly) no one else will? Financial expertise can be the skill that sets you apart from other agents in the field.

In the course *Client-Centered Financing Concepts*, I will show you what has become something of a lost art with many REALTORS®—a deeper understanding of financial options that benefit your clients and give you an advantage over your competitors. You will be more knowledgeable and won't have to pass off your client to a mortgage lender to give them answers to important questions.

Here is an example of a financing option that provides a win-win for both the seller and the buyer. Let's say you represent a seller who needs to lower their asking price to attract more buyers, but the amount the seller is willing to lower the price by (e.g., \$10,000) isn't enough to change the universe of potential buyers. You could recommend that the seller offer financing concessions that would sweeten the deal for a buyer, such as a 2-1 buydown.

In this scenario, the seller would concede the \$10,000 and the buyer could use it to buydown the interest on a fixed-rate mortgage for two years. In this case, the mortgage payment for the first year is 2% less than the note rate and 1% less than the note rate for the second year, and then the third through 30th years, it's going to be the note rate. This could mean a savings on the first-year's mortgage payments of a few hundred dollars per month, slightly higher payments in the second year and standard payments for the remainder.

## HERE ARE SOME OTHER TOPICS WE WILL COVER IN THE COURSE

<p>Learn the ins and outs of assuming FHA and VA mortgages</p> 	<p>“Show” a person why it is cheaper to own than to rent</p> 	<p>Adjustable-rate mortgages are the right alternative for some borrowers</p> 	<p>Convincing the buyer to be pre-approved</p> 
<p>Buy-before-you-sell options</p> 	<p>Low down payment mortgage options</p> 	<p>Sources of down payments</p> 	<p>Financing concessions to help with marketing homes</p> 

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—Pat Zaby, CRS

Class participants will learn to use tailored calculators that will demonstrate to your client the specific financial benefit of a particular tactic you propose.

- ▶ **Assumption Comparison** analyzes obtaining a new conventional mortgage at market rates compared to assuming an existing FHA or VA mortgage.
- ▶ **Rent vs. Own** shows the advantages of principal reduction and appreciation to estimate the real cost of housing.
- ▶ **ARM Comparison** compares an adjustable-rate mortgage (ARM) to a fixed-rate to determine the break-even point when the ARM may be costing the buyer more than choosing a fixed-rate.
- ▶ **Cost of Waiting to Buy** illustrates what can happen to the payment if while

waiting for the price of the home to come down, the interest rate was to go up.

- ▶ **Your Best Investment** compares the future value of the down payment on a home using three possible alternatives.
- ▶ **If the Rate Goes Up** calculates the increased payment required that a rise in interest rate could cause.
- ▶ **Isn't It Worth It** shows a buyer the monthly and daily cost of a slightly higher mortgage.

Agents need to have this kind of financial knowledge so that when a unique situation arises or the market shifts, you can shift with the market. This class offers you the kind of knowledge that will attract and best serve your clients. **TRB**

Check out more education offerings from Pat Zaby, CRS, at [CRS.com/learn](https://www.crs.com/learn).