

Your REALTOR:



Dennis Kutny

February 2025

Real Estate

Update™ "An



educated prospect makes our best client"

Quick and Easy Ways to Improve Your Credit Score in the New Year



Is buying a home on your to-do list for this year? If so, it may be time to start addressing your credit score.

Pay off collection accounts-Some older collection accounts aren't worth paying off if you're strictly looking to boost your score. You may be able to pay newer accounts and see a bump in your score—if you can ensure that the creditor will report the payment to the credit agencies.

Pay down your balances-“The second most important factor in your FICO score is the amounts you owe, which accounts for 30% of your score,” said NerdWallet. Keeping your credit card balance relatively low can provide a significant boost to your credit. Aim for 30% or lower.

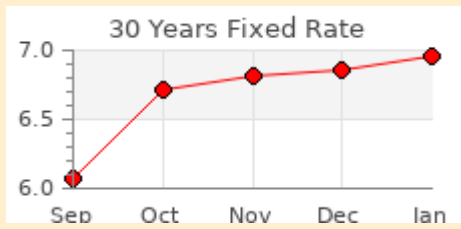
Get a credit card-This sounds like the opposite of what you should do when trying to improve your credit score, but the right kind of credit can make a positive difference. A credit card can be a 100% free way to build up your credit, as long as you use it responsibly, said Credit Card Insider.

Use Experian Boost-If you've been making utility and cell phone payments on time, there is a way for you to improve your credit score by factoring in those payments through a free product called Experian Boost.

Dispute Any Inaccuracies on Your Credit Reports-You should check your credit reports at all three credit reporting bureaus for any inaccuracies. Verify that the accounts listed on your reports are correct. If you see errors, dispute the information and get it corrected right away.

Mortgage Rates
U.S. averages as of February 2025:

30 yr. fixed: 6.95%
15 yr. fixed: 6.12%
5/1 yr. adj: 6.51%



The Smartest Smart Home: 3 Things to Buy Now that Will Help Sell your Home



If you're getting ready to put your home on the market, you've undoubtedly heard that it needs to be in the best

possible shape to attract legitimate buyers. Turn it into a smart home to make it stand out. Here are the smart home features that should give you the biggest bang for your buck.

1. Home security: Almost 70% of homebuyers ask about smart home security. Video feeds allow homeowners to easily check in on their home, pets and family while traveling or at work. It is also the Smart Home feature that consumers respond to most in marketing.

2. Smart appliances: Smart appliances win big in the ROI game, expected to bump the average ROI up 11 percent more than standard appliances.

3. Smart lighting: This feature is especially important not just for the ease of use of the lighting system, but also the potential savings. Energy.gov says that “LED lights use at least 75% less energy, and last 25 times longer than incandescent lighting.”

Paying Down Credit Card Balances vs. Closing the Accounts



There are two primary types of debt, installment and revolving. Installment debt is where one loan

is taken out and paid back over time with regular monthly payments until the balance is paid off. Think of an automobile loan, for example. Revolving debt is debt where the balances can rise and fall over time as new charges are made while making payments against the debt each month.

With installment debt, consumers can pay off the entire balance in order to help qualify for the selected mortgage loan. Further, because lenders know the installment loan will soon vanish, lenders can ignore completely a monthly amount if there are less than 10 months remaining on the note. With revolving debt, it's a little different. With a loan, the consumer owns the car while the lender has an active interest in the car. When the loan is paid off, the lender releases its interest and the consumer owns the car outright.

When paying down debt or paying an account off completely, a paper trail must be kept and provided to the lender showing the account has been settled if required. Someone can pay off a car loan today, but the monthly payments can still show up on a credit report for up to another 30 days. Documentation showing this transaction will prove the debt is paid down to zero or otherwise closed down completely.

Lenders must follow the strict guidelines if they want to be able to sell the loan, however, an underwriter can decline the loan based upon recent and previous credit history patterns.



Equal Housing Opportunity

Dennis Kutny, REALTOR
E-mail: dennis@denniskutny.com
Website: <http://Sarasota-ManateeHomes.com>
Cell: (941) 626-1093

Premier Plus Realty

227 Central Ave.
Sarasota, FL 34236

Your REALTOR:



Dennis Kutty

February 2025

Real Estate

Update™



educated prospect makes our best client"

What is a Short Sale?

By Ashley Sutphin

The idea of purchasing a home at a deeply discounted price is appealing to most people, but these situations can come with strings attached. One way to get a deal on a property is to buy a short sale, but the transactions are complex and risky.

Short sales are transactions where a home is sold for a lower price than the debt that's owed. When a homeowner realizes they can't afford their mortgage anymore, they can start the short sale process with the lender. The owner has to apply, and the goal is to avoid foreclosure.

Lenders will often approve a short sale if the home is worth less than what's owed, and the seller has to demonstrate financial hardship. Short sales were incredibly common following the Great Recession in 2008, but have since become less so.

Short Sale vs. a Foreclosure

Sometimes buyers think a short sale and a foreclosure are the same, which they're not. During a foreclosure, the bank repossesses the property. Then, the bank tries to sell it, often at a price well below market value, to cover their costs.

In both situations, financial hardships lead to the loss of the property for the homeowner, but the specifics vary. In a short sale, the seller is voluntarily entering the process. A foreclosure is not voluntary for the seller. For the seller, a foreclosure is much more damaging to their credit history, and they may end up having to file bankruptcy.

What Are the Benefits of a Short Sale?

For buyers, there are a few big benefits of buying a property in a short sale. The first is the lower price. A lender is very motivated to sell the property and cut their losses. Short sales may be less complex than traditional sales because there is likely to be less competition from other buyers. Your offer has a greater chance of being approved with less competition.

For sellers, the benefits of a short sale include preventing foreclosure and possible debt forgiveness. For a seller who goes through a short sale, they may qualify for a new mortgage after two years. It's much harder to get another mortgage after a foreclosure.

Are There Downsides of a Short Sale?

For buyers, one of the primary downsides of a short sale is that it's time-consuming. These transactions can take much longer than a traditional transaction. There's also an increased level of risk for buyers because they're buying the home as-is. There's also the possibility the transaction won't go through, and the time will be wasted for the buyer.

Since the owners in a short sale are experiencing financial hardship, their homes may be in significantly worse condition than similar properties.

For sellers, there are quite a few pitfalls of a short sale too. Sellers don't have any power to negotiate the price—only the lender can. The seller isn't going to receive any profits when they sell the home because it's owed to the lender, and short sales damage the owner's credit scores.

Short Sale Tips

If you understand the possible risks and still want to look for a property that's a short sale, make sure that you go into it prepared. While the property is sold as-is, you still need an inspection so you can figure out how much you'll have to spend in repairs. You'll also have more negotiating power with the lender if you can prove significant repairs are needed.

Even though short sales are a way to get a deal, you still need to be realistic with your offer. Your offer can be turned down if it's too low.

It's also a good idea to provide as much cash as you can because the lender will want to reduce their risk. Finally, work with a real estate agent experienced in short sales because they're complex transactions.



Equal Housing Opportunity

Dennis Kutty, REALTOR
E-mail: dennis@denniskuty.com
Website: <http://Sarasota-ManateeHomes.com>
Cell: (941) 626-1093

Premier Plus Realty

227 Central Ave.
Sarasota, FL 34236

Your REALTOR:



Dennis Kutty

February 2025

Real Estate

Update™



educated prospect makes our best client"

What You Need to Know About Closing Costs By Ashley Sutphin

When you're planning to buy a house, you don't just need upfront cash for a down payment as part of the transaction. It would be best to remember that you will have to pay closing costs. Closing costs are what you pay to a mortgage lender in exchange for the services related to your loan. A big issue many less experienced home buyers face is that they don't know how much they'll have to pay in closing costs, or perhaps they don't anticipate this expense at all.

Closing costs can also be described as processing fees that go to your lender in exchange for creating your loan. Closing costs can cover your home's appraisal and title searches. The particular types of closing costs you'll be responsible for paying vary depending on where you live and the type of loan.

You'll have to pay these when you go to your closing meeting most of the time.

How Much Are Closing Costs?

Closing costs can be anywhere from 3% on the low end to 6% on the high end of the price of your home. If you get a mortgage for \$200,000, for example, your closing costs might be \$6,000 to \$12,000. Closing costs are not inclusive of your down payment.

You might be able to negotiate with a seller to pay some or all of your closing costs. Both buyers and sellers will pay closing costs, but usually, the buyer pays the majority. If a seller does agree to cover some or all of the costs, it's known as a seller concession. If sellers agree to this concession, they can only contribute up to a certain percentage of the mortgage value, depending on the loan type, down payment, and occupancy.

In 2019, the average paid for closing costs in the U.S. was \$5,749, including taxes. The highest closing costs on average are in parts of the Northeast, including Washington D.C., Delaware, New York, Maryland, and Pennsylvania. Washington State also has some of the highest closing costs in the nation. States with the lowest average closing costs include Indiana, Montana, South Dakota, Iowa, and Kentucky.

Types of Fees

Your loan estimate and closing disclosure should have an itemized breakdown of all of the closing costs you're going to be responsible for. Some of the items you might see include:

- A loan application fee, which is charged by your lender to process your application for a mortgage.
 - Attorney fees cover the cost to have a real estate attorney prepare and review any contracts and agreements.
 - Closing fees are also known as escrow fees and are paid to the party handling the closing.
 - FHA loans require an upfront mortgage premium or UPMIP of 1.75% of the base amount of a loan to be paid at closing, or it can otherwise be rolled into your mortgage.
 - If you buy a property that's part of a homeowner's association, you may have to pay a transfer fee that covers the costs of switching ownership.
 - A lender will typically require you to prepay your first year of homeowners insurance at the closing.
 - An origination fee covers the administration costs of the lender to process your fee. The origination fee is usually 1% of your loan amount. If a lender doesn't charge an origination fee, they'll usually charge a higher interest rate.
 - If you make a down payment of less than 20%, the mortgage lender may require you to have private mortgage insurance or PMI. You could have to make the first month's payment for PMI at closing.
 - During closing, you'll pay any pro-rata property taxes that are due from the date you close to the end of the tax year.
- These aren't the only fees that are part of closing costs but are some of the major ones.

How to Lower Closing Costs

There are some closing costs you can't do much about, but there are also things you can do to lower them somewhat.

One of the best ways to save on closing costs potentially is to shop around when you're choosing a mortgage company to work with.

Choose a lender that offers the most competitive terms overall because closing costs won't necessarily be the same across lenders.

Finally, you might also negotiate with the seller to have them contribute, especially if you're in a buyer's market.



Dennis Kutty, REALTOR
E-mail: dennis@denniskutty.com
Website: <http://Sarasota-ManateeHomes.com>
Cell: (941) 626-1093

Premier Plus Realty

227 Central Ave.
Sarasota, FL 34236

Your REALTOR:



Dennis Kutty

February 2025

Real Estate

Update™ "An



educated prospect makes our best client"

Can You Use Gifted Money As a Down Payment? By Ashley Sutphin

If you're going to buy a house, or at least you hope you're going to, the down payment can be one of your biggest concerns.

Your down payment is a percentage of the purchase price of a property that comes out of pocket. Your down payment can range from as little as 3% up to 20% in most cases for a property you're buying as a primary residence. The particular down payment required depends on the type of mortgage you're using and the property type.

When you make a larger down payment, you may be able to buy a more expensive property or get a lower interest rate.

Often, first-time homebuyers may get gifts from family members to put toward their down payment, but there are stipulations.

Limitations of Using Gift Money

A mortgage lender will consider a few things, typically when you receive money as a gift for your down payment.

First, they'll look at the amount of the gift. Lenders may also consider where the money came from and the relationship between you and whoever gave you the money. A lender might not let you use gift money for your down payment if you didn't get it from someone close to you.

If you use money gifted to you, a lender will usually require you to provide a gift letter. The gift letter should indicate you don't have to repay the loans. A lender may also make you show documentation proving the gift's transfer to your bank account.

The lender may also go as far as asking the person who gave you the gift for a copy of their bank account statement or check to you.

Gifts and Conventional Loans

Conventional loans are financing options that aren't guaranteed or insured by any government entity. You usually can use gift money for your down payment and closing costs, as long as it comes from a source considered acceptable.

Family members are an acceptable source of a gift. Family under these definitions can include parents, children, siblings and grandparents. In-laws and domestic partners may also be included.

FHA Loans

The Federal Housing Administration offers FHA loans for borrowers who have low-to-moderate incomes. If you apply for this type of loan, the gift funds you receive must be from someone considered an eligible donor. There are typically stricter family guidelines even compared to conventional loans.

If you're applying for an FHA loan, while family relationship guidelines are more stringent, there is an allowance for gifts from charitable organizations or your employer. You can also use funds that come from a public entity or government agency that assists first-time or low-to-moderate-income home buyers.

VA Loans

A VA loan means you have the option to make no down payment if you're a service member or a veteran in certain circumstances. The major restriction on gifts for VA loans is that they can't come from someone who's described as an interested party.

An interested party has a role in the transaction, like the seller or a real estate agent. Since, again, you don't have to make a down payment on these loans, gifts are less relevant.

What Else to Know About Gifts

Usually there aren't limitations on how much someone can give you toward your down payment. In some circumstances, you may have to pay at least some of the down payment from personal funds. This is usually the case if you're buying an investment property.

If you receive money as a gift, your lender can provide you with a standard gift letter the person completes.



Equal Housing Opportunity

Dennis Kutty, REALTOR
E-mail: dennis@denniskuty.com
Website: <http://Sarasota-ManateeHomes.com>
Cell: (941) 626-1093

Premier Plus Realty

227 Central Ave.
Sarasota, FL 34236

Your REALTOR:



Dennis Kutty

February 2025

Real Estate

Update™



educated prospect makes our best client"

Tips for Designing Your Dream Kitchen Island By Ashley Sutphin

A spacious, functional kitchen island is the centerpiece of any space, and it's something you might be dreaming of. So, if you're in the process of designing or just playing around with the idea in your head, the following are tips for island design.

Which Appliances Should Go in Your Island?

You probably want to put at least a few of the more functional things in your kitchen in your island. It will save space, and it just makes things easier as you're designing the rest of the kitchen.

Adding your sink to your island is probably where you should start. It's not exactly an appliance, but it's certainly something you use, probably every time you're in your kitchen. If you're using your island for a lot of food prep, you want your sink right there.

With that in mind, it's always a good idea to have your sink next to your dishwasher, so you might also include that in your island.

Two optional but nice-to-have items in your island are a wine or beverage cooler and a microwave. Some islands even have pull-out refrigerator drawers.

You can add your cooktop to your island, but you might need to think about venting, which is why some people don't prefer that.

How Much Storage Do You Want?

When you have an idea of the appliances that will go in your island, then you can move on to start thinking about storage. At a minimum, if you're using the island for food prep, you want to have at least a few pullout drawers and a place to put things like cutting boards.

Counter Height

To determine your counter height, you want to think about who will be sitting there and how they'll sit. If you're going to have barstools, you'll either likely have them be 36 or 42 inches. You can also design an island so that it's two levels. One level might be higher for barstools, and the other might be lower so you can do prep. If you have a 36-inch bar, it's seating that's somewhere between a typical barstool and a table.

Island Size

When you're deciding on a size for the island, you have to think about not only what you want it to achieve but also the open area around it. You need at least three feet of floor space on the ends of the island. For your working and seating sides, you need at least 42 inches.

If you have enough room, the ideal width for an island is usually three feet. Proportion is really important when you design an island. You want to make sure that it works well with the rest of your kitchen and maintains a good sense of flow.

Finally, once you have all the basics above taken care of, you can start deciding on the more fun elements. For example, what countertop material will you use? One of the most beautiful island design options is a waterfall countertop, with stone or another solid surface cascading seamlessly to each side.

You can also start thinking about lighting. Pendant lights are always a good way to make a statement above your island.

If you have an open-concept layout, your island design is even more important because it's likely the focal point of your entire living space. Focus on function, but then have fun with your design as well.



Equal Housing Opportunity

Dennis Kutty, REALTOR
E-mail: dennis@denniskuty.com
Website: <http://Sarasota-ManateeHomes.com>
Cell: (941) 626-1093

Premier Plus Realty

227 Central Ave.
Sarasota, FL 34236