



YOUR HOME *Your Way*

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*Courtney Way
A Better "Way"
to Real Estate
Since 2001*

HAPPY NEW YEAR!

Wow, another year has passed! I hope you enjoyed the holiday season and are ready to kick-off the New Year with a bang. I'm hopeful that our economy will change for the better in 2012 – and good signs are already pointing in that direction. Check these statistics out:

- An improving job outlook helped the Conference Board's Consumer Confidence Index rise almost 10 points in December to 64.5, the highest level since April and near a post-recession peak of 72 in February of last year.
- Housing starts increased 9.3 percent to a 685,000 annual rate, exceeding the highest level since April 2010, according to the U.S. Commerce Department.
- Residential sales in the Sacramento region gained an 11.7 percent increase from last year, according to DataQuick.
- Sacramento County posted a 12.6 percent sales volume increase last month—its fifth consecutive month of double-digit percentage gains, *The Sacramento Bee* reported.

All this, and the Kings beat the Lakers on opening night! What's your opinion? Do you think 2012 could be the year for recovery? I'd love to hear your thoughts, so shoot me an email or give me a call. Until then, Happy New Year and I hope to see more of you in 2012!

All my best,
Courtney

A SHORT SALE Q&A -- WHY WOULDN'T YOU?



A question I often hear is, "Why would I want to short sale my home?" And my answer, more of a question itself, is very simple: "Why wouldn't you?" With the new laws in place to prevent delinquency judgments, and the banks becoming more streamlined in their processes, there are no obvious reasons why someone wouldn't first try to short sale their home rather than walking away. But it seems there are still many misperceptions out there as to how the short sale works, and why it's beneficial. Here are a few short Q&As to clear some things up.

Q: Do I have to pay any fees to short sale my home? No. Find yourself a good agent to list the home – one who's experienced in short sales – and the commission is paid by the bank, as are all the closing fees, repairs and costs in selling the home. Upon approval, the bank accepts to "net payoff" after all the fees are taken out, so there is no out-of-pocket expense on the seller's side.

Q: Is the seller in a short sale relieved of all debt obligations owed to the lender? In general, yes. With the passage of SB 458, effective this past July 15, the lenders on both 1st and 2nd mortgages cannot pursue the seller of a short sale for any deficiency under the note. As long as the proceeds of sale were tendered to the lien holder as per the buyer and seller's agreement, then no deficiency can be collected, rendered or requested. The borrower/seller is protected even if the loan is

refinanced as long as it's secured by a trust deed. An exception to SB 458 occurs if the borrower/seller has committed fraud with respect to the property's sale or has severely damaged the property. Under these circumstances, the borrower/seller may still be liable for the deficiency balance.

Q: How will I know the bank will not make me re-pay the remainder of the deficiency balance? Get it in writing. Upon short sale acceptance, the lender will provide you (or your agent) with an approval letter.

Q: Are there tax implications from short selling my home? There could be. Generally speaking, any relief of indebtedness from a short sale, regardless of whether the loan is a recourse or nonrecourse loan, is taxed as ordinary income. There are, however, some exceptions to this rule that may benefit a taxpayer involved in a short sale. It's always advisable to first consult a CPA before short selling your home to find out if there will be any tax consequences.

Q: Will the short sale adversely affect my credit? Because most people who short sale their home have fallen behind on mortgage payments, yes, it is already reflected on their credit report by the time they even short sale and credit score does go down over the course of the short sale. But once the short sale is completed, most lenders report the account "settled" on the credit report. Therefore, I've seen credit scores jump back up significantly after the account shows paid on the report.

FOR MORE INFO OR A COPY OF THE DRE REGULATED "SHORT SALES Q&A" PAMPHLET, PLEASE CONTACT ME AT: COURTNEY@CAPWESTREALTY.COM



Buying after a Foreclosure, Short Sale or Bankruptcy

Did you know that you are eligible for a new home loan with just a few years after a foreclosure, short sale or bankruptcy? In fact, the Federal Housing Administration and Fannie Mae have guidelines that will allow for a new home loan just two years after a bankruptcy and three years after a foreclosure/short sale!

With the economic situation still in a slow recovery, many people are finding that the short two- or three-year time window is up and are getting back in the market with today's low rates and low prices. The first step to your re-entry is learning what your credit score is and how the bankruptcy, foreclosure or short sale was reported on your credit. Credit reports are very important to lenders and the guidelines follow very specific date requirements.

Make sure you contact a professional mortgage consultant that you can trust so you're provided an accurate assessment of your situation and options.

FOR MORE INFORMATION, CALL BRAD L'ENGLE WITH COMSTOCK MORTGAGE AT 916-977-1291.



As a Sacramento resident for 30 years, I can assist in the following residential areas:



- West Sacramento
- Downtown/Midtown
- Land Park/Curtis Park
- East Sacramento
- Natomas
- Sierra Oaks
- Arden Park
- Carmichael
- Fair Oaks
- Folsom
- Roseville/Rocklin
- Lincoln

RECENT SALES ACTIVITY



:: LISTING ::

Complete Remodel in East Sac!
96 FALLON LANE
2BED/2 BATH
\$339,900
*Just steps to
Bertha Henschel Park!*

:: JUST SOLD ::

1701 39TH STREET
2 BED/1BATH IN "FAB 40s"
Short sale approved within 2 weeks!
\$295,000



:: PENDING ::

2755 5TH AVE, CURTIS PARK
3BED/2 BATH WITH 1,100 SF BASEMENT
\$360,000

NEED ADVICE?

Need a good CPA in the upcoming New Year? Or a remodeling contractor? Or would you like to know who are the **best** and **worst** banks to work with if you're contemplating a short sale?



Contact me for a free list of vendor referrals or advice on which banks are the easiest.

"We will open the book.
Its pages are blank.
We are going to put words
on them ourselves.
The book is called
Opportunity and its first
chapter is New Year's Day."

— Edith Lovejoy Pierce

DINE DOWNTOWN 2012

Experience the best of Downtown Sacramento's dining scene during the award-winning Dine Downtown Restaurant Week. From Monday Jan. 9 through Wednesday Jan. 18, local chefs will create special three-course dinner menus for only \$30 per person. Visit <http://downtownsac.org/events/dine-downtown> for a list of this year's participating restaurants and menus.



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