
A TALE OF TWO HOUSES

Our journey of buying a home the right way after buying one the wrong way

By Jonathan White

Pre-sale Introduction/Chapter 1 Bonus

Introduction

[Living the American Dream](#)

When you think about living the American Dream one of the main components is home ownership. In fact as of 2014, it's estimated that 67% of Americans own the home they live in.¹ Owning your home can be a great thing. The home is yours so you can set it up, decorate, or landscape however you choose to. But if you aren't careful it can also turn into a never ending time and money pit. This will eventually drive you to the place where you wish you never would have bought the silly thing in the first place.

How do we get to that point? It usually starts before we even buy the home. When looking at houses, we catch house fever. It's a fever we rarely notice in the moment, but only once the fever has passed. It's where you find that one perfect home, which of course is just slightly above what you can afford. But you tell yourself that "you'll figure it out" when it comes to affording the payment and that once you get that big raise you'll be fine. Or you convince yourself that you can afford it because it is a good investment or it is your "dream home." But before you know it your mortgage payment is 40% or more of your income, that raise never comes through, one of you loses your job, or something breaks in the home and you need to replace it.

Another way our home sinks us is our failure to calculate all the costs when buying the home. So often we just look at our mortgage payment like we do our rent. If our rent is \$1,000 a month we think we can do a \$1,000 mortgage payment. But in doing that we fail to take into account other initial hidden, costs when we buy such as the cost to get a mortgage, renovation expenses, property taxes, moving expenses, etc.

But this isn't a book to get you not to consider home ownership. In fact there are real long term financial benefits to owning a home when compared to renting. Renting is OK for a season, but in the long term home ownership can be a lot cheaper than renting and can be a wise financial decision.

Because I know the home buying experience can be an exciting . . . and also stressful time I decided to write this book and share our story. In this book we are going to break down all the costs associated

¹ <http://www.statisticbrain.com/percent-of-americans-who-own-their-home/>

with buying a home and discuss the costs associated with selling, as well as share some practical advice and tips we learned during our journey.

I am not a real estate agent and I'm not pretending to play one in this book. I'm just a guy who has gone through this process twice before and have seen the difference it makes when you do it the right way. I'm also a guy who can tell you what it feels like to do it the wrong way and have buyer's remorse

If you are thinking of buying a home in the near future or have had a bad experience in the past, please don't let this introduction depress you into not buying. I do believe home ownership is a great thing and will save you thousands of dollars over the course of your life compared to renting. But so often we don't even think to look at all the costs associated with buying a home. The goal of this book is to walk with you and guide you by sharing our experience and help educate you on these costs to make your home buying experience a positive one that will enable you to prosper financially, not make you house poor.

Chapter One

[My American Dream Nightmare](#)

If it felt like I described your home buying experience in the introduction, don't worry. I know how it feels because I felt the same exact way about a decade ago. Back in 2006 I purchased my first piece of real estate, a condominium. I purchased it not because I had a good down payment, I knew what I could afford, or got a good deal on it. I purchased it because everyone was telling me that real estate was a great investment and that I was throwing my money away each month by renting. Was I really throwing my money away? Who knows, but when you were as cheap I was back then, the thought of wasting money didn't sit too well with me.

Looking back at the whole buying process I was really naïve. I pretty much did every single thing wrong that you could possibly think of. I put zero money down on the home, put in a bid on the first home I liked, didn't negotiate the price very well, had no clue how much I would have to pay out of pocket to get a mortgage, didn't determine how much mortgage I could afford, and worse yet I didn't even calculate what my mortgage interest rate or payment would be! To me those were just details, and I thought I'd figured it out *after* the fact. On top of that I also had the foresight to buy at the top of the real estate market in 2006, which meant before I even knew what had happened, I was \$20,000-\$25,000 underwater because I hadn't put any down payment on the house!

Ironically, I decided to pay attention to my finances *after* I bought the condo. I did that by learning how to invest, reading blogs, and budgeting my income to see where my money went each month. Only then did I realize the financial pressure the condo purchase was putting on me. It was scary looking at my 30 year amortization schedule and realizing that it would take years, at my current pace, before I paid the mortgage balance down enough to be able to sell the house for more than what I owed. Also when looking at the amortization schedule I got angry when I realized how much of my payment was going to interest each month and how little was going to pay off the principal.

Being underwater on my condo also made for some sleepless nights. During this time the Great Recession of 2008-2009 was going on and if I ever lost my job I'd have been sunk. Yes, I had an emergency fund but that would only last me for a few months and if I lost my job and had to move, I had no clue as to what I would do.

Thankfully I was able to overcome all my mistakes and when my wife and I sold the condo seven years after purchasing it (I bought it when I was single and got married a few years later) we were able to walk away with \$20,000 in equity to put down on our family's next home. With that being said I was determined to learn my lesson and not let the same thing happen with my next purchase. That happened in the summer of 2013 when we sold our condo and purchased a new home for our growing family. I decided early on in the process that I was going to document every expenses I had with selling the condo and buying the new home so I could track the real cost of buying a home.

So throughout each chapter of the book I'll be walking through the whole process we went through and sharing our story, starting with selecting a real estate agent all the way through moving into the new home, and everything in between. Each chapter will start off with practical advice on each step of the process followed by an "Our story" segment at the end. This is where it gets real and we share the details of our experience with real dollars attached. We got to admit it is kind of scary being vulnerable like this but we do it for your benefit so that you can learn from what we have done using real life situations and figures.

You can Pre-Order ["A Tale of Two Houses"](#) now through April 12th and receive the following Bonuses

- Audio recording of the 7 creative ways to come up with a down payment
- PDF of links to other material I've written about or recorded on buying a house

Click [Here](#) to pre-order a copy of "A Tale of Two Houses" and then after you pre-order a copy, get your receipt number from Amazon and visit the [Pre-Sale bonus redemption page](#) to claim your bonuses.