



October 2009

REAL ESTATE *Update*

Larry Logue, CRS,
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"Your Real Estate Gate to Portland Metro Real Estate"

Note: Simply click on the title of a story below to go directly to that page.

Pages with full header

- [October Real Estate Update](#)
- [Home Buyer's Tax Credit Changes Possible](#)
- [Four Things Not to Forget on Moving Day](#)
- [Don't Let An Over-priced Home Be a Humbling Lesson](#)
- [Job-hunting Strategies for Trailing Spouses](#)
- [Mortgage Fraud Remains an Easy Con](#)
- [Home Staging Helps Bring Top Dollar Sale](#)
- [How to Stay on Top of Mortgage Payments During a Short-Term Financial Crisis](#)
- [Blank Template](#)

Pages with footer only

- [October Real Estate Update](#)
- [Home Buyer's Tax Credit Changes Possible](#)
- [Four Things Not to Forget on Moving Day](#)
- [Don't Let An Over-priced Home Be a Humbling Lesson](#)
- [Job-hunting Strategies for Trailing Spouses](#)
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- [Home Staging Helps Bring Top Dollar Sale](#)
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Rates Remain Low

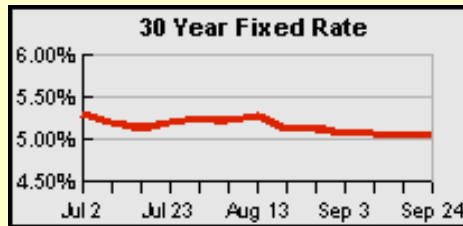
In Freddie Mac's results of its Primary Mortgage Market Survey the 30-year fixed-rate mortgage averaged 5.04 percent for the week ending September 24, unchanged from the previous week when it averaged 5.04 percent.

Last year at this time, the 30-year fixed-rate mortgage averaged 6.09 percent.

"Mortgage rates held relatively steady at three-month lows," said Frank Nothaft, Freddie Mac vice president

Mortgage Rates

Source: Realty Times



U.S. averages as of September 24, 2009:

30 yr. fixed: 5.04%
15 yr. fixed: 4.46%
1 yr. adj: 4.52%

and chief economist. Correspondingly, applications jumped 12.8 percent - the strongest pace since late May.

Tax Credit Extension Could Sway Buyers

At least 43



percent of potential first-time home buyers told Zillow.com that extending the \$8,000 federal tax credit would go a long way toward motivating them to buy a home in 2010,

Nearly 18 percent called the credit the "primary influence" in their decision; 25 percent said it would be a "significant influence;" 27 percent said the credit would have "some" influence on any homebuying decision; and 31 percent said it would have no influence.

If the 18 percent of those who called the credit a primary influence ultimately bought a home, that would equate to 334,000 buyers from December 1, 2009, to November 30, 2010, and would cost taxpayers \$14.86 billion, the online real estate marketing firm calculated.

Zillow also noted that based on its survey, about 80 percent of first-time home buyers in the coming year will buy whether there is a credit or not, but it argues that expanding the credit is worthwhile.

"While 334,000 may seem like a small number relative to the total number of home buyers who would claim the credit, their addition to the market next year could make the difference between a robust annual increase in home sales next year and a flat or negative change in home sales relative to this year," Zillow Chief Economist Stan Humphries says.

The current \$8,000 first-time homebuyer tax credit is set to expire on November 30, 2009.

Credit Reports Under Extra Scrutiny



Buyers who are

under contract and hoping to close before Nov. 30 when the first-time home buyer credit expires should refrain from buying furniture and other things on credit.

Lenders are running credit checks prior to closing day and any increase in credit card or other debt can jeopardize the loan.

Buyers should be warned to even refrain from checking out a new large purchase because even an inquiry on a credit report could scare a lender.

If someone's squeaking by and, all of a sudden, they may be looking at increasing debt, the lenders will have a keener eye in looking at your loan. Don't look until you've closed is basically what it comes down to. That's the safest way.

Get Lawns Ready Now for Next Year

Anybody who will



be selling a property in the spring should get a jump on curb appeal by working now on beautifying the lawn. Here are some key tasks that will lead to a green and healthy yard in the next selling season:

- Calculate the total lawn area to learn how much seed and chemicals are required.
- Treat weeds with an herbicide.
- Test the pH level and, if indicated, add lime.
- Plant ground cover like pachysandra and hardy ferns in low-light or sloping areas. Before preparing, seeding and fertilizing the rest of the lawn, consider whether there are areas that might be better candidates for stepping stones.



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Home Buyer's Tax Credit Changes Possible

By Kenneth R. Harney



The first major change to the \$8,000 home buyer's tax credit began moving through Congress the last week of September, giving hope to real estate and building groups pushing for extension of the entire program before it expires November 30, 2009.

House Ways and Means Committee chairman, Congressman Charles Rangel, a New York Democrat, combined several smaller bills into the "Service Members Home Ownership Act of 2009", with a floor vote expected soon.

The bill is intended to correct a flaw in the original tax credit legislation: By requiring buyers to occupy and own their first home for 36 months to fully qualify for the credit, the program creates serious problems when military, Foreign Service and intelligence agency personnel are transferred overseas.

During their absence, they are not occupants of their houses, and sometimes have to rent them out or sell. Any of these events make them ineligible to retain the \$8,000 credit under current law. Ineligible buyers must then repay the credit to the IRS.

Oregon Congressman Earl Blumenauer, sponsor of one of the bills consolidated into Rangel's, said "it is absurd that thousands of Americans serving our country, away from friends and family ... must choose between their service work and home ownership."

The Ways and Means committee's bill would waive

the repayment requirement when a service member must sell a home within the 36 month period because of a transfer to a new duty station or overseas, and would count service-related absences toward the 36 month requirement.

Another provision in the bill would extend the \$8,000 credit for another year for personnel who may have missed out on claiming the credit because they thought they wouldn't qualify due to an overseas posting.

The credit for these individuals would be extended to November 30, 2010 from November 30, 2009, provided the served outside the U.S. for at least 90 days during calendar year 2009.

The bill, which has bipartisan support, could be sent to the Senate for action as early as next week, Congressional sources told Realty Times.

More important for the housing market overall, however, is the precedent set by the bill's extension of the credit for an extra year. It's not a far leap from that position to a general extension of the entire \$8,000 credit program to the same date.

The National Association of Realtors, National Association of Home Builders and the Mortgage Bankers Association jointly sponsored an ad campaign aimed at convincing Congress to give the credit program another year.



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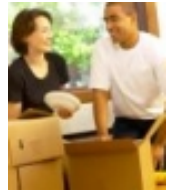
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Four Things Not to Forget on Moving Day

By Tim Johnson



You're likely approaching moving day with equal parts excitement and dread.

The excitement: a new home, a new life a fresh start!

The dread: moving. However, you can't go from "Old, Boring Life" to "New, Exciting Life" without passing through "Moving Day." Thankfully, the day itself needn't be an ordeal, if you keep in mind four things you absolutely should not forget to do.

- Don't forget to make sure everything is loaded on the van.
It's not unheard of for moving companies to neglect to load some items, so before they leave, make sure you go through the house to ensure everything's on the moving van. And don't overlook those places where things like to hide, particularly your closets and cabinets. We're aware of one recent mover who missed a closet full of Christmas decorations and had to spend \$250 to ship them to her new place.
- Don't forget to have a plan for your kids or pets.
A house that's being packed up is no place for a kid or a pet. They tend to get underfoot, which can pose dangers to both the movers and your kid/pet. Your best bet is to have someone watch them have the kids stay with relatives, and get a kennel for your pet. If you don't have that luxury, have them in a separate room with the door locked and with plenty of toys and/or a TV to occupy them. Pack that room last when loading the truck; when unloading the truck, unpack that room first so they're occupied while the rest of your house is unpacked.
- Don't forget to pack.
OK, you might not forget to pack, but you might not give yourself enough time to get it done by the time moving day rolls around. Here's why that's such a bad thing. First, if you leave packing until the last second, you might have to pull an all-

nighter to get it all done. Those might have been fun in college, but they're no fun when you know there's going to be a bunch of big burly guys showing up at 9 a.m. looking to move packed boxes. And being tired while packing is not a good idea, particularly if you'd like your items to show up in one piece at your new place. Even if a Herculean effort to get everything done doesn't do the trick, the moving company will help you but they'll charge you for their labor and the moving supplies. These prices are pre-set by their tariff, and they're not cheap. So be honest with yourself when packing: Can you get it all done yourself? And if you can, can you set aside enough time so it's not done hastily at the last second?

- Don't forget to check your moving paperwork thoroughly.
On moving day, you'll get two very important pieces of paper. The inventory is a listing of the items that will be moved, as well as their condition, and usually the driver compiles it. Make sure you agree with the assessment of your belongings. That's important in case you need to file a claim for damages; if it was listed in damaged condition before the move, you might not be able to claim much. (You can also use the inventory to check off that you received everything that was loaded onto the moving van.) The bill of lading is essentially the contract for your move. It should match the estimates that you received when you got the quote for your move. The time to contest any charges is before you sign the bill of lading, so make sure you do so.

Moving can be one of life's most stressful experiences, but it shouldn't prevent you from looking forward to your new home and all the excitement that comes with it. Keep these four tips in mind as you plan for the "Big Day," and you'll be heading off to your new place with a strong start.



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Don't Let An Over-priced Home Be A Humbling Lesson

By Phoebe Chongchua



Perhaps the greatest influencer in getting your home sold is entering the market with a home that's priced correctly.

Over-priced homes won't get favorable attention; they lose out to the ones that are reasonably priced.

All sellers are looking for the highest price for their home. That's why some sellers want to start at the highest point, maybe even asking a higher price than what they really believe they can get -- the continued readjustment of price can be a humbling ride down to finding the reasonable price to sell the home.

Still dropping the price sounds like an okay strategy, some sellers think.

Here's the problem, especially in today's current market conditions where numerous sellers are competing for fewer buyers -- adjusting price down may come too late and cost the seller less in gain than if the home were priced correctly from the start.

The majority of buyers use buyers' agents to assist them with purchasing a property. Buyers' agents will help the buyers find a home that's right for them. If their buyers are interested in a particular home and it is priced too high (based on comparable properties sold) then the buyers' agents will find their clients similar more reasonably priced homes to view in the same area.

As a seller's property that's over-priced continues to sit on the market the listing loses its newness. There are typically fewer new listings than existing listings. Agents pay a great deal of attention to what's new on the market. Homes that are priced correctly generate attention, activity and a sale; over-priced homes, on the other hand, sit for long periods, are passed over, and ultimately result in a price reduction.

If a seller has an over-priced home on the market and then chooses to drop the price it sometimes goes overlooked. Because it's not a new listing it'll need a little more attention to get agents and buyers to notice that this same home is now being offered for less.

Flyers, emails, ads, etc. have the challenge of enticing buyers and agents who wouldn't give it a look at the higher price -- to come see it now. Not an impossible battle, but again, the listing is no longer new and may be less appealing even with the price reduction.

Obviously, the longer an over-priced home sits on the market, typically the more financial stress the seller begins to feel. If the seller has purchased a new home or must move to another state, suddenly the desperate seller syndrome sets in and lowball offers may have to be accepted due to financial circumstances.

Pricing a home correctly initially is vital -- otherwise the "we-can-always-drop-our-price" strategy could become a costly and humbling lesson in the end.



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Job-hunting Strategies for Trailing Spouses

By Realty Times Staff



You're moving. Again. And once again, your spouse's career takes precedence and yours is back at square one. Even if you are in total agreement with the move, you will still experience two of the highest stress factors in existence simultaneously - moving and unemployment.

Along with death of a family member, loss of a spouse, and disaster, moving and being unemployed rank among the top five stress producers. To be faced with two of the top stressors simultaneously requires the marshalling of all your survival and recovery instincts.

You're moving to make life better, but that is only true if moving is best for both of you and the rest of the members of your family. Your job as the transferred spouse is to make the best of the transition. Finding the right employment situation will get you well on the road to accomplishing that goal. Over 75% of company transferees are married, according to the Employee Relocation Council in Washington, D.C. which means three out of four transferees has a "trailing spouse."

Although some companies take steps to smooth the transition for employees who are asked to move from one city to another, few recognize or appreciate the tremendous stress factors that typically befall the trailing spouse. The transferee is expected to integrate into his/her new surroundings and "hit the ground running," while the trailing spouse is left with the primary duties of finding or moving into a home, installing children in new schools and other programs, beginning a new social network, and generally adjusting the family to the culture shock of a new environment. Add to that the burden of having to find a new job in an unfamiliar market, and the prescription for adjustment problems is filled.

Many relocating spouses cope by developing or falling back on a skill they can develop in an entrepreneurial style. Deborah Grooms, who followed her husband to Orlando when he accepted a job at Disney World, found that she could return to the photography business she had begun in another city. Dave Harland, who followed his wife to Orlando where she took a job as a radio DJ. Knowing that every time she took a new job, it meant putting his career temporarily on hold, he developed a strategy that works for them as a couple. He began a home-

refurbishing business, a career he can take anywhere.

And job hunting in a new market doesn't have to be frustrating. There are a number of tips that transferred spouses can follow to help them find the right position.

- Go to your present company and see if the human resources department or your boss can refer you to similar companies in your new city. After you have given notice, contact the competitors of present company competitors as well. They could have a branch or looking to open a satellite office in your new city and you may be the right choice to make the plan happen.
- Contact your spouse's human resources department and see if there are any programs for transferring spouses and their families. They may have a job search network in place that can help get the word out your special skills.
- Contact your friends, family and acquaintances for referrals in your new city.
- Contact the local Chamber of Commerce. Many times they will have a Web site and a list of members will be available for you to call.
- When you arrive in your new city, don't let the grass grow under your feet. Volunteer with organizations that need the kind of professional expertise you have and ask them for referrals to people and companies who can offer you the kind of work you are seeking.
- Scan the papers and surf the 'Net. Ask longtime residents and business contacts about the opportunities you find.
- Get to know people in your neighborhood, your child's school and make yourself part of the community. Don't live as if your life is on hold.
- If you are uncertain what direction you want to take, slow down and re-evaluate your priorities. Do you want to return to the same kind of job that you had? Talk to a career counselor, if you are in doubt. The evaluation fee is well worth it if it can lead you in a new direction that you will find more rewarding.



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Mortgage Fraud Remains an Easy Con

By Broderick Perkins



Despite tougher lending standards putting the kibosh on some types of home loan scams, organized wise guys continue to traffic in mortgage fraud. The number of Suspicious Activity Reports (SARs) for mortgage fraud tracked by the Federal Bureau of Investigation could skyrocket by nearly 300 percent this year.

Compared to 2007, mortgage fraud SARs in 2008 had already increased by more than 36 percent to 63,000. But just two months into 2009, the FBI has already documented nearly 29,000 mortgage fraud SARs. At that rate, some 174,000 SARs; a 276 percent increase; could be filed by the end of the year. And that's only what the FBI can see.

"Many mortgage finance-related entities are either loosely or completely unregulated at the state or federal level," said FBI Director Robert Mueller in recent testimony before the U.S. Senate Appropriations panel.

The good news? "The current financial crisis has produced an unexpected consequence. They have helped reveal numerous mortgage fraud schemes, Ponzi schemes, and investment frauds, such as the Bernard Madoff scam," Mueller testified.

But while the Feds are catching up with Wall Street crooks, struggling homeowners on Main Street remain common prey. Despite tougher lending standards putting the kibosh on some types of home loan scams, organized wise guys continue to traffic in mortgage fraud. That's prompted the U.S. Department of the Treasury, the U.S. Department of Justice (DOJ), the Department of Housing and Urban Development (HUD), the Federal Trade Commission (FTC), and the Attorney General of Illinois to launch new initiatives to pump up fraud investigations and step up enforcement actions, especially to protect homeowners seeking relief from President Obama's Making Home Affordable initiative.

The effort particularly targets loan modification and mortgage fraud.

Mortgage fraud, a relatively new form of organized crime, first cashed in on the greed that came with the boom market, when some buyers would do anything to own a home, including lie on the application. Cons, often insiders, also falsified documents, inflated appraisals and used other underhanded techniques to get home loans approved and properties flipped for a hefty profit when appreciation was skyrocketing.

With the housing market bust, however, came stricter

underwriting scrutiny which helped stem the tide of loans approved with fabricated information.

Now, mortgage fraud is taking advantage of vulnerable, gullible homeowners facing foreclosure. Like those who once fibbed to cash in on the booming market, many struggling homeowners are likewise willing to do anything to remain homeowners. Mueller said today's host of sophisticated scams are associated with new loan modification services, foreclosure bailouts, equity grabs, bankruptcy, identity theft and property flipping, among others.

Bruce Hahn, president of the American Homeowners Foundation, a non-profit advocacy group in Washington, D.C. says it's tough to tell the good guys from the bad without a scorecard.

"Some loan modification services are competent, but some are incompetent and there is another group of people who post ads to help with mortgage problems, but are basically fraudsters and fronts," Hahn said. The FTC recently surveyed online and print advertising for mortgage foreclosure rescue operations nationwide and identified approximately 71 distinct companies running suspicious ads.

It's clear homeowners, who want to avoid being taken by the new scammers must likewise become more sophisticated. The experts advise:

- Don't be a rube. If it sounds too good to be true, it probably is. Debts, bad credit and other financial holes didn't appear over night. They won't magically disappear over night.
- Be wary of strangers and unsolicited contacts, as well as high-pressure sales techniques. Avoid spam come-ons and web-based advertisements promoting the elimination of mortgage loans for an up-front fee to prepare documents to satisfy the debt. Beware of offers to "save" you from defaulting on loan payments or from foreclosure.
- Attempts to cajole you into making false statements in the name of mortgage relief is a red flag. Likewise don't sign blank documents or those you don't understand.
- Seek out family, friends, co-workers and others you trust who recently successfully solved a mortgage problem. Ask them for referrals. That applies to loan modifications, work outs, restructuring and refinance efforts.



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Home Staging Helps Bring Top Dollar Sale

By Phoebe Chongchua



If your house could be sold looking the way a model home does, do you think it might bring in more money? Chances are it would. That's why home staging is a growing profession that's rapidly changing the way homes are sold.

"Staging is not decorating. Decorating is optional, staging is mandatory in order to sell the house for the most possible money in the shortest amount of time," says home staging instructor Joanne O'Donnell.

O'Donnell has been teaching courses on how to stage a home to be sold for several years. The concept first became known in 1972 by then-Realtor, Barb Schwarz who realized that homes would sell for higher prices if they were prepared to sell first.

Today, hundreds of thousands of real estate professionals, decorators and sellers have come to understand the once-little-known term *staging* that was coined by Schwarz. O'Donnell recently taught a course in San Diego, Calif. In the course were two mother-daughter teams, Realtors and even a lawyer. "When we put your home on the market it is no longer your home; it is a product and we're marketing it," O'Donnell told the students.

Home stagers start by viewing the seller's home inside and out. O'Donnell encourages the students to walk through a home that they plan to stage with the seller, being sure to take notes of items that need to be moved and/or removed.

While home staging may improve the looks of the home, O'Donnell is careful to point out it is not interior decorating. Instead she says it's much simpler. "You can't go out and buy new things for every problem that you have with a house," says O'Donnell. She tells the students to be problem solvers, reminding them that her clients are selling their homes and they don't want to spend a lot to do it.

Really home staging is about de-cluttering and making a home desirable to the masses. "Clutter eats up equity," O'Donnell frequently reminds the students throughout the course.

"The whole idea of staging is that you want to market to the largest number of people to get as many offers as possible," says O'Donnell.

There are five key points that must be applied when staging a home. O'Donnell refers to them as the Five C's of Staging: the home needs to be clean, clutter free, have color, be creatively staged, and finally stagers have to compromise with the sellers, because, of course, many sellers continue living in their homes while they're being shown.

"People don't see that a lot of things that are in their houses are part of themselves and when you try to sell a house you want to make it as neutral as possible, not necessarily in the colors, but in the way it's presented," says Gerin Canin, a lawyer from New York who is transitioning into a home staging career.

Canin believes home stagers play a vital role in real estate. "I think that when people sell their homes they don't necessarily see their house as a potential buyer would see their house. They become attached to things. [The seller] doesn't notice things that other people would notice. So I do think it's important to have an opinion from someone else," explains Canin.

Here are a few home staging tips from professionals:

For the Inside:

- Clear the clutter.
- Put away all electrical cords and extra appliances.
- Put away family photos.
- Think open space.

For the Outside:

- Shutters improve the look.
- Paint/Power wash.
- Plants, high, medium, low -- with lots of color.
- Decks -- even small ones can be a big improvement.



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How to Stay on Top of Mortgage Payments During A Short-Term Financial Crisis

By Michele Dawson



With a job loss, divorce, illness, or death or illness of a spouse, you may have a difficult time making your mortgage payment. But don't despair - there are steps you can take to stay on top of your bills and avoid losing your home during this transition period.

One of the most important things you can do is take immediate action, according to the U.S. Department of Housing and Urban Development. First, examine how much money is coming in and how much you owe for your various bills. Eliminate unnecessary spending.

Then, take the following steps:

- Contact your lender as soon as possible. Don't let embarrassment stop you from notifying your lender about your financial situation. HUD says most lenders want to help borrowers keep their homes. Foreclosure is expensive for all parties involved. Lenders have workout options to help you keep your home. But lenders are most accommodating when you are just one or two payments behind. The farther behind you get, the fewer options exist. Most lenders will help you explore your options.
- Don't ignore mail from your lender. If you haven't contacted your lender and you start receiving letters when you're behind in making your payments, you need to respond when they contact you. If they don't hear from you, they will take legal action.
- Talk to a housing counselor. If you don't want to contact your lender right away, call a HUD-approved housing counselor. He or she will help you assess your financial situation, review your options, and - most importantly - help you negotiate with your lender. Counselors are familiar with the work-out arrangements for various lenders.
- Prioritize your debts. Under new budget constraints, you'll need to focus on food, utilities, and shelter. If you don't pay your debts, chances are your credit will be negatively impacted. Any money you have after paying for food and utilities should go toward your mortgage payment. In addition to contacting a housing counselor, you may want to contact a non-profit

consumer credit counseling agency. A credit counselor can often reduce your monthly bills by negotiating lowered payments or long-term payment plans with your creditors. Most of these agencies provide their services free of charge. Be leery of an agency that requires a large fee or donation.

- Keep your credit as clean as possible. Resist the urge to pay with plastic - you don't want to fall behind on additional debts and ultimately mar your credit report. This is especially important if you're trying to find a new job. Many employers check candidates' credit reports. It will also affect you if and when you buy or rent again.

- Explore loan workout solutions. If at all possible, stay on top of your mortgage payments. If you are unable to do so, contact your lender to help you find a program.

Once you have contacted your lender and if it appears your financial situation is only temporary, you may be offered one of the following options:

- Reinstatement. This means your lender may accept the total amount owned on your mortgage by a specified date.
- Forbearance. This is often used in tandem with reinstatement. Your lender may allow you to arrange for a reduction or suspension of payments for a specified period if there is another option in the works in which your loan will be paid off. This is a good option if you know you will have a chunk of money coming to you - perhaps a hiring bonus if you will be starting a new job, investment distribution or sale, or insurance settlement or reimbursement.
- Repayment plan. You may be able to renegotiate your payment plan, paying your regular payment plus an amount to bring you up to date on your past due payments.

Just remember, the worst thing you can do is ignore the situation and hope it will go away. The only way it will get better until you get back on your feet financially is through the services of a housing counselor, a lender workout program, or credit counseling - if not all three.



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October 2009

REAL ESTATE *Update*

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Equal Housing
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October Real Estate Update

Rates Remain Low

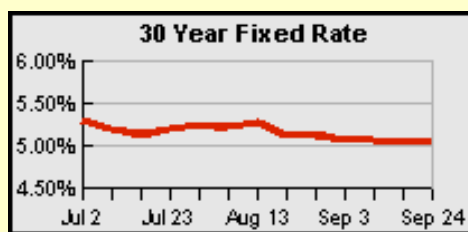
In Freddie Mac's results of its Primary Mortgage Market Survey the 30-year fixed-rate mortgage averaged 5.04 percent for the week ending September 24, unchanged from the previous week when it averaged 5.04 percent.

Last year at this time, the 30-year fixed-rate mortgage averaged 6.09 percent.

"Mortgage rates held relatively steady at three-month lows," said Frank Nothaft, Freddie Mac vice president

Mortgage Rates

Source: Realty Times



U.S. averages as of September 24, 2009:

30 yr. fixed: 5.04%
15 yr. fixed: 4.46%
1 yr. adj: 4.52%

Tax Credit Extension Could Sway Buyers

At least 43



percent of potential first-time home buyers told Zillow.com that extending the \$8,000 federal tax credit would go a long way toward motivating them to buy a home in 2010,

Nearly 18 percent called the credit the "primary influence" in their decision; 25 percent said it would be a "significant influence;" 27 percent said the credit would have "some" influence on any homebuying decision; and 31 percent said it would have no influence.

If the 18 percent of those who called the credit a primary influence ultimately bought a home, that would equate to 334,000 buyers from December 1, 2009, to November 30, 2010, and would cost taxpayers \$14.86 billion, the online real estate marketing firm calculated.

Zillow also noted that based on its survey, about 80 percent of first-time home buyers in the coming year will buy whether there is a credit or not, but it argues that expanding the credit is worthwhile.

"While 334,000 may seem like a small number relative to the total number of home buyers who would claim the credit, their addition to the market next year could make the difference between a robust annual increase in home sales next year and a flat or negative change in home sales relative to this year," Zillow Chief Economist Stan Humphries says.

The current \$8,000 first-time homebuyer tax credit is set to expire on November 30, 2009.

Credit Reports Under Extra Scrutiny



Buyers who are

under contract and hoping to close before Nov. 30 when the first-time home buyer credit expires should refrain from buying furniture and other things on credit.

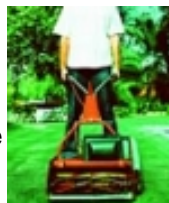
Lenders are running credit checks prior to closing day and any increase in credit card or other debt can jeopardize the loan.

Buyers should be warned to even refrain from checking out a new large purchase because even an inquiry on a credit report could scare a lender.

If someone's squeaking by and, all of a sudden, they may be looking at increasing debt, the lenders will have a keener eye in looking at your loan. Don't look until you've closed is basically what it comes down to. That's the safest way.

Get Lawns Ready Now for Next Year

Anybody who will



be selling a property in the spring should get a jump on curb appeal by working now on beautifying the lawn. Here are some key tasks that will lead to a green and healthy yard in the next selling season:

- Calculate the total lawn area to learn how much seed and chemicals are required.
- Treat weeds with an herbicide.
- Test the pH level and, if indicated, add lime.
- Plant ground cover like pachysandra and hardy ferns in low-light or slopping areas. Before preparing, seeding and fertilizing the rest of the lawn, consider whether there are areas that might be better candidates for stepping stones.



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Home Buyer's Tax Credit Changes Possible

By Kenneth R. Harney



The first major change to the \$8,000 home buyer's tax credit began moving through Congress the last week of September, giving hope to real estate and building groups pushing for extension of the entire program before it expires November 30, 2009.

House Ways and Means Committee chairman, Congressman Charles Rangel, a New York Democrat, combined several smaller bills into the "Service Members Home Ownership Act of 2009", with a floor vote expected soon.

The bill is intended to correct a flaw in the original tax credit legislation: By requiring buyers to occupy and own their first home for 36 months to fully qualify for the credit, the program creates serious problems when military, Foreign Service and intelligence agency personnel are transferred overseas.

During their absence, they are not occupants of their houses, and sometimes have to rent them out or sell. Any of these events make them ineligible to retain the \$8,000 credit under current law. Ineligible buyers must then repay the credit to the IRS.

Oregon Congressman Earl Blumenauer, sponsor of one of the bills consolidated into Rangel's, said "it is absurd that thousands of Americans serving our country, away from friends and family ... must choose between their service work and home ownership."

The Ways and Means committee's bill would waive

the repayment requirement when a service member must sell a home within the 36 month period because of a transfer to a new duty station or overseas, and would count service-related absences toward the 36 month requirement.

Another provision in the bill would extend the \$8,000 credit for another year for personnel who may have missed out on claiming the credit because they thought they wouldn't qualify due to an overseas posting.

The credit for these individuals would be extended to November 30, 2010 from November 30, 2009, provided the served outside the U.S. for at least 90 days during calendar year 2009.

The bill, which has bipartisan support, could be sent to the Senate for action as early as next week, Congressional sources told Realty Times.

More important for the housing market overall, however, is the precedent set by the bill's extension of the credit for an extra year. It's not a far leap from that position to a general extension of the entire \$8,000 credit program to the same date.

The National Association of Realtors, National Association of Home Builders and the Mortgage Bankers Association jointly sponsored an ad campaign aimed at convincing Congress to give the credit program another year.

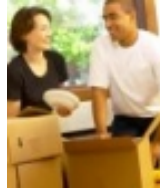


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Four Things Not to Forget on Moving Day

By Tim Johnson



You're likely approaching moving day with equal parts excitement and dread.

The excitement: a new home, a new life a fresh start!

The dread: moving. However, you can't go from "Old, Boring Life" to "New, Exciting Life" without passing through "Moving Day." Thankfully, the day itself needn't be an ordeal, if you keep in mind four things you absolutely should not forget to do.

- Don't forget to make sure everything is loaded on the van.
It's not unheard of for moving companies to neglect to load some items, so before they leave, make sure you go through the house to ensure everything's on the moving van. And don't overlook those places where things like to hide, particularly your closets and cabinets. We're aware of one recent mover who missed a closet full of Christmas decorations and had to spend \$250 to ship them to her new place.
- Don't forget to have a plan for your kids or pets.
A house that's being packed up is no place for a kid or a pet. They tend to get underfoot, which can pose dangers to both the movers and your kid/pet. Your best bet is to have someone watch them have the kids stay with relatives, and get a kennel for your pet. If you don't have that luxury, have them in a separate room with the door locked and with plenty of toys and/or a TV to occupy them. Pack that room last when loading the truck; when unloading the truck, unpack that room first so they're occupied while the rest of your house is unpacked.
- Don't forget to pack.
OK, you might not forget to pack, but you might not give yourself enough time to get it done by the time moving day rolls around. Here's why that's such a bad thing. First, if you leave packing until the last second, you might have to pull an all-

nighter to get it all done. Those might have been fun in college, but they're no fun when you know there's going to be a bunch of big burly guys showing up at 9 a.m. looking to move packed boxes. And being tired while packing is not a good idea, particularly if you'd like your items to show up in one piece at your new place. Even if a Herculean effort to get everything done doesn't do the trick, the moving company will help you but they'll charge you for their labor and the moving supplies. These prices are pre-set by their tariff, and they're not cheap. So be honest with yourself when packing: Can you get it all done yourself? And if you can, can you set aside enough time so it's not done hastily at the last second?

- Don't forget to check your moving paperwork thoroughly.
On moving day, you'll get two very important pieces of paper. The inventory is a listing of the items that will be moved, as well as their condition, and usually the driver compiles it. Make sure you agree with the assessment of your belongings. That's important in case you need to file a claim for damages; if it was listed in damaged condition before the move, you might not be able to claim much. (You can also use the inventory to check off that you received everything that was loaded onto the moving van.) The bill of lading is essentially the contract for your move. It should match the estimates that you received when you got the quote for your move. The time to contest any charges is before you sign the bill of lading, so make sure you do so.

Moving can be one of life's most stressful experiences, but it shouldn't prevent you from looking forward to your new home and all the excitement that comes with it. Keep these four tips in mind as you plan for the "Big Day," and you'll be heading off to your new place with a strong start.



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Don't Let An Over-priced Home Be A Humbling Lesson

By Phoebe Chongchua



Perhaps the greatest influencer in getting your home sold is entering the market with a home that's priced correctly.

Over-priced homes won't get favorable attention; they lose out to the ones that are reasonably priced.

All sellers are looking for the highest price for their home. That's why some sellers want to start at the highest point, maybe even asking a higher price than what they really believe they can get -- the continued readjustment of price can be a humbling ride down to finding the reasonable price to sell the home.

Still dropping the price sounds like an okay strategy, some sellers think.

Here's the problem, especially in today's current market conditions where numerous sellers are competing for fewer buyers -- adjusting price down may come too late and cost the seller less in gain than if the home were priced correctly from the start.

The majority of buyers use buyers' agents to assist them with purchasing a property. Buyers' agents will help the buyers find a home that's right for them. If their buyers are interested in a particular home and it is priced too high (based on comparable properties sold) then the buyers' agents will find their clients similar more reasonably priced homes to view in the same area.

As a seller's property that's over-priced continues to sit on the market the listing loses its newness. There are typically fewer new listings than existing listings. Agents pay a great deal of attention to what's new on the market. Homes that are priced correctly generate attention, activity and a sale; over-priced homes, on the other hand, sit for long periods, are passed over, and ultimately result in a price reduction.

If a seller has an over-priced home on the market and then chooses to drop the price it sometimes goes overlooked. Because it's not a new listing it'll need a little more attention to get agents and buyers to notice that this same home is now being offered for less.

Flyers, emails, ads, etc. have the challenge of enticing buyers and agents who wouldn't give it a look at the higher price -- to come see it now. Not an impossible battle, but again, the listing is no longer new and may be less appealing even with the price reduction.

Obviously, the longer an over-priced home sits on the market, typically the more financial stress the seller begins to feel. If the seller has purchased a new home or must move to another state, suddenly the desperate seller syndrome sets in and lowball offers may have to be accepted due to financial circumstances.

Pricing a home correctly initially is vital -- otherwise the "we-can-always-drop-our-price" strategy could become a costly and humbling lesson in the end.



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Job-hunting Strategies For Trailing Spouses

By Realty Times Staff



You're moving. Again. And once again, your spouse's career takes precedence and yours is back at square one. Even if you are in total agreement with the move, you will still experience two of the highest stress factors in existence simultaneously - moving and unemployment.

Along with death of a family member, loss of a spouse, and disaster, moving and being unemployed rank among the top five stress producers. To be faced with two of the top stressors simultaneously requires the marshalling of all your survival and recovery instincts.

You're moving to make life better, but that is only true if moving is best for both of you and the rest of the members of your family. Your job as the transferred spouse is to make the best of the transition. Finding the right employment situation will get you well on the road to accomplishing that goal. Over 75% of company transferees are married, according to the Employee Relocation Council in Washington, D.C. which means three out of four transferees has a "trailing spouse."

Although some companies take steps to smooth the transition for employees who are asked to move from one city to another, few recognize or appreciate the tremendous stress factors that typically befall the trailing spouse. The transferee is expected to integrate into his/her new surroundings and "hit the ground running," while the trailing spouse is left with the primary duties of finding or moving into a home, installing children in new schools and other programs, beginning a new social network, and generally adjusting the family to the culture shock of a new environment. Add to that the burden of having to find a new job in an unfamiliar market, and the prescription for adjustment problems is filled.

Many relocating spouses cope by developing or falling back on a skill they can develop in an entrepreneurial style. Deborah Grooms, who followed her husband to Orlando when he accepted a job at Disney World, found that she could return to the photography business she had begun in another city. Dave Harland, who followed his wife to Orlando where she took a job as a radio DJ. Knowing that every time she took a new job, it meant putting his career temporarily on hold, he developed a strategy that works for them as a couple. He began a home-

refurbishing business, a career he can take anywhere.

And job hunting in a new market doesn't have to be frustrating. There are a number of tips that transferred spouses can follow to help them find the right position.

- Go to your present company and see if the human resources department or your boss can refer you to similar companies in your new city. After you have given notice, contact the competitors of present company competitors as well. They could have a branch or looking to open a satellite office in your new city and you may be the right choice to make the plan happen.
- Contact your spouse's human resources department and see if there are any programs for transferring spouses and their families. They may have a job search network in place that can help get the word out your special skills.
- Contact your friends, family and acquaintances for referrals in your new city.
- Contact the local Chamber of Commerce. Many times they will have a Web site and a list of members will be available for you to call.
- When you arrive in your new city, don't let the grass grow under your feet. Volunteer with organizations that need the kind of professional expertise you have and ask them for referrals to people and companies who can offer you the kind of work you are seeking.
- Scan the papers and surf the 'Net. Ask longtime residents and business contacts about the opportunities you find.
- Get to know people in your neighborhood, your child's school and make yourself part of the community. Don't live as if your life is on hold.
- If you are uncertain what direction you want to take, slow down and re-evaluate your priorities. Do you want to return to the same kind of job that you had? Talk to a career counselor, if you are in doubt. The evaluation fee is well worth it if it can lead you in a new direction that you will find more rewarding.



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Mortgage Fraud Remains an Easy Con

By Broderick Perkins



Despite tougher lending standards putting the kibosh on some types of home loan scams, organized wise guys continue to traffic in mortgage fraud. The number of Suspicious Activity Reports (SARs) for mortgage fraud tracked by the Federal Bureau of Investigation could skyrocket by nearly 300 percent this year.

Compared to 2007, mortgage fraud SARs in 2008 had already increased by more than 36 percent to 63,000. But just two months into 2009, the FBI has already documented nearly 29,000 mortgage fraud SARs. At that rate, some 174,000 SARs; a 276 percent increase; could be filed by the end of the year. And that's only what the FBI can see.

"Many mortgage finance-related entities are either loosely or completely unregulated at the state or federal level," said FBI Director Robert Mueller in recent testimony before the U.S. Senate Appropriations panel.

The good news? "The current financial crisis has produced an unexpected consequence. They have helped reveal numerous mortgage fraud schemes, Ponzi schemes, and investment frauds, such as the Bernard Madoff scam," Mueller testified.

But while the Feds are catching up with Wall Street crooks, struggling homeowners on Main Street remain common prey. Despite tougher lending standards putting the kibosh on some types of home loan scams, organized wise guys continue to traffic in mortgage fraud. That's prompted the U.S. Department of the Treasury, the U.S. Department of Justice (DOJ), the Department of Housing and Urban Development (HUD), the Federal Trade Commission (FTC), and the Attorney General of Illinois to launch new initiatives to pump up fraud investigations and step up enforcement actions, especially to protect homeowners seeking relief from President Obama's Making Home Affordable initiative.

The effort particularly targets loan modification and mortgage fraud.

Mortgage fraud, a relatively new form of organized crime, first cashed in on the greed that came with the boom market, when some buyers would do anything to own a home, including lie on the application. Cons, often insiders, also falsified documents, inflated appraisals and used other underhanded techniques to get home loans approved and properties flipped for a hefty profit when appreciation was skyrocketing.

With the housing market bust, however, came stricter

underwriting scrutiny which helped stem the tide of loans approved with fabricated information.

Now, mortgage fraud is taking advantage of vulnerable, gullible homeowners facing foreclosure. Like those who once fibbed to cash in on the booming market, many struggling homeowners are likewise willing to do anything to remain homeowners. Mueller said today's host of sophisticated scams are associated with new loan modification services, foreclosure bailouts, equity grabs, bankruptcy, identity theft and property flipping, among others.

Bruce Hahn, president of the American Homeowners Foundation, a non-profit advocacy group in Washington, D.C. says it's tough to tell the good guys from the bad without a scorecard.

"Some loan modification services are competent, but some are incompetent and there is another group of people who post ads to help with mortgage problems, but are basically fraudsters and fronts," Hahn said. The FTC recently surveyed online and print advertising for mortgage foreclosure rescue operations nationwide and identified approximately 71 distinct companies running suspicious ads.

It's clear homeowners, who want to avoid being taken by the new scammers must likewise become more sophisticated. The experts advise:

- Don't be a rube. If it sounds too good to be true, it probably is. Debts, bad credit and other financial holes didn't appear overnight. They won't magically disappear overnight.
- Be wary of strangers and unsolicited contacts, as well as high-pressure sales techniques. Avoid spam come-ons and web-based advertisements promoting the elimination of mortgage loans for an up-front fee to prepare documents to satisfy the debt. Beware of offers to "save" you from defaulting on loan payments or from foreclosure.
- Attempts to cajole you into making false statements in the name of mortgage relief is a red flag. Likewise don't sign blank documents or those you don't understand.
- Seek out family, friends, co-workers and others you trust who recently successfully solved a mortgage problem. Ask them for referrals. That applies to loan modifications, work outs, restructuring and refinance efforts.



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Home Staging Helps Bring Top Dollar Sale

By Phoebe Chongchua



If your house could be sold looking the way a model home does, do you think it might bring in more money? Chances are it would. That's why home staging is a growing profession that's rapidly changing the way homes are sold.

"Staging is not decorating. Decorating is optional, staging is mandatory in order to sell the house for the most possible money in the shortest amount of time," says home staging instructor Joanne O'Donnell.

O'Donnell has been teaching courses on how to stage a home to be sold for several years. The concept first became known in 1972 by then-Realtor, Barb Schwarz who realized that homes would sell for higher prices if they were prepared to sell first.

Today, hundreds of thousands of real estate professionals, decorators and sellers have come to understand the once-little-known term *staging* that was coined by Schwarz. O'Donnell recently taught a course in San Diego, Calif. In the course were two mother-daughter teams, Realtors and even a lawyer. "When we put your home on the market it is no longer your home; it is a product and we're marketing it," O'Donnell told the students.

Home stagers start by viewing the seller's home inside and out. O'Donnell encourages the students to walk through a home that they plan to stage with the seller, being sure to take notes of items that need to be moved and/or removed.

While home staging may improve the looks of the home, O'Donnell is careful to point out it is not interior decorating. Instead she says it's much simpler. "You can't go out and buy new things for every problem that you have with a house," says O'Donnell. She tells the students to be problem solvers, reminding them that her clients are selling their homes and they don't want to spend a lot to do it.

Really home staging is about de-cluttering and making a home desirable to the masses. "Clutter eats up equity," O'Donnell frequently reminds the students throughout the course.

"The whole idea of staging is that you want to market to the largest number of people to get as many offers as possible," says O'Donnell.

There are five key points that must be applied when staging a home. O'Donnell refers to them as the Five C's of Staging: the home needs to be clean, clutter free, have color, be creatively staged, and finally stagers have to compromise with the sellers, because, of course, many sellers continue living in their homes while they're being shown.

"People don't see that a lot of things that are in their houses are part of themselves and when you try to sell a house you want to make it as neutral as possible, not necessarily in the colors, but in the way it's presented," says Gerin Canin, a lawyer from New York who is transitioning into a home staging career.

Canin believes home stagers play a vital role in real estate. "I think that when people sell their homes they don't necessarily see their house as a potential buyer would see their house. They become attached to things. [The seller] doesn't notice things that other people would notice. So I do think it's important to have an opinion from someone else," explains Canin.

Here are a few home staging tips from professionals:

For the Inside:

- Clear the clutter.
- Put away all electrical cords and extra appliances.
- Put away family photos.
- Think open space.

For the Outside:

- Shutters improve the look.
- Paint/Power wash.
- Plants, high, medium, low -- with lots of color.
- Decks -- even small ones can be a big improvement.



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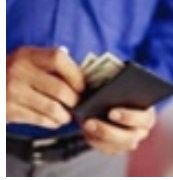
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How to Stay on Top of Mortgage Payments During A Short-Term Financial Crisis

By Michele Dawson



With a job loss, divorce, illness, or death or illness of a spouse, you may have a difficult time making your mortgage payment. But don't despair - there are steps you can take to stay on top of your bills and avoid losing your home during this transition period.

One of the most important things you can do is take immediate action, according to the U.S. Department of Housing and Urban Development. First, examine how much money is coming in and how much you owe for your various bills. Eliminate unnecessary spending.

Then, take the following steps:

- Contact your lender as soon as possible. Don't let embarrassment stop you from notifying your lender about your financial situation. HUD says most lenders want to help borrowers keep their homes. Foreclosure is expensive for all parties involved. Lenders have workout options to help you keep your home. But lenders are most accommodating when you are just one or two payments behind. The farther behind you get, the fewer options exist. Most lenders will help you explore your options.
- Don't ignore mail from your lender. If you haven't contacted your lender and you start receiving letters when you're behind in making your payments, you need to respond when they contact you. If they don't hear from you, they will take legal action.
- Talk to a housing counselor. If you don't want to contact your lender right away, call a HUD-approved housing counselor. He or she will help you assess your financial situation, review your options, and - most importantly - help you negotiate with your lender. Counselors are familiar with the work-out arrangements for various lenders.
- Prioritize your debts. Under new budget constraints, you'll need to focus on food, utilities, and shelter. If you don't pay your debts, chances are your credit will be negatively impacted. Any money you have after paying for food and utilities should go toward your mortgage payment. In addition to contacting a housing counselor, you may want to contact a non-profit

consumer credit counseling agency. A credit counselor can often reduce your monthly bills by negotiating lowered payments or long-term payment plans with your creditors. Most of these agencies provide their services free of charge. Be leery of an agency that requires a large fee or donation.

- Keep your credit as clean as possible. Resist the urge to pay with plastic - you don't want to fall behind on additional debts and ultimately mar your credit report. This is especially important if you're trying to find a new job. Many employers check candidates' credit reports. It will also affect you if and when you buy or rent again.

- Explore loan workout solutions. If at all possible, stay on top of your mortgage payments. If you are unable to do so, contact your lender to help you find a program.

Once you have contacted your lender and if it appears your financial situation is only temporary, you may be offered one of the following options:

- Reinstatement. This means your lender may accept the total amount owed on your mortgage by a specified date.
- Forbearance. This is often used in tandem with reinstatement. Your lender may allow you to arrange for a reduction or suspension of payments for a specified period if there is another option in the works in which your loan will be paid off. This is a good option if you know you will have a chunk of money coming to you - perhaps a hiring bonus if you will be starting a new job, investment distribution or sale, or insurance settlement or reimbursement.
- Repayment plan. You may be able to renegotiate your payment plan, paying your regular payment plus an amount to bring you up to date on your past due payments.

Just remember, the worst thing you can do is ignore the situation and hope it will go away. The only way it will get better until you get back on your feet financially is through the services of a housing counselor, a lender workout program, or credit counseling - if not all three.



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