



### **“You Can Save Money When Buying a Home”**

**André Larabie**

In the recent economic downturn, real estate has been one of the hardest hit sectors. Prices are now in a steep decline, or near their bottom, in many geographic locations. You can achieve a significant savings if you are in the market for a home in these locations. In addition, if you are a first-time homebuyer, you may be able to take advantage of various government credits.

If you are looking for a home for yourself, or looking to make money by investing in real estate, you can save big when you buy a foreclosed property. When a homeowner fails to make their mortgage payments, the mortgage company begins the foreclosure process. If the homeowner remains in default, the mortgage company eventually takes possession of the property and puts it up for auction. You can buy these properties at auction for a significant discount; however, you are usually not allowed to inspect them and although you can see them from the street, you might be in for a surprise after you take possession.

The law requires that a lender publicly post properties in the newspaper that are in the foreclosure process. These are headed for the auction block. If you are planning to purchase a foreclosed property, you will need to pay cash or put down a percentage and finance the remainder soon after the auction, so be prepared. You also might discover that the previous owner is still living there, and you will have to evict them yourself. There may also be problems with the title. These are risks you must take if you want to save money this way, but the savings can be tremendous.