

Watch Out For These MONEY MISTAKES

A lot can go right when a family transfers: landing a new, more challenging job, perhaps with a larger paycheck, getting a fresh start in an interesting city, purchasing a just-right home, seeing your housing dollars stretch further, meeting new friends.

On the other hand, a lot can go wrong. Problems selling the old home or buying a new one head the list. Other costly problem areas include dealing with movers, difficulty adjusting to the new location, unforeseen expenses. And that's just a start.

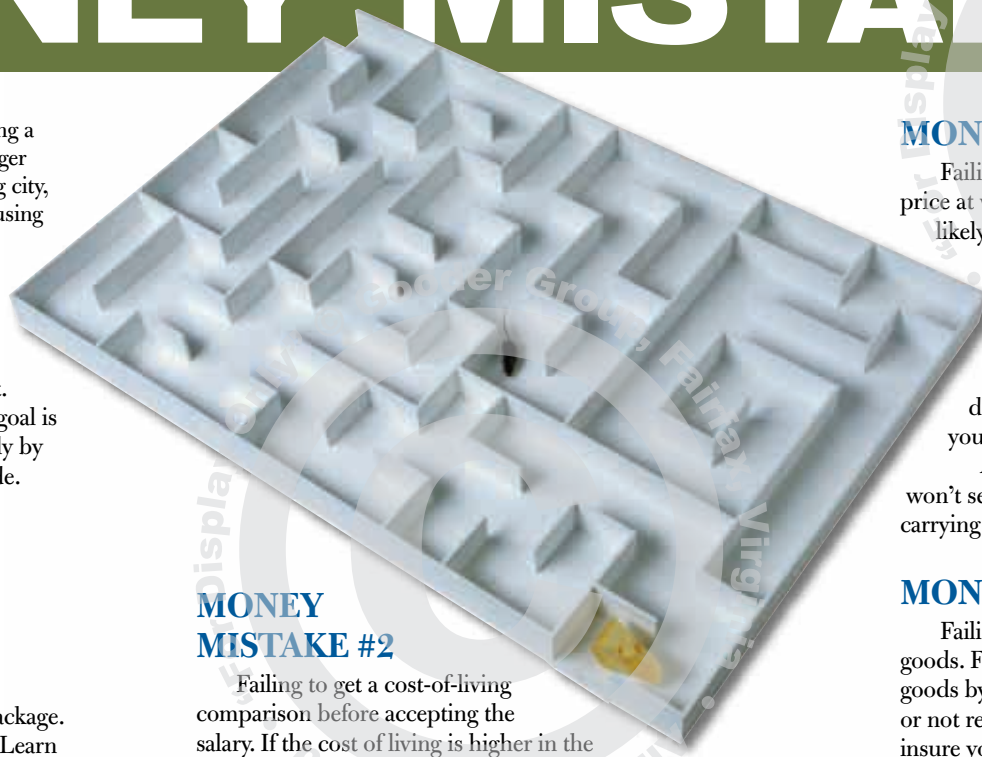
That's why we provide this special report. Our goal is to help you negotiate the relocation maze successfully by avoiding the wrong turns other transferees have made.

Mistakes At The Old Location

MONEY MISTAKE #1

Failing to negotiate a good relocation benefits package. Start by studying your company's relocation policy. Learn what benefits you're entitled to. Ask about others which aren't specifically mentioned. Here are some benefits you may want to pursue:

- house hunting and spouse job hunting trips for you and your family;
- corporate buyout of your home if it doesn't sell in a timely fashion;
- a self-marketing bonus if you do sell;
- help with selling expenses;
- full reimbursement for moving household goods — be sure to ask about vehicle transportation and other large, fragile or valuable special items;
- a rebate or lump sum payment for a self-move;
- help with home buying costs, such as closing costs, mortgage fees, points, credit reports, title searches, etc.;
- gross-up payments on corporate reimbursements to cover your additional tax liability or an assigned sale through a third party to avoid tax consequences.



MONEY MISTAKE #2

Failing to get a cost-of-living comparison before accepting the salary. If the cost of living is higher in the new location, your firm may make you financially whole with a salary increase, a salary-based supplement such as a cost-of-living adjustment, a mortgage buy-down or a corporate-funded down payment loan. If yours is a lateral move, be certain the transfer will financially leave you at least neutral, not poorer.

MONEY MISTAKE #3

Failing to involve the family in planning the move. Recognize it's not just the transferee's move — it's the whole family's move. Everyone will have a reaction to news of the transfer, to thoughts of leaving the old home and moving to the new, to leaving friends and possibly relatives behind. Face the fact that relocating is stressful both for you and for other family members and face family issues openly. Remember, ignoring the stresses of moving can result in the need for counseling — a costly remedy — or even divorce.

MONEY MISTAKE #4

Failing to price your home right. Setting your home's price at what you'd like to get, rather than what you're likely to get, is a big money mistake. Some transferees mistakenly set the price of the old home according to the cost of the new. What's likely to happen is your listing goes stale as your overpriced home languishes on the market. In the end, you may end up dropping the price dramatically below its value to spur interest in your old listing.

Another possibility is your overpriced home just won't sell. Then you'll be stuck in the costly situation of carrying two home mortgages simultaneously.

MONEY MISTAKE #5

Failing to assure appropriate treatment of household goods. First, minimize the expenses of moving household goods by downsizing, especially if you're paid a lump sum or not reimbursed for moving household goods. Second, insure your household goods properly. Third, understand what the mover's contract provides if your belongings are damaged or lost. For safety, carry jewelry, birth certificates and other valuables personally rather than trust them to the movers or the mail.

Mistakes At The New Location

MONEY MISTAKE #6

Failing to get loan pre-approval. In the hubbub to relocate, don't overlook the importance of getting pre-approved for a mortgage. You'll negotiate from a stronger position if you present yourself as a "cash buyer" and will be a more attractive prospective purchaser to sellers who know you're ready and qualified to buy.

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