

# CAREPA NEWS

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### 華裔房地產專業協會新聞

2009 年七月號

July 2009

#### President's Message ~ 會長的話

July is the month for all of us to appreciate this great land of liberty and be thankful that we are blessed to be here in the United States.

2009 CAREPA Golf Classic was a great success! More than 80 golfers joined the tournament and enjoyed the dinner June 29. I would like to special thanks Bob Cheou, Jacqueline Cheou and Yin Bihr, Chairs of golf tournament committee for making such excellent arrangements. Our special guests, Steve Goddard, the president-elect of California Association of REALTORS® and Chung-Chen Kung (中華民國駐洛杉磯辦事處 龔中誠處長), the Director General from Taipei Economic and Culture Office (TECO) also enjoyed the game with CAREPA.



CAREPA has been fortunate to have many sponsors for Raffle Gifts drawing, Silent auction and Tee signs this year, plus a great decoration of art pieces by Liuligongfang (琉璃工房). We had a great turn out. With your participation, it is a prosperous year for CAREPA.

In July Frank Lay from "At your service" provided us great information about eviction after trustee sales. We drew over 80 attendees. Please don't forget there will be NO MEETING in AUGUST. Our Program Chair, Nancy Lin, did a wonderful job. Our goal is to serve our members with better educational programs and promote networking. Thank you for your attendance and support. We hope that you will all come and bring along your friends and colleagues for great networking opportunities!

JOHN WU 吳程遠  
華裔房地產專業協會 會長  
2009 CAREPA President

#### June home sales rise, but prices plummet

**For the ninth straight month, home sales were below the bench mark 5 million rate. Average home price falls 15.4% from last June.**

By Les Christie, CNNMoney.com staff writer

NEW YORK (CNNMoney.com) -- Sales of existing homes disappointed again in June, coming in at a seasonally adjusted annualized rate of 4.89 million, up just 3.6% compared with May, according to a monthly report from the National Association of Realtors.

Home sales peaked in August 2005 at an annualized rate of more than 7.2 million, but sales have not surpassed the 5 million mark since last September, despite a large number of homes on the market, low mortgage rates, a tax credit for first-time homebuyers and low, low prices.

The median price for a home sold during the month was just \$181,800 -- 15.4% lower than 12 months earlier. Sales were down, oh so slightly, from 12 months ago, from 4.90 million in June 2008. Mortgage rates back then were about 6.3% for a 30-year, fixed-rate mortgage loan. They stood at 5.42% last month, which was still a step up from the 4.86% rates available in May.

The sales figures were slightly higher than industry expectations. A panel of analyst forecasts compiled by Briefing.com had predicted that sales would come in at 4.84 million units.

NAR chief economist Lawrence Yun expressed hope that the industry could build upon the modest gain. "We expect a gradual uptrend in sales to continue due to tax credit incentives and historically high affordability conditions," he said.

There was some reason for optimism, according to Stuart Hoffman, chief economist for PNC Financial Services ([PNC](#), [Fortune 500](#)) in Pittsburgh. Three months of gains in a row indicates to him that, "The downturn is probably behind us. There should be a

#### Have You Heard?

MRMLS implemented the new **CARETS Data Integrity Standards** on June 15<sup>th</sup>. All participants of CARETS must abide by their rules and standards **including YOU**

# 2009 CAREPA BOARD OF DIRECTORS

感謝所有理事會成員為本協會所做出的貢獻

Thank to the Board of Directors for their voluntarism!

Felicidades a la Junta de Directores. Gracias por ser voluntarios.



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### JULY GENERAL MEETING

July 8, 2009

6:30PM

**SPEAKER**

**Mr. Frank Lay**

**TOPIC**

**"Notice and Unlawful Detainer  
after Trustee Sale"**

**EMPRESS HARBOR RESTAURANT**

111 N. Atlantic Blvd. 3<sup>rd</sup> floor  
Monterey Park, CA 91754

For reservations and information,  
contact Nancy Lin @ 626-285-8333

### SEPTEMBER GENERAL MEETING

SEPTEMBER 9, 2009

6:30PM

**SPEAKER**

**Mr. Steve Zikman, LL.M., LEED AP**  
**The Zikman Law Group**

**TOPIC**

**"Green Building, LEED Certification and  
Sustainable Development Practices"**

**EMPRESS HARBOR RESTAURANT**

111 N. Atlantic Blvd. 3<sup>rd</sup> floor  
Monterey Park, CA 91754

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period of [market] stabilization and a creeping up of sales."

One possible problem, however, is that affordability may not continue to improve as fast as it has. Price declines are flattening out and mortgage rates are less favorable than they were.

"Mortgage rates were much lower in April and May, when many of the deals [reflected in this report] were negotiated," said Hoffman. That could mean disappointing results during the next few months as higher rates tamp down momentum.

"It's still not great, but we're no longer poised for Armageddon," said Mike Larson, a housing analyst for Weiss Research, in a prepared statement. "We're seeing sales rates steadily and gradually climb at the same time the supply of homes for sale is falling. We're also seeing the pace of home price declines ease up. None of this is great news. But it's a noticeable -- and welcome -- change from the free-fall we witnessed in 2007 and 2008."

## **Drag on the market**

The main culprit for the tepid report was the economy. Job losses have taken many potential homebuyers out of the market entirely and discouraged others from buying.

"Affordability improvement brought out some homebuyers," said Hoffman, "but sales are still pretty flat. A more favorable job picture and we wouldn't be swimming so hard against the tide."

Another problem, according to Yun, is that [home sales are being lost as a result of new appraisal standards](#) that recently went into effect. Too many inexperienced appraisers are using poor comparisons when evaluating homes, which can sabotage deals.

The NAR release reported that a June survey of its members found that 37% said they lost a sale as a result of appraisal problems, with seven out of 10 reporting an increased use of out-of-area appraisers.

"In many cases," Yun said, "normal homes are being compared with distressed homes sold at a discount, which often are in subpar condition. This is causing real harm to both buyers and sellers."

Larson, however, downplays this problem. "Clearly tighter appraisal standards will limit some sales, but to suggest the appraisals are not being realistic because they used distressed properties is not right. Distressed sales are a large part of the market." ■

## **California: Land of Sunshine and a Year of FREE Living**

by Bob Schwartz

The state of California has more than doubled the normal foreclosure time by an additional 90 days for homeowners with troubled mortgages. This is on top of the 30 day extension put in to place in 2008. Is this the state where living is free or are these actions only prolonging the pain? Sen. Ellen Corbett (D-San Leandro) introduced a bill as an add-on to the California "budget" package to add a 90-day moratorium on California home foreclosures. Gov. Arnold Schwarzenegger signed into the bill on 2/20/09. It applies to owner-occupied homes and first-mortgages made from 2003 to 2007. See my earlier post: ['New Law Extends California Home Foreclosures \(again\)'](#) published on March 12, 2009.

State regulators can grant loan servicers and lenders exemptions, if they have a mortgage modification program in place that meets certain criteria. These include programs that defer a portion of the principal, lower interest rates for at least five years, or extend loan terms.

In 2008, the state of California extended the foreclosure process by approximately 30 days by adding a requirement that lenders document their efforts to contact the delinquent homeowner.

So, now for 2009, the state of California has more than doubled the normal foreclosure time periods by extending the normal California foreclosure for an additional 90 days. This is after the 30 day extension applied in 2008. Instead of helping these actions are only prolonging the pain. Perhaps the state should stay out of the mortgage business.

The market can't recover until all these foreclosures get flushed through the system. Delaying the inevitable will not change the end result; it will probably only make it worse. In a declining market, the lenders will recover even less when the property eventually sells.

Personally, I'm not aware of one mortgage lender that starts the foreclosure process as soon as the homeowner is late one month. In the vast majority of cases, the lender does not start the process for four months or more. Do the math: Four months slow motion by the lender, the original 90 day foreclosure process (plus a 21 day advertising period), the 2008 delay of 30 days, and now the 90 day moratorium passed in February 2009. That's a potential of free

living for almost a year! Who is really paying for this 'free California living?' With a lot of these toxic loans being purchased by the federal government, it's the U.S. taxpayer who is paying.

Other fallout resulting from the state's legislated moratorium on foreclosures is the many homeowner associations adversely affected by a delay in collecting normal monthly maintenance dues. It's a sure bet homeowners are not paying their monthly maintenance fees when they aren't making their mortgage payments. Most monthly homeowner fees run about \$250 per month. Who ultimately pays for the additional \$1,000 in delinquent dues? It's the existing association homeowners. HOAs will either have to increase the dues, or require special assessments from the owners who are left. Once a property has been foreclosed, the lenders are responsible for paying the dues on the property. All outstanding balances prior to the foreclosure date are wiped out! The "moratorium penalty" can be especially devastating for small condo complexes with six to twelve units.

The California legislature continues to amaze ... but not impress ... with stupid ideas put into law.

## EDITOR MESSAGE

Recent changes in foreclosures laws have made a difference in the way lenders handle their process of eviction and home sales. In the last couple of months, real estate sales seem to have increased; but then, so have recent foreclosures. Is the real estate market really improving?

While interest rates are going up, we must make sure that the potential buyer is truly qualified to purchase a property. It is one of the biggest investments in one's life. We, REALTORS®, must always remain professional and ethical in our practice. Do not be discouraged and persevere. We should service our clients well. Do not lead an unqualified buyer into future foreclosure.

Let's hope for the better in this economic market. Think outside the box. Keep the faith!

"**CAREPA News**" is newsletter published by CAREPA, Chinese American Real Estate Professionals Association in an attempt to facilitate and serve our membership needs. If you would like to contribute an article, include an advertisement, make a comment and/or sponsor any program, please contact Lucia Tam at 626-221-2888 or e-mail to [luciatam@yahoo.com](mailto:luciatam@yahoo.com) or contact CAREPA President, John C. Wu, at 323-578-8988.



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