

Everyone Wants to Buy Your House-Make Sure You Know How Much it is Worth

“We Buy Houses”

Homeowners are receiving more and more offers to buy their homes through mailers “We have a cash offer for your home” “We would like to buy your property” or signs posted in neighborhoods “We Buy Houses (phone #)”, or similar email solicitations. These solicitations often come from real estate investors who are commonly known as “wholesalers”.

Wholesaling

Wholesaling or an assigned contract transaction is when the homeowner signs a contract with a party for the sale of their home. The wholesaler then markets that contract for sale or attempts to assign the contract to a third-party buyer with the goal selling the property for more money than the amount they contracted for with the homeowner. The contracts often contain provisions allowing the wholesaler to cancel the contract for any reason, which they will likely do if they cannot sell or assign the contract for a profit. Homeowners should pay close attention to the expiration date listed on the contract, some of these contracts can last for years making it impossible for the homeowner to sell their property to someone else. The homeowner does not always know their property is being wholesaled. Distressed Rescues are when investors target homeowners who have fallen behind in their payments.

Some Wholesalers, not all, may be acting in a predatory fashion, relying on finding homeowners who don't know the true market value of their property. These individuals are targeting people who have equity in their homes and have not been active in the real estate market for a while. often targeting individuals over the age of 50. The investor/wholesaler will offer cash transaction, quick sale closing with no inspection or repairs, and the ability to leave behind any unwanted personal property and belongings. Properties that were bought 20 years ago, or even a few years ago, may now be valued much higher in the current market.

It should also be noted that under a law passed by the Nebraska Legislature last year, if a wholesaler is trying to publicly market an assignable contract, they must do so through a licensed real estate agent.

Know Your Home's Worth

If someone wants to buy your house, particularly with an unsolicited offer, do your homework. Navigate the web, research property values in your neighborhood, you can also look up values and sale prices on the County Assessor's website in some counties, talk to a licensed agent about doing a broker's price opinion, or have family and friends help if you need help accessing these resources. Someone may offer you much more than you paid for your house, or even more than your neighbor's house sold for a couple years ago, but that price may still be significantly under the market value of the home.

Things to Keep in Mind

Be wary if someone approaches you about something you weren't thinking of doing.

If you want to sell your property, you should contact someone to discuss the true value of your home in today's market. An expert can provide market comparable, or you may want to research comparable prices in your neighborhood.

You may visit the Nebraska Real Estate Commission's website to check if the person contacting you is a real estate agent and to see if they have any disciplinary history – nrec.nebraska.gov

Review contracts closely for end dates, to see if it's assignable, and all other provisions. You may want to seek legal advice before you sign a contract.

Distressed Rescue Transactions:

Investors target distressed homeowners; those behind in their payments, facing foreclosure, or experiencing medical issues.

The unscrupulous investor will have the homeowner sign a quit claim deed but fail to explain that the homeowner is still responsible for the mortgage. Before signing any documents, you may want to speak to an attorney or your lender.

RESOURCES:

Nebraska Real Estate Commission:	402-471-2004	nrec.nebraska.gov
Legal Aid:	402-435-2161	www.legalaidofnebraska.org
Nebraska Homeowner Assistance Fund:	1-844-565-7146	https://nebraskahaf.com
Nebraska Mortgage and Foreclosure Help Resources	402-444-6666	https://ndbf.nebraska.gov/consumers/mortgage-foreclosure-help-resources
AARP Nebraska		https://states.aarp.org/nebraska/
Attorney General's Consumer Protection Division	(402) 471-2682	ago.nebraska.gov
DHHS Elder Services	(800) 527-7249	https://dhhs.ne.gov/Pages/Aging-Legal-Services.aspx