

Speaker 1 ([00:00](#)):

The Accunet Mortgage and Realty show is sponsored by Accunet Mortgage, an equal housing lender and [inaudible] and academic Realty advisors, which is a separate company from, but still affiliated with Accunet Mortgage.

Speaker 2 ([00:14](#)):

Welcome to the net mortgage and real to show getting you inside information on buying, selling, and financing your home with expert advice, but accurate that mortgage and Realty. And now here's Brian and David Wickert.

Speaker 1 ([00:29](#)):

Well, welcome to the Accunet Mortgage and Realty show. I'm Brian Wickert, the majority owner of Accunet mortgage, and also the, uh, real estate broker guy at Econet Realty advisors, which basically just gives advice by the way, we don't actually list homes for sale or help buyers who are just here to get people advice and get them connected along with David. Hi David. Good morning, dad, chief client experience officer at Accunet Mortgage. If you've got a question or a comment today, you can call or text us on the acronym mortgage talk and text line, which is (855) 616-1620. All right, well, uh, I saw this headline this past week, David, because the national association of realtors put out their, uh, numbers for February and the headline was existing home sales fall in February compared to what? There you go. Okay. You're good. That's right. Compared to what well, it was compared to January, which isn't the right comparison.

Speaker 1 ([01:25](#)):

Uh, if you actually compare it to the February of 2020 home sales were actually up 9.1%. Here's the other headline though that I, I don't know if it was in a different article. The national association of realtors also said that as of the end of January, there were more licensed real estate agents than homes for sale. I'm part of that problem because I went and got my license, but that's right. That's right. So there were only 1.04 million homes for sale that's down 26% from a year earlier, the lowest on record, going back to 1982, by the way. But the membership of the national association of realtors is 1.45 billion, which is up about 5%. Um, because a lot of people said, Hey, I lost my job. I think I'll sell real estate. The bad news for real estate agents. Uh, this goes back to data from 2019, the most recent available agents with two years or less experience had median gross income before any expenses of just \$8,900.

Speaker 1 ([02:27](#)):

It's tough to get going tough to get gone and gross median income for all agents was 49,700, which is up about eight grand from the prior year in 2018. So, I mean, this is, I think the articles in the wall street journal, just talking about how absolutely tough it is to get started in this market. Yeah. Cause you know why all you're doing is working with buyers when you're a new agent, right. There's nobody's going to list their home with you. It's like how much experience do you have? I just started five minutes. Okay. Um, anyway, so back to the numbers, his home sales were up 9.1%. What the, from last year, from last year in February and what the realtors association does is they turn that into an annualized number. So it's kind of easier to grasp. It's like, what's the pace. And then they also seasonally adjusted because February you don't have as many home sales as you do in July or June.

Speaker 1 ([03:21](#)):

So we're at a Torrid pace of 6.2, 2 million homes selling that's up from 5.7 million the prior February, if what happened in February of 21 half for the whole year, for the whole year, it'd be 6.2, 2 million in my head, I always walked around and said, Oh, there's about 5 million used homes that sell every new. And yeah, but this is, you know, faster than that. The key takeaway though from that report is that the supply is at all time record lows. We've been talking about that. Um, the median sales price for all housing was up 16% year over year. Median sales price in the country was 313,000. Remember that? Well, uh, inventory of sales though is down 29 and a half percent. That's nationwide. All right. If we turn the page, do I have time to mention that what's going on in Wisconsin? All right. So now I also got, Oh, this was the other interesting thing, two months supply.

Speaker 1 ([04:18](#)):

So remember if you take the number of sales buyers are chewing through that inventory, as soon as it pops up. And while here's the statistic in that regard, 74% of homes sold in February were on the market for less than a month with properties typically remaining on the market. So in other words, the median number of days between, Hey, I'm for sale and I've got an offer 20 days. Yeah. Um, and that compares to 36 days, February last year earlier. So you're right. People are snapping them up. Remember we had this story last week where in that three 70 price range, we had one of our team members fighting to get an accepted offer. Did not get it. And that's because did you ever hear how many offers there were on that high? I don't know, but I'll check. Okay. But there were 65 showings in the opening weekend for that one house. Right. When we come back I'll, I'll tell you a little bit more about that. Statistically we'll quickly get to the Wisconsin numbers, but then also want to talk about why aren't people listing their homes for sale. What are the underlying causes? I talked to a few top real estate agents also found some research by Zillow. We'll share all that. When we come back, you're listening to the Accunet Mortgage and Realty show on Wisconsin's radio station am six 20 WTMJ

Speaker 2 ([05:38](#)):

Home buying advice from the guys who know it best. This is the Accunet Mortgage and Realty show with Brian record on WTMJ.

Speaker 1 ([05:48](#)):

And let's not forget about the handsome, more talented David Wickert over there. All right. So, uh, talking about, you know, Hey, what's going on so far in 2021, uh, in the real estate market statewide, according to the Wisconsin realtors association at which I am a card Kerrigan member, uh, there were just under 4,400 homes that changed hands with the help of her real, a tour, which is 231 more than February, 2020, a 5.5% increase by the way, 16%. What does that one out of seven home sales in February occurred in Milwaukee County. Okay. That's interesting. The most populous County new listings in February, however, we're down by 1900, only 5,000 new listings came on the market versus 6,900 in February of 2020. That's a 27% drop. But now check this out. Overall number of homes listed. So carrying over those which were already listed from January into February with the new ones, we're down a whopping 38%. Again, should surprise no one because nobody really wanted to list their home in the Sub-Zero February timeframe. So there are 10,000 fewer homes on the market in February, 2021 median sales price though, up 13.2%. Do you remember what the national number was? David's

Speaker 3 ([07:09](#)):

Three 31 three 1313.

Speaker 1 ([07:11](#)):

Thank you. A median sales price in Wisconsin, 215,000. Can you name the three counties in Wisconsin that have a higher median sales price than the national average, a national median of 313,

Speaker 3 ([07:25](#)):

Uh, Dane and Ozaki

Speaker 1 ([07:28](#)):

Bingo. Wow. And that was not rehearsed folks. Ozaki county's February median sales price 315,000 Dane County, 330, 5,000 and a Waukesha County \$357,000 was the median sales price and Waukesha County. But check this out. The number of sales in Waukesha County was down 22%, 63 fewer homes sold in February only 246. So that was kind of a flip flop. Remember I said, sales statewide were up five and a half percent. I told you the sales nationwide were up five, 9.1%. But in Waukesha is a little microcosm, you know, which reminds us all that all real estate is local hyper-local. Uh, home sales were actually down because there weren't enough homes for sale. All right. So why aren't people listing their homes for sale? Zillow did some research on this and a 34% of respondents. They surveyed people who said they were likely to sell their homes in the next three years. So why aren't you selling? Well, life uncertainty was cited by about a third of people with financial uncertainty cited by 31% of those considering selling. Now, this was interesting. 40% of the respondents said, well, if I wait, I'll get a higher price. Interesting. Which may or may not be true 25%. So they earned selling because of COVID-19 concerns. All right. So that was the nationwide survey. You said you thought it was because, well, I don't know where I'm going to move on.

Speaker 3 ([09:02](#)):

I just think if you dice the market into, okay, first time home buyers trying to buy that \$200,000 house, we can have a separate conversation on like, does that house exist anymore? But two thirds of all home buyers are repeat, move up, buyers trying to go from a \$200,000 dollar house to a 400 or \$500,000 house.

Speaker 1 ([09:22](#)):

Okay. Go the other way, go down. Well,

Speaker 3 ([09:24](#)):

But what I'm saying is the people who already own a half million dollar house. Yeah. The question is, well, where are they going to go? Are they going to go from a \$500,000 house to a \$900,000 houses? Or is someone going to downsize? We're going to downsize and, or there's no time pressure to go down

Speaker 1 ([09:41](#)):

Size. Exactly. I think. And so I talked to a couple of top local agents out. Are we coming up on a break here? Okay. All right. We'll save that for one week, come back. But, uh, interestingly to your point, David, at least statewide, um, the bulk of, of, uh, transactions occur in that 200 to three 50 price range that, that takes up most of the market. That's the biggest swath of the market. And by the way, in that price range, the month of inventory is only 1.8. And remember, uh, the way that's measured is take the number of homes available for sale divided by the most current months number of sales. So how many tablets of inventory do I have if it's three or under it's a sellers market. So we're under two statewide.

We're at 1.9. Yeah. All right. We'll tell you what's I got a bit of good news here. It was from one of the top real estate agents in Southeastern Wisconsin. I'll share that when we come back along with a couple of stories about people looking to buy homes, um, you're listening to the Accunet Mortgage and Realty show on am six 20. WTMJ

Speaker 4 ([10:51](#)):

Getting you into the home of your trade. So here's more be Accunet Mortgage and Realty show with Brian worker on WTMJ. All right. You were talking about why are people

Speaker 1 ([11:03](#)):

Reluctant to list their property for sale? When will that ever change? Well, one of the top agents on the North shore, uh, gave me this feedback that for one thing, so to your point of there's different baskets of sellers, for sure. So for the seniors who are looking to sell their place and maybe move into a retirement community, you know, like tutor Oaks or Luther Manor, or, Oh, so you're saying seniors, seniors, like, okay, I'm going to get out of the home owning category altogether. And they're like, I'm not doing that during COVID. Okay. Right. Because yeah. Aren't those bilingual living spaces where all the COVID danger is. Yeah. All right. So that's one group it's probably less danger at home. Let's put it that way. Some, some people he's deciding, uh, job, like, Hey, I don't know what's going on with my job. Another thing in that Zillow survey was, well, I don't know, am I going to be able to continue working from home full time or not? Or some, you know, cause that would influence where I choose to live for, you know, do I need to stay here or could I move farther out into the,

Speaker 3 ([12:13](#)):

We saw that phenomenon coming out of Chicago into Lake country?

Speaker 1 ([12:17](#)):

Well, yeah, for sure. That was last year that Hey, if I'm going to be able to work remotely forever. Yeah. Then yeah. I can live in Southeastern Wisconsin on a Lake instead of in downtown Chicago. Okay. And another thing of working from home, like some people are just saying, you know what, moving is a hassle. I will just remodel for sure. On that note, another separate article or articles in the wall street journal lumber prices are up 59%. Yeah. So not double, but a lot a lumber. It's the new Bitcoin right here. Yeah. Yeah. From, from a year ago. And so, you know, new construction is on fire, but not building nearly enough to meet demand. All right. So then here's the good news though. Paula Lang lawyer, one of shore West top Waukesha County agents, uh, shared with me that most of her clients were simply waiting to list until the vaccine gets rolled out, both for them and their safety.

Speaker 1 ([13:15](#)):

Oh. And then like a lot of them are maybe thinking about going South to Florida or Arizona. It's like, well, I don't really want to, those places kind of had a flare up and COVID at the end of the year. And so like, why don't we just wait until more people get vaccinated and then I'll feel a lot more comfortable about selling and then going and, and, and, you know, shopping for that new. So she said, she thinks we're in for a really fun spring. You know, once we kind of get a little farther along that last spring, this spring, that a lot of people she's feeling that there's going to be a surge in inventory. So I'm going to hang my hat on that, that as you know, let's, let's hold out a little hope that as the vaccination gets a little farther along the people, you know, in their fifties and sixties or maybe seventies are going to feel more confident.

Speaker 3 ([14:05](#)):

Ah, now that next chapter let's go do that. We've been talking about it for a year as I've been cooped up with you, honey. Yeah. Now let's go do that. Interesting.

Speaker 1 ([14:14](#)):

And remember we can help those move up or move down buyers with bridge financing. That's where we help extract the equity from your existing home so that you don't face that daunting

Speaker 3 ([14:28](#)):

Turd in the Punchbowl called a home sale contingency.

Speaker 1 ([14:30](#)):

No, no, no, no, no. It's, it's more like, Hey great. I can sell my house in five minutes now, where am I going to move? So by setting up that bridge financing, we can reverse the order of things for many existing home buyers and say, we will help you buy the new place first. And so you'll own two homes for a amount of time. Sure. And we'll help you by extracting some of that equity from your existing home using this thing called a bridge loan. Um, and, and then when you sell your house, the bridge loan gets paid off and boom, you're done. So that can relieve a lot of that anxiety, as long as you're willing to have people coming through your home. Right. And kicking the tires and opening the doors and you're willing to go out and look at new places. So that that's a very powerful tool. Um, when we come back after what you got something different.

Speaker 3 ([15:21](#)):

No, no, no, no, go ahead. I was gonna, when we come back,

Speaker 1 ([15:24](#)):

One of the stories I want to share is about a first time home buyer. This is the old buying a home from a relative. Okay. But rural

Speaker 3 ([15:34](#)):

Number zero, don't do that by yourself.

Speaker 1 ([15:37](#)):

No, correct. Because what's the number one people

Speaker 3 ([15:40](#)):

I want to give. I want to give my grandson a deal

Speaker 1 ([15:43](#)):

That's around the house. That's right. So you never want to do that. You want to,

Speaker 3 ([15:47](#)):

Which is, um, what's the word? Um, the benevolent benevolent, there you go. Absolutely. As all parents and grandparents likely want to be benevolent to their kin.

Speaker 1 ([15:57](#)):

Yep. But, but the, the better way to do that is to set the price at the market value and then gift your granddaughter or grandson or son or daughter, the equity in the home. Um, and so we'll give you a couple of interesting things in that. I think you said you had another one where it was going to be sort of a blend of gifted equity.

Speaker 3 ([16:18](#)):

Yeah. You don't have to give it all away. You can do a little half and half black and tan, they might say at the bar.

Speaker 1 ([16:25](#)):

So we will cover that, um, gifting of equity and how to do that correctly, or optimally let's call it, uh, right after the news

Speaker 4 ([16:35](#)):

Important home buying questions and answers you can count on. They say is the accurate mortgage and Realty show with Brian Wicker on WTMJ. All right. So I got a call this week from a good friend and a client who is trying to help his nephew in law. And, uh,

Speaker 1 ([16:57](#)):

And the story is that, uh, the uncle in law, if there's a such a thing, whatever, uh, wants to sell his condo to his son, right. So we're talking about a father, son thing here, the dad wants to sell, and it's a modest condo, \$104,000 or thereabouts. And so you always like to say, David people only know

Speaker 3 ([17:19](#)):

What they know. I think my grandmother said

Speaker 1 ([17:21](#)):

That originally, so, all right, there you go. And, and so there, the I'm told, now this is all third hand. I haven't talked to any of the principals yet in the transaction, but Hey, the dad was going to like, uh, land the son \$15,000 to use as, as the down payment on the condo. And then, uh, if necessary, uh, also co-sign on the loan with his son to buy the condo that he already owns and tilt,

Speaker 3 ([17:51](#)):

Sell it to you and myself somehow.

Speaker 1 ([17:54](#)):

Yeah. That ain't gonna work. Okay. So, um, what's I get what they're trying to do,

Speaker 3 ([17:59](#)):

You know, it's like, Hey, you know, like, let's, I'm going to help you buy this house. You're going to buy this house. And I want to make sure that I don't just like send you out on a

Speaker 1 ([18:07](#)):

Iceberg, uh, to afford this by yourself. That's right. Okay. So I don't think you can be a, the seller and a co-borrower at the same time. Right. You're kind of like, Oh wait, which side of the pick a side. Right. But, but, and as we just mentioned before the break, the smart thing to do, and, and so we believe, or I believe from my conversation with, you know, the second hand. Yeah. The second hand is that, um, yeah, it is at a market value because again, people think, Oh, you know what, I'll sell it to them for \$90,000. I'll give them a deal on the price. Yeah. The problem with that is, and all your neighbors

Speaker 3 ([18:45](#)):

Will hate you because you sold it for less than fair

Speaker 1 ([18:47](#)):

Market could be one. But now, now you're your son who's trying to buy her condo has to come up with real money for the down payment. Right. Because we're not going to lend them a hundred percent

Speaker 3 ([18:57](#)):

Or yeah. Or above which we get that question too sometimes.

Speaker 1 ([19:01](#)):

Sure. So, so it's better to set the price at the fair market value, gift them the equity because now, Oh, now we're only borrowing 90% of the value value of the home and you'll get better terms than trying to do 95% or 97%, for sure. So, so that's a situation where we need to talk to these folks and, you know, step one is, Hey, let's see if the son can afford the condo by himself. That's the ultimate goal here. And then if he can't, I don't know what to got to wait. I think, because you can't, co-sign on your own say, Oh, Oh no, you had the other idea. We could add them to title. Um, and, and then we'd six months, that's the waiting period. That's right. And then refinance to buy out, uh, the day.

Speaker 3 ([19:56](#)):

Yeah. Yeah. But again, only if the son can stand on his own can swing at himself.

Speaker 1 ([20:02](#)):

Absolutely. I think the dad wants to get money for the condo too. Right. You know? Uh, so anyway, so the point is, if you are looking to buy or sell a property to a relative call your good friends at Accunet Mortgage or click on the blue button at accunetmortgage.com, Because we do this all the time and there are so many ways to screw it up. Let us guide you through the various iterations. You said you had one where it's going to be a combo of gifts

Speaker 3 ([20:30](#)):

Because you know, a lot, I think when we say gift of equity, I think in a lot of people's minds, it means like I'm getting a house for free. Like, all I got to show up with is a pen to closing, which doesn't have to be the case. If you're the grandparent or parent, you can, you know, if you're selling that house for \$300,000, maybe you're going to gift 30,000 and then you, as the buyer relative, you can still bring down payment of your own. So it can be that combo of, Hey, thanks, mom, dad, grandma for, you know, this portion of the gift of equity. And I'm still going to bring, and we have an example of this, of someone who's buying their parents' condo. They just sold a home. So they're going to put some money of their own towards the down payment. And then they're doing the, even the third step, which is keeping some

of the proceeds from the sale of their home. So they can spruce up that new place that they just bought from mom and grandma or whoever

Speaker 1 ([21:32](#)):

Maybe needs some needs, some love to help. All right, why don't we come back? I've w you and I both have stories on Florida vacation, home purchases, uh, where in my case, the person offered more than the listing price. And we'll tell you what happened when the appraisal came back, you are listening to the Accunet Mortgage and Realty show on am six 20. WTMJ

Speaker 2 ([21:54](#)):

Find a place to call home without the headache. This is the Accunet Mortgage and Realty show with Brian Wicker on WTMJ handle.

Speaker 1 ([22:05](#)):

So David liquor, and we're back here to share a couple of second home purchase stories. Mine I'll start with mine is in Southwest Florida, um, in the greater Naples Fort Myers area where the house was listed for sale for three 79, nine, our buyers offered three 87 had to go above asking, you know, and I think there was only one other offer and they got it. So now we get the appraisal back. So remember that number three 87 w one to three 79 nine to get the appraisal back for three seven, zero three 70. Now in Florida, unlike Wisconsin, there is no preprinted language in the Florida offer to purchase regarding the appraisal, but apparently their buyer's agent went back and said, Hey, you know, appraised out for three 70. We'd like you to lower the price. So it wasn't a requirement of the contract. No, but they asked and guess what? Sellers lowered? It's three 70 really bull. Yeah. Shocking. Wow. Okay. So, but your story is in contrast to that David what's what's.

Speaker 3 ([23:13](#)):

Yeah. So a poem buyer, same general area down in Florida purchasing or accepted contract at five 31, five, three, and they were going to put 20% down on that purchase price. Uh, it is still the, not the law of the land, the underwriting guideline of the land, that on a second home, you could put as little as 10% down, these folks were putting 20% down. Appraisal came in low five, 10 buying a for five 31 comes in a little light at finding one grandson. Yeah. And so that would have you do the math they would have had to have, uh, we, we, if they wanted to avoid PM rate exactly all lenders, the lower of the purchase price or the appraised value. So Hey, Oh, okay. Now five, 10, 20% of that. If, if you change nothing or I should say, if you want to put 20% down then awesome. Please bring \$21,000 extra to the closing table because of the sellers. Weren't

Speaker 1 ([24:14](#)):

Weren't budging. So unlike my story, where for whatever reason, the sellers, and I'm thinking that there's a certain point, once you're into the transaction for two or three weeks, it's like, there is some natural human reluctance to start over again, for sure. Right? And like, we're going to have to have some more, but if it happens again, well, that's what you want to do as the buyer's agent is to put that fear into them.

Speaker 3 ([24:38](#)):

It's not fear it's, uh, possibilities.

Speaker 1 ([24:42](#)):

So for this people either didn't ask or if they did ask, they said, no, we're not lowering the price because there's no contractual reason to do something.

Speaker 3 ([24:48](#)):

Just to emphasize that again, it's like if the home appraises low, but you still want the house, you can, as a buyer, if you have the means, you can just be like, no problem. I'll, I'll bring the difference and, and get to the closing. So it's a, so what they're doing is they are, I always described this as absorbing the low value into the down payment that they're making. So now they're going to make a 16% down payment, which is really

Speaker 1 ([25:16](#)):

No change, correct. They're not

Speaker 3 ([25:18](#)):

Bringing, and they're not bringing any more money

Speaker 1 ([25:21](#)):

Or less than what they originally intended, but that's the terrible consequence, David aren't they going to have to pay for private mortgage insurance to the rest of their lives,

Speaker 3 ([25:29](#)):

To the tune of \$60 a month for three years. Because why, why only three years? Because, well, you're so close to 80% of the value of the home. Anyway, you're at 84,

Speaker 1 ([25:43](#)):

80% active 20, excuse me, 20. And it, technically folks is 22%. You have to accumulate 22% equity in your home before the PMI automatically drops right off. But so they're only, so they only have to pay this 60 bucks a month for 36 months. Correct. So it's like, all right, that's, you know, I'm not doing the math in my head, but it's about total 2020 \$200, \$2,400. Or I could come up with an extra 20

Speaker 3 ([26:09](#)):

Grand at closing. Well, yeah. Cause if they were just like, Oh, we want to put 20% down now on the lower value, five 10, and bring the difference between five 10 and what we're purchasing it for, which is five 31. I just

Speaker 1 ([26:23](#)):

Said, here's an alternative to, well, exactly.

Speaker 3 ([26:25](#)):

It's just like, do you keep that money? Because you know what happens when you buy a second home or any new home,

Speaker 1 ([26:31](#)):

You need Mr. Wicker, you need to buy furniture. Exactly. Even plates and forks and knives and a coffee pot and all this stuff that goes into a second home, a different style anywhere. Yeah. Right. Cause it's not a new primary. You're not bringing your old couch with you to the new house. You need a whole new house,

Speaker 4 ([26:51](#)):

Most of everything. And that crime requires money.

Speaker 1 ([26:54](#)):

That's right. And just remember one of the thing when you are, cause a lot of times, especially in Florida, people will sell you their furniture really as well. Yeah. And here's my vacation. They leave the dog too. Or they usually can have my crummy written furniture or whatever's in there, but it's better than nothing. You can't put that in the offer because you have to do that as a separate bill of sale. Okay. Mortgage lenders do not want to finance your Austin written couch. That's coming along with that or the outdoor furniture of Roatan couch. Yeah. That's that, you know, wood stuff. Oh, okay. That looks like we're are anyway. So you that's gotta be separate. And uh, and we help people unravel that all the time. All right. When we come back for our final segment of the show, it got a story about an attorney who took a PPP loan to, you know, help not lay off her staff. And now is having negative consequences as she is thinking about buying a second home. We'll give you the details on that. When we come back, you're listening to the acronym, mortgage and Realty show on am six 20 WTM,

Speaker 4 ([27:59](#)):

J w M J W2 seven seven CV, and w K T I HD to Milwaukee from the annex wealth management studio. This is Newsradio WTMJ expert advice on buying a home. Here's more of the accurate mortgage and Realty show with Brian Wicker on w T N J.

Speaker 1 ([28:19](#)):

So I got an email from an attorney who I had some interaction with, uh, with another client a couple of years ago, actually, I think it was. And, uh, so she emailed me and said something to the effect like, Hey, Brian, I wanted to buy a second home. And now I'm being told by whatever lender she was consulting with. Not me at that time that, uh, because I took a PPP loan, which stands for payroll protection plan loan from the government in 2020. Um, I don't qualify. All right. So here's the story. So she did, and I emailed her back and I said, well, this is one of those cases. We're doing the right thing for your staff, which was to take a forgivable loan from the federal government so that you could keep these people on and keep them working and help the economy in general and their personal economy in particular. Well, that doesn't count that even if it's forgiven, you know, which most of these PPP loans have been forgiven because you used them for the permissible purpose, uh, that doesn't count as income for your business. It's an injection of cash that you use to make payroll, but it doesn't count on the income side of your profit and loss statement. Um yep. The payroll that you paid still counts as an expense,

Speaker 3 ([29:46](#)):

You're just paying it from your pile of money

Speaker 1 ([29:49](#)):

Painted from your pile of savings, which was helped by your great uncle Sam. Right? Right. Yeah. And so not revenue, which is not revenue like buildings from clients. Right. Okay. So unfortunately now, you

know, she's being told, um, Hey, yeah. Why don't we look at your tax returns? Um, ma ma'am attorney, uh, for 2020, you don't have income, so you don't qualify for the one. Oh, so what was the first thing you asked when I was telling you this is she of retirement age? Correct. And she's not,

Speaker 3 ([30:21](#)):

Does she have a spouse or partner?

Speaker 1 ([30:23](#)):

Don't know, I've asked her that question. And I've also said, well, why don't you show me the tax returns? Just so I can take a look at it. Cause the other thought, well, maybe she paid herself. So w some W2 income, you know, which that would be, yeah.

Speaker 3 ([30:37](#)):

Usable. Does she have a monster amount of equity? Um,

Speaker 1 ([30:41](#)):

No. In her current home, or she could take out a hilar and make a huge down payment, but the helix lender is going to want to look at our tax returns as well. So, and then she, she emailed back, Oh, thanks. I'm only 53. So I guess I'm, this is really going to hurt me for years to which I said, no, not years, just until you file your 20, 21 tax return, which will be in April of 2022, uh, is when you typically filed for that. Cause a lot of times we only need a one year of tax returns for self-employed people. Uh, not to update though on the second vacation home front, uh, you might recall a couple of weeks ago, we, we told the world, Hey, you know what? The world is changing. Their pricing is getting worse on second homes because of Fannie Mae and Freddie Mac's limitation on how much they'll buy, uh, of second home and non owner-occupied home. So I'd say that the, the interest rate for now, and this might get better, but the way the marketplace is absorbing that as interest rates are about a quarter percent higher to buy a second home than they would be, if you were buying a primary residence,

Speaker 3 ([31:52](#)):

Which would not stop anyone from buying a second home. Yes, it's, it's not as white hot as it was two months ago, but you can still, you know, buy a big old second home, thanks to Fanny

Speaker 1 ([32:06](#)):

Great rate with only 10% down if you want it to. And then I think either you were telling me, or, um, maybe it was Tim, Holdman your brother-in-law. My son-in-law was saying that a lot of times people are surprised to find out that, you know, in 2020, anyway, the rate on a second home was the same as a primary residence. Oh, that's because

Speaker 3 ([32:26](#)):

People buying a second home want that sunshine or, or the, or fishing up in Rhineland.

Speaker 1 ([32:32](#)):

Yeah. Whatever the case may be a one other thing on the, um, you know, tightness of the market. And some people this just occurred to me, it was a comment from, from one of those top real estate agents about why people aren't listing. And he went on to say, well, here's why people should sell.

Speaker 3 ([32:49](#)):

We're going to get top dollar for sure. B,

Speaker 1 ([32:52](#)):

We're going to get the best contingencies ever. Right. People because people are the

Speaker 3 ([32:57](#)):

Absence of contingencies probably.

Speaker 1 ([32:59](#)):

Right. Or you're going to get a lot of flexibility, right. People are going to say, I'll pay more. I don't care what the home appraises for, you know, so you're going to get the most favorable terms possible. And then he mentioned, plus you can negotiate to continue occupying the home after you sell it.

Speaker 3 ([33:17](#)):

I'm actually amazed that we haven't seen more

Speaker 1 ([33:20](#)):

That yet. Okay. So here's an important point. If the person buying the home is going to occupy that as their primary residence, 60 days is the maximum.

Speaker 3 ([33:31](#)):

It'd be sleeping in the house in 60 days after buying it, the other people have to be moved out.

Speaker 1 ([33:36](#)):

Okay. You can't be cohabitating, I guess you could. But, but interestingly, in the case of the second home that I was just talking to you about, I was looking through the contract this morning. There was a 71 day post-closing occupancy. And I clutched my chest for just a minute. Yeah. But because that's a second home it's okay. Second homes, you can go longer than 60 days on your post closing occupancy folks, if you would like to benefit from our, um, crazy expertise of knowledge. Yes. And, uh, when it comes either buying or refinancing, all you gotta do is click on the blue button@acushnet.com. That's all we've got time for today. We'll see you back here. Next week. You've been listening to the academic mortgage and Realty show on Wisconsin's radio station am six 20 WTMJ. The proceeding was a paid program. Advice and opinions expressed during the accurate mortgage and Realty show are solely that of the hosts or guests of academic mortgage and accurate Realty advisors and not WTMJ radio or good karma brands, Milwaukee LLC.