



From the Broker's Desk Nancy C. Rowe



I often hear complaints from consumers about the low rate of return they are receiving on investments or landlords disheartened by the increasing demands of tenants. Those investment funds can be used to purchase real estate and then offer that real estate for sale with owner financing. Landlords who have rentals with no mortgages can still receive a monthly income by selling a rental utilizing owner financing. It is recommended that you secure the services of a Realtor or attorney to assist so that the interests of all parties to the transaction are protected. With owner financing, you are not bound to the Federal guidelines that lending institutions are so there is more flexibility in structuring the mortgage. Below are listed some of the pros and cons of owner financing.

SELLER PROS

- *Tax advantage as money doesn't come in as a lump sum
- *Higher yield than can be obtained in traditional savings venues
- *Buyer often waives appraisal which can become an issue in a sales transaction
- *A way to remove the tax/insurance/maintenance obligation from the seller versus a lease purchase
- *A note and deed of trust is signed by the buyer and recorded at Courthouse so seller can regain possession through foreclosure with all equity forfeited by buyer

SELLER CONS

- *Money is tied up but note can be used as collateral with

many banks

- *Must be diligent that homeowner's insurance and property taxes are kept current
 - *If buyer defaults, seller has to pay designated trustee to take thru foreclosure process/eviction
 - *Value of property may have decreased from poor maintenance/shoddy workmanship
- Seller costs: tax pro-ration to day of closing, preparation of deed, note, deed of trust*

BUYER PROS

- *Limited closing costs versus lender charged closing costs.
- No mortgage insurance
- *Escrow waived in most transactions
- *Faster Closing
- *Easier qualifying than with the strict Federal guidelines
- *More flexible terms on financing
- *Interest can be claimed as a deduction when itemizing deductions for tax returns
- *Unlike a lease purchase, buyer can make improvements

BUYER CONS

- *Interest rate for owner financing is a little higher than with lender loans
 - *Term of loan is usually amortized for 30 years but a balloon payment will be due at some point
- Buyer costs: attorney fees for title search, closing services, owner's title insurance (optional), recording fees for deed and deed of trust, homeowners insurance (listing seller as mortgagee),*

Want more information? Contact one of the experienced Agents of WILLOW Realty.

Are you confused about generation terminology? While different sources may have slight variances in age ranges and common traits, here some basic thoughts on the generations.

>**iGen, Gen Z or Centennials: Born 1996 & later**

>**Millennials or Gen Y: Born 1977 to 1995**

>**Generation X: Born 1965 to 1976**

>**Baby Boomers: Born 1946 to 1964**

>**Traditionalists or Silent Generation: Born 1945 & before**

Silent Gen: They lived through the Great Depression followed by the Second World War. Living through rationing and austerity, they believe in hard work with a waste-not, want-not mentality. They are described as averse to debt, and with a strong belief in sticking to the rules and the



importance of law and order. Families were stable and divorce rare.

Baby Boomers: This new generation of Baby Boomers experienced an unprecedented level of economic growth and prosperity throughout their lifetime. They entered the world in a time of relative hardship, but thanks to education, government subsidies, rising property prices and technological advancements they have emerged as a successful and affluent generation.

Gen X: was shaped by global political events that occurred during this generation's youth. Events such as The Vietnam War, the fall of the Berlin Wall, and the end of the Cold War were events that helped to shape the culture and upbringing of Generation X. Relative to previous generations, Gen X is more open to diversity and has learnt to embrace differences such as religion, sexual orientation, class, race and ethnicity.

Gen Y: grew up with technology, so being connected and tech savvy is in their DNA. Equipped with latest technology and gadgets, Generation Y is online and connected 24/7, 365 days a year. Many Millennials grew up seeing their Baby Boomer parents working day and night doing stressful corporate jobs, which has shaped their own views on the workforce and the need for work-life balance.

Gen Z: are highly connected, living in an age of high-tech communication, technology driven lifestyles and prolific use of social media. As the youngest generation, much is still to learn about Gen Z.

Zucchini & Corn Muffins

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|---------------------|--------------------------|
| 1 c plain flour | 1/2 c milk |
| 1 c cornmeal | 1/4 c vegetable oil |
| 1 tbs sugar | 10.6 oz creamed corn |
| 1 tbs baking powder | 2 small zucchini, grated |
| 1 egg | |

Pre heat oven to 200 C. Lightly grease 12 hole muffin tray or line with paper cases. Sift dry ingredients into a bowl. Mix wet ingredients including vegetables in another bowl. Combine the two mixes, lightly stir together. Spoon into prepared pan. Bake 15 - 20 minutes until golden.

Genius begins great works; labor alone finishes them. ~Joseph Joubert

