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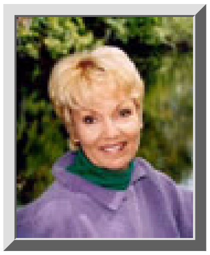

Pam Bewak

April 2009

REAL ESTATE Update

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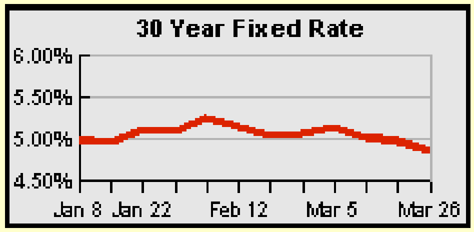
Rates Hit New Low

In Freddie Mac's results of its Primary Mortgage Market Survey the 30-year fixed-rate mortgage (FRM) averaged 4.85% for the week ending March 26, 2009, down from the previous week when it averaged 4.98%.

"The Federal Reserve's announcement that it intends to purchase Treasury securities over the next six months caused bond yields to drop and mortgage rates followed," said Frank Nothaft, Freddie Mac chief economist. Rates for 30-Yr FRMs peaked last year at 6.63% on July 24th.

Mortgage Rates

Source: Realty Times



U.S. averages as of March 26, 2009:

30 yr. fixed: 4.85%
15 yr. fixed: 4.58%
1 yr. adj: 4.85%

Today, the interest rate difference is almost 2 percentage points, which amounts to a savings of about $225 in monthly payments for a $200,000 loan.

Use Your Tax Return for Good

Tax season can be a challenging time of the year. Some people wait until the last minute to file their taxes, while others file and received their funds before the mid April deadline, or paid the IRS if the case may be.

But if you are one of the lucky who get a return, what will you do with those long awaited greenbacks?

A popular choice amongst consumers is to pay off credit card debt; another is indulging in something extravagant. But why not consider how your tax return can help maximize your mortgage product and your financial situation in the long run?

Consider refinancing if you have an ARM or a high interest rate loan. Refinancing into a fixed rate and/or a lower interest rate can save you money in the long run. Why not do it now when rates are at all time lows? You can use your tax return for closing costs.

If you are happy with your mortgage product and rate, why not use your tax return to help add the gourmet kitchen you've always wanted? Not only can you have that extra bedroom or outdoor kitchen you've always wanted, but you may also be increasing the value of your home and get more money when you are ready to sell.

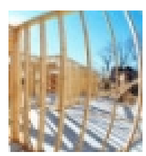
Let your tax return help increase the value of your home by using it to help fund a rehab loan.

Perhaps you want to upgrade to a new home for your growing family. Your tax return can come in handy with closing costs and other fees associated with buying a new home.

Home Buyer Tax Credit Increases Activity

NAR President Charles McMillan says home shopping activity has picked up with housing affordability at a record high. "The number of buyers looking for homes rose 5% in February, and also was 5% above a year ago," he says. "It appears most of the increase in buyer traffic occurred in the latter part of the month after the $8,000 first-time buyer tax credit was put in place. At the same time, mortgage purchase applications have risen, so we expect to see sales picking up around late spring." McMillan notes that more potential buyers are learning about the tax credit, just as the traditional spring home-buying season begins. Existing-home sales ose 5.1% to a seasonally adjusted annual rate of 4.72 million units in February from a pace of 4.49 million units in January.

New Homes: Two Master Bedrooms



Why have only one master bedroom when you can have two? That's the question Bellevue, WA based homebuilder Bennett Homes asks.

Bennett Homes sales director Gayl Van Natter says, "We did some exhaustive demographic studies to see how the market place is changing. And we decided that the floor plan designs we offer should reflect the types of family and non-family groups that have entered the marketplace."

"Two masters answer the needs of more than one type of buyer," she explains. "Baby Boomers are opting to have parents live in with them, sometimes two siblings decide to invest together to save money, or buyers just want a second master for guests, a nanny or a caregiver."

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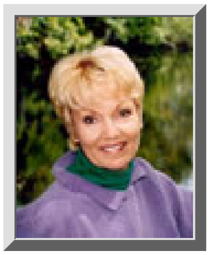

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REAL ESTATE Update

Five Ways to Wow Buyers

By Phoebe Chongchua

These days, tax credits and high housing inventory make it a buyers' market. If you're a seller, don't despair. There are a variety of renovations that can help make your home stand out. Many buyers look at numerous homes when shopping for a house; so enhancing your home to make it more memorable is vital and increases the chances of a successful sale.

Clearing clutter, taking down personal photos, applying a fresh coat of paint, making minor repairs, and keeping a pleasant aroma are all basic techniques to make your home more appealing. But there are a few other creative enhancements that you can do to wow buyers without emptying your wallet. The results not only attract more attention, but also paint a picture of a well-cared-for home.

While not everyone has the same taste in housing, typically buyers are attracted to larger kitchens, extra storage space, light and bright rooms, and open floor plans. Special finishing touches on a home can be the needed incentive to generate an offer.

Kathy Gerstenberg has owned her home for nearly 20 years. Over the decades she's made many improvements but now she's considering selling and wants to make sure she gets top dollar in a down market. So, she's examining her home the way a buyer would.

"We live in a tract home and I know there are many homes for sale; we don't want ours to be seen as the same 'cookie-cutter' model as the others," says Gerstenberg. With that in mind, Gerstenberg has carefully made enhancements that make her home more comfortable and aesthetically pleasing.

As she scouts the market for her next home there are various aspects of a potential home that she notices right away. "I wanted to do improvements that would catch a buyer's eye and also make it enjoyable for our family," says Gerstenberg. "I love crown molding and finished doors and windows," says Gerstenberg. She adds, "So many times builders just don't complete the look of a home but when you frame a door or window and add some crown molding to a room it gives it a finished look."

Industry experts agree; Americans are expected to spend $217 billion on remodeling in 2009. Here are five areas where homeowners may spend some of their remodeling money to add the "wow" factor to your home. 1. Go green. Energy efficient products and household goods are attractive to buyers. Renovations or replacements that help make the house more energy efficient are popular. Things such as better insulation, replacing old windows, caulking, and adding skylights can increase value.

2. Crown molding and wider baseboards. Some homeowners are shy to experiment with this, especially if they live in a small home, but it can be very attractive in any size home. Wider baseboard. The measly baseboard that builders often use in tract homes doesn't draw attention. Adding a wider baseboard and a fresh coat of paint makes the room come to life. Also, framing windows and doors helps complete the look of a room.

3. Textured paint. Faux finishes, accented walls, or even just a little fresh paint on them makes a lasting impression. Choose colors and textures wisely. Don't get carried away with a color you love (e.g. purple walls I've seen it in a home for sale). Remember, that you want your home to appeal to the masses. You can always paint your new home purple and then change it when it comes time to sell it!

4. Improved flooring. Wood, tile, and new carpet can be a showstopper. But if the flooring is chipped, torn, or dirty, you'll get the opposite reaction from buyers. They'll think your home hasn't been cared for properly which could result in a lower offer -- or no sale at all.

5. Add a deck. Adding a deck can add value to your home. It's a nice feature in a yard and many buyers are happy to purchase a home that already has a deck so that they don't have to take on that home improvement project.

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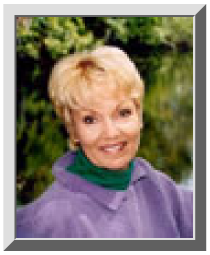

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REAL ESTATE Update

When Is It Time To Replace Your Roof?

By Broderick Perkins

Red flags that signal it's time to replace your roof may be over your head.

Sunlight permitting holes and bucket brigade-sized leaks are obvious signs it's time for a new topper for your home. There are however, additional indicators that may not be so obvious.

"Certainly if your roof is approaching the end of its life cycle -- usually 20 - 25 years for asphalt shingles -- it's time to think about a new roof," says Ray Rosewall, president and CEO of DaVinci Roofscapes in Kansas City, KS.

The National Association of Homebuilders says decorative slate, metal, masonry and newer synthetic roofs can have a life expectancy of 50 years or more.

"However, a calendar shouldn't be the only way you determine if it's time to replace your roof," said Rosewall.

Think about replacing your roof when:

- Your neighbors have new roofs and you want to maintain the value of your home. Also, given most homes in a neighborhood were built at the same time, your roof may reach the end of it's lifecycle at the time your neighbors' roofs are failing.
- Your neighbors have not added a new roof and you want to increase the resale value of your home. Hanley Wood's Cost vs. Value 2008-2009 report says a new roof can return an average 65.5 percent of the cost in the form of value added to the home. On a $18,825 roof, that's $12,336 added to the value of your home. That adds up to greater salability.
- Your geographic area has seen an increase in severe weather conditions, (including hail or tornados) that require a stronger roofing material to handle the dramatic weather changes.

"With the changing weather patterns in our country, combined with the need for homeowners to add value to their properties, consumers should be vigilant about looking for signs of wear along with upgrading their roofs," said Rosewall.

- Your existing roof is functional, but has staining that detracts from the look of your home. In a housing market laden with poorly-maintained foreclosed homes, it's a good idea to make yours standout from the eyesores.
- You want to shrink your carbon footprint and take advantage of more sustainable green roofing alternatives that are low maintenance and energy saving and can come with 50-year warranties.

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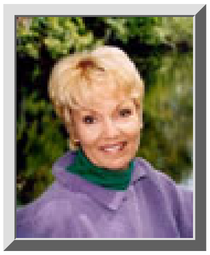

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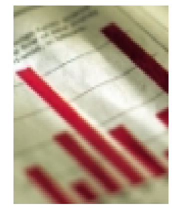
Where Housing is Headed



By Kenneth R. Harney

We received an important indicator of where housing is headed last month, when new mortgage applications for home purchases and refinances suddenly surged as they hadn't in months.

Applications for FHA loans to buy houses were up by 10.4 percent. And overall home purchase applications jumped by 7.1 percent.

Meanwhile mortgage interest rates dropped to their second lowest level in nearly two decades, according to the Mortgage Bankers Association. Thirty year fixed rates averaged 4.96 percent and fifteen year rated dropped to just 4.5 percent.

Why's this important? New financing applications to buy homes obviously point to rising purchase contracts and closed sales in the months ahead. They also suggest that prices have hit a level in many markets that is attracting once-hesitant buyers off the sidelines.

There's still another factor that's likely at work here as well: Congress's recent improvements to the home purchase tax credit -- pushing it to $8,000 from $7,500 and making it non-repayable. George Ratiu, research economist for the National Association of Realtors, says the big jump in loan applications could be tied to the improved credit in the stimulus package signed into law last month.

"Consumers may be responding to the stimulation" effect of the better credit for 2009, he said.

But let's be clear here: A rise in home purchase applications does not suggest we've turned the corner in the cycle or have solved the multiple challenges facing markets around the country -- high foreclosure levels, continuing domination in some areas of REO and short sales, and continuing increases in the unemployment rate.

Even amid these problems, however, there are some hints of possible improvements ahead. For example, a new study by research firm Realty Trac and USA Today found that despite the constant headlines about record levels of foreclosures, the more closely you look, the more you find that those numbers are highly concentrated in a relatively small number of counties.

More than half of the nation's foreclosures in 2008, researchers found, were concentrated in just 35 counties in 12 states. You can guess where: California, Las Vegas, Phoenix and Florida.

But the really eye-opening finding: In more than 650 other counties, representing one fifth of all markets in the U.S., foreclosure numbers have actually declined since 2006.

Foreclosures are horrible no matter where they occur. But the fact is: Huge portions of the United States have NOT been seeing record foreclosures, short sales or even serious property value declines. They're doing better.

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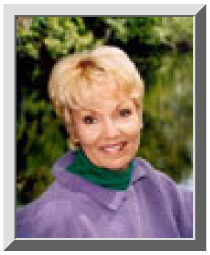

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REAL ESTATE Update

What You Need to Know to Buy a Home Today

By Phoebe Chongchua

Don't let a sluggish economy get you down. There are reasons to shop for personal items - including a new home. I recently saw an advertisement for a new car that said you could return the car in the first year if you lose your job. While there may not be that incentive for homes yet, some other perks might give you reason to start your housing search.

If you can afford to buy, consider making homeownership a goal this year, especially if you haven't owned a principal residence in three years prior to buying. The new stimulus package sweetens the deal for homebuyers who purchase a residence on or after January 1, 2009, and before December 1, 2009. The incentive is for first-time homebuyers who remain in their home for at least three years. It provides a credit for 10 percent of the home purchase price, up to an $8,000 limit. The credit can be taken on your 2008 or 2009 tax return.

If you close on a home after the April 15 tax deadline, you can apply for an extension provided that you close on your home before the extension deadline of October 15. If you're extra speedy and have already filed your 2008 return, don't worry - you can file an amendment to claim the credit. You have three years to do that. You'll need IRS Form 1040X to do that.

Taking the credit on your 2009 return or getting the benefit now, before filing your return, by adjusting your income wage withholding are also options.

The full credit applies to those first-time homebuyers whose modified adjusted income is less than $75,000 or $150,000 (filing jointly). The credit amount drops as your income rises. And if your income is over $95,000 or $170,000 (filing jointly) then you're out of luck - the credit is eliminated.

Be sure to speak to experts to ask questions as some other qualifications apply.

Yet another reason, you may want to shop around is to get in on the action while it's still a buyers' market. Others certainly see the U.S. as a stable place to invest. According to the Association of Foreign Investors (AFIRE), a survey released earlier this year showed that more than 53 percent of respondents ranked the "U.S. as the country providing the most stable and secure real estate investments."

Foreigners from China, Thailand, Vietnam, Mexico, Europe, and South America are traveling to the U.S. to see what real estate opportunities exist in the U.S. Areas such as Las Vegas, New York, and Miami have been infiltrated with foreigners who are buying now to take advantage of their stronger currency or the opportunity to stash their cash in a dollar-dominated place. While many are looking for commercial properties, some are vying for residential properties too.

"This is the greatest opportunity we've had in 50 years," says Billy Procida, president of William Procida, Inc., a turnaround management firm for middle market real estate companies. He says even though there is a lot of inventory on the market, certain properties will have less interest and be a better bargain.

"If you buy something that is pristine, painted, clean - brand new - you're going to be competing. This is truly the time when the folks who are willing to roll up their sleeves and do some work will benefit from it," says Procida. So if you're ready to buy but wondering if you can qualify for a loan, Procida recommends the following:

- Check your credit. Procida says one of his family members found out that there was $20,000 of erroneously reported credit debt. "It's absolutely incorrect, but it was on there," says Procida.
- Clean up your credit. "If you have a delinquency clean it up, says Procida. And he advises that you check your report once it has been cleaned up because sometimes the credit agencies neglect to update your credit report.
- Be prepared. Get all your financial records such as two years of tax returns in order and have them handy to make the loan process go smoothly.
- Liquidity is key. Don't go buy a car before you plan to purchase a home (even if you can return it). Having cash helps to show you are qualified to buy at the price point you want.

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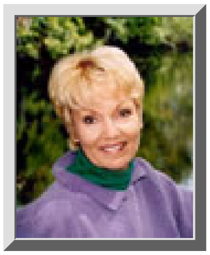

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REAL ESTATE Update

Investor Report: Refinancings

By Kenneth R. Harney

Small-scale real estate investors got a pleasant surprise last week when Fannie Mae and Freddie Mac said they'd refinance potentially thousands of mortgages on rental and second homes as part of the Obama administration's massive housing relief effort.

The White House had announced last month that its refinancing effort would be for owner-occupied principal residences whose loans are either owned or have been guaranteed by Fannie or Freddie in mortgage-backed securities.

But when the two companies sent details of their upcoming programs to lenders last week, investor loans and mortgages on second homes WERE included among those eligible for refinancings.

A Freddie Mac spokesman, Brad German, explained that investors loans were included because refinancings can help reduce renter evictions by putting landlords in a (more affordable) refi that improves their chance of success.

That's excellent news for some investors, but it won't help out everybody.

Here's a quick overview of who's eligible and how to apply:

First, your investment property or second home loan must be owned or guaranteed by either Fannie or Freddie. Ask your loan servicer. Or you can go to websites set up by the companies to speed the process - FannieMae.com or FreddieMac.com.

If your mortgage is in some other institution's portfolio ... or in a private mortgage security, this program isn't for you.

Next, make a rough estimate of your current loan to value ratio on the property. If your mortgage balance does not exceed your property value by more than five percent, you're eligible.

Say you bought a rental duplex a few years back for $500,000 with a first mortgage of $400,000 at seven and a half percent that was acquired by Fannie Mae. You'd love to refinance that to today's much lower rates in the fives or sixes to increase your cash flow.

Because of local property value declines, say your duplex is now worth about the amount of your loan balance. That precludes you from refinancing from most sources, but under Fannie's special program, you'll be eligible... provided your loan balance does not exceed the property value by five percent.

There's another hoop to jump through: Your payment history on the mortgage needs to be just about flawless -- no thirty day late payments during the past 12 months -- or you won't get a refi.

Two additional, positive details to be aware of: Your credit score WON'T be a problem because Fannie and Freddie have agreed to waive their usual minimums, and you WON'T have to pay for new mortgage insurance.

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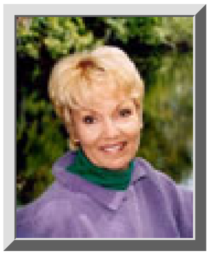

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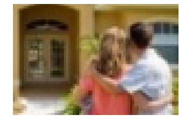
Seller's Home Appeal for Today's Market



By Mark Nash

Two additional, positive details to be aware After years of hearing from successful sellers that they didn't have to do a thing to sell, they now need to understand how they can stand out from their competition. Here is a handy list to help sellers determine if some features in their home might need some attention.

- Test all door and cabinet knobs. Replace mismatched or inexpensive hardware for a quick update. Buyers rarely can get beyond a knob that comes off in their hand as they attempt to use a door.
- Take the time to paint walls, trim and ceilings. Keep adjoining rooms in one color palette, which will make your home appear larger. Clean up spills from messy painters. Hire professionals to paint mullions on windows and staircase spindles.
- Slipcover mismatched furniture in a room that requires visual unification.
- Discover ways to organize day-to-day room needs. Substantial wicker baskets or square stainless steel or brass containers can organize magazines, remote controls and toys. Books provide a good look, but vary them by laying some down and standing some up.
- Wallpaper is considered fill-in-the-blank decorating. No two people have the same taste in this instant decorator wannabee. If it's more than three years old, take it down and paint in a neutral color. And wallpaper borders are out.
- Simple furniture rearrangement can bring new life to a tired space. Float sofas and coffee tables away from walls for a designer look. Use area rugs to anchor furniture groupings on bare tile and wood floors. Place groupings of candles and clear glass bowls filled with natural potpourri, fresh fruit or glass crystals on side and coffee tables.
- Make sure there is balanced lighting in every room for dusk and evening showings. Dimmers help set the right tone.
- Polish and wax hardwood floors to brighten and blend an old finish.
- Clean every surface until it shimmers and shines. Clean can seal a deal. Don't forget the windows.
- Purchase the best quality carpet pad which can make any new carpeting "cushy," and home buyers love cushy. Stay away from shag styles; buyers know it won't be around long in style cycles.
- Freshen-up closets with closet organizers to maximize storage space and paint a neutral, washable color. Make sure buyers can see the back of all closets and cupboards. Lighting is an often overlooked feature in closets, but buyers will always turn on lights when viewing a closet, big or small. Thinning closets, cabinets, basements, attics and garages will also help your storage spaces look larger. If you can't part with items, rent a storage locker for decision making later.
- Don't forget the basement; dark, dirty and musty basements are a turn-off to buyers. Add extra lighting, paint the floor and vacuum out all the cobwebs. Organize storage areas and take the time to clean the washing machine and dryer. To spruce up the hot water heater and furnace, wipe down with a strong cleaner. Scrub the laundry tub and sweep left-over leaves out of exterior stairs and window wells. Run a dehumidifier to reduce basement moisture.
- Take a good look from the street or road at the front of your home. Look for shrubs that are overgrown or dead and remove and replace them with shrubs or plants that are to scaled to your home. Small inexpensive bushes send the wrong message.
- Limit yard ornaments to a favored few. Excess ornaments can make yards look busy and buyers might want them included in a purchase contract.
- Paint and refresh yard lights, flagpoles, mailboxes, window boxes, fences and trellis. Don't forget the swing set or play equipment.
- Replace broken bricks on terraces, cracked concrete patios and steps.
- Restore screens on porches and lanai's. Dirty, rusty and ripped screens limit functionality to homebuyers.
- Don't leave pets unattended for property showings, especially if you think they could be aggressive or territorial around strangers.
- Have carpets and area rugs cleaned before showing your home to potential buyers. Those allergic to animal dander and hair, even if they can't see your pet will know when their eyes and nose start to alert them to an allergic reaction. Many will not purchase a home that poses strong allergy issues.
- A barking dog or overly-friendly cats can kill a showing. Be pro-active and take your pets off site for showings. Hire a dog walker to occupy pets if you can't be home.

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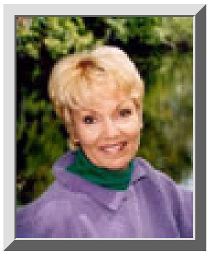

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Real Estate Update

U.S. Treasury: Mortgage Rates As Low As 2 Percent

By Broderick Perkins

Some of the 3 to 4 million homeowners eligible for loan modifications could see interest rates as low as 2 percent under the Obama administration's new "Making Home Affordable" (MHA) initiative.

Originally dubbed the "Homeowner Affordability and Stability Plan," MHA contains a provision to modify mortgages for qualified homeowners struggling to make the monthly payment.

A loan modification, unlike a refinance, changes the terms of the existing loan without writing a new one. Modifications are designed to make mortgages more affordable.

Also called a "workout," this provision is open to anyone including those who haven't missed payments, but may be at risk of missing payments.

The modification plan is open to anyone with any loan that has a balance under Fannie Mae and Freddie Mac limits, which now as high as $729,750 in some high-cost areas.

The modification program, also designed to standardize a hodge-podge of modification efforts by lenders, comes with financial incentives for both homeowners and lenders.

Loan servicers get thousands of dollars for modifying mortgages and borrowers get a principal reduction also for thousands of dollars over five years for paying on time.

MHA modifications are designed to make the monthly cost of housing more affordable by reducing the mortgage payment to as little as 31 of household income. Lenders can accomplish that by reducing interest rates, extending the life of the loan and even reducing the principal -- though to date most lenders have balked on forgiving debt. "To reach the target affordability level of 31 percent, interest payments will first be reduced down to as low as 2 percent. If at that rate the debt to income level is still over 31 percent, lenders then extend the term or amortization period up to 40 years, and finally forbear principal at no interest, until the payment is reduced to the 31% target," according to the Treasury's "Making Home Affordable Updated Detailed Program Description."

The program runs through 2012, allows borrowers to modify a loan only once and applies only to loans made on or before Jan. 1 2009. Mortgages for single-family homes worth more than $729,750 are excluded.

- Do you qualify? Visit FinancialStability.gov's modification area to find out.

Refinancing help

MHA also includes a refinancing provision for those with loans held by Fannie Mae or Freddie Mac.

Homeowners with less than 20 percent equity in their homes, who now find it difficult if not impossible to refinance, may be eligible to get new loans at lower interest rates provided the new note doesn't exceed 105 percent of the home's value.

The refinanced loans can be as large as $729,750 in high cost areas and go to those who are current and on time with their mortgage payments.

- Do you qualify? Visit FinancialStability.gov's refinance area to find out.
- For more information on all the provisions of the Obama administration's MHA, visit Making Home Affordable on line at http://www.financialstability.gov

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April 2009

REAL ESTATE Update

Equal Housing Opportunity

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April Real Estate Update

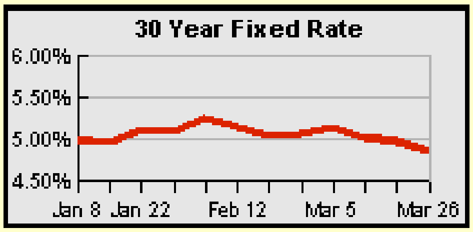
Rates Hit New Low

In Freddie Mac's results of its Primary Mortgage Market Survey the 30-year fixed-rate mortgage (FRM) averaged 4.85% for the week ending March 26, 2009, down from the previous week when it averaged 4.98%.

"The Federal Reserve's announcement that it intends to purchase Treasury securities over the next six months caused bond yields to drop and mortgage rates followed," said Frank Nothaft, Freddie Mac chief economist. Rates for 30-Yr FRMs peaked last year at 6.63% on July 24th.

Mortgage Rates

Source: Realty Times



U.S. averages as of March 26, 2009:

30 yr. fixed: 4.85%
15 yr. fixed: 4.58%
1 yr. adj: 4.85%

Today, the interest rate difference is almost 2 percentage points, which amounts to a savings of about $225 in monthly payments for a $200,000 loan.

Use Your Tax Return for Good

Tax season can be a challenging time of the year. Some people wait until the last minute to file their taxes, while others file and received their funds before the mid April deadline, or paid the IRS if the case may be.

But if you are one of the lucky who get a return, what will you do with those long awaited greenbacks?

A popular choice amongst consumers is to pay off credit card debt; another is indulging in something extravagant. But why not consider how your tax return can help maximize your mortgage product and your financial situation in the long run?

Consider refinancing if you have an ARM or a high interest rate loan. Refinancing into a fixed rate and/or a lower interest rate can save you money in the long run. Why not do it now when rates are at all time lows? You can use your tax return for closing costs.

If you are happy with your mortgage product and rate, why not use your tax return to help add the gourmet kitchen you've always wanted? Not only can you have that extra bedroom or outdoor kitchen you've always wanted, but you may also be increasing the value of your home and get more money when you are ready to sell.

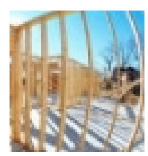
Let your tax return help increase the value of your home by using it to help fund a rehab loan.

Perhaps you want to upgrade to a new home for your growing family. Your tax return can come in handy with closing costs and other fees associated with buying a new home.

Home Buyer Tax Credit Increases Activity

NAR President Charles McMillan says home shopping activity has picked up with housing affordability at a record high. "The number of buyers looking for homes rose 5% in February, and also was 5% above a year ago," he says. "It appears most of the increase in buyer traffic occurred in the latter part of the month after the $8,000 first-time buyer tax credit was put in place. At the same time, mortgage purchase applications have risen, so we expect to see sales picking up around late spring." McMillan notes that more potential buyers are learning about the tax credit, just as the traditional spring home-buying season begins. Existing-home sales ose 5.1% to a seasonally adjusted annual rate of 4.72 million units in February from a pace of 4.49 million units in January.

New Homes: Two Master Bedrooms



Why have only one master bedroom when you can have two? That's the question Bellevue, WA based homebuilder Bennett Homes asks.

Bennett Homes sales director Gayl Van Natter says, "We did some exhaustive demographic studies to see how the market place is changing. And we decided that the floor plan designs we offer should reflect the types of family and non-family groups that have entered the marketplace."

"Two masters answer the needs of more than one type of buyer," she explains. "Baby Boomers are opting to have parents live in with them, sometimes two siblings decide to invest together to save money, or buyers just want a second master for guests, a nanny or a caregiver."

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Five Ways to Wow Buyers

By Phoebe Chongchua

These days, tax credits and high housing inventory make it a buyers' market. If you're a seller, don't despair. There are a variety of renovations that can help make your home stand out. Many buyers look at numerous homes when shopping for a house; so enhancing your home to make it more memorable is vital and increases the chances of a successful sale.

Clearing clutter, taking down personal photos, applying a fresh coat of paint, making minor repairs, and keeping a pleasant aroma are all basic techniques to make your home more appealing. But there are a few other creative enhancements that you can do to wow buyers without emptying your wallet. The results not only attract more attention, but also paint a picture of a well-cared-for home.

While not everyone has the same taste in housing, typically buyers are attracted to larger kitchens, extra storage space, light and bright rooms, and open floor plans. Special finishing touches on a home can be the needed incentive to generate an offer.

Kathy Gerstenberg has owned her home for nearly 20 years. Over the decades she's made many improvements but now she's considering selling and wants to make sure she gets top dollar in a down market. So, she's examining her home the way a buyer would.

"We live in a tract home and I know there are many homes for sale; we don't want ours to be seen as the same 'cookie-cutter' model as the others," says Gerstenberg. With that in mind, Gerstenberg has carefully made enhancements that make her home more comfortable and aesthetically pleasing.

As she scouts the market for her next home there are various aspects of a potential home that she notices right away. "I wanted to do improvements that would catch a buyer's eye and also make it enjoyable for our family," says Gerstenberg. "I love crown molding and finished doors and windows," says Gerstenberg. She adds, "So many times builders just don't complete the look of a home but when you frame a door or window and add some crown molding to a room it gives it a finished look."

Industry experts agree; Americans are expected to spend $217 billion on remodeling in 2009. Here are five areas where homeowners may spend some of their remodeling money to add the "wow" factor to your home.

1. Go green. Energy efficient products and household goods are attractive to buyers. Renovations or replacements that help make the house more energy efficient are popular. Things such as better insulation, replacing old windows, caulking, and adding skylights can increase value.

2. Crown molding and wider baseboards. Some homeowners are shy to experiment with this, especially if they live in a small home, but it can be very attractive in any size home. Wider baseboard. The measly baseboard that builders often use in tract homes doesn't draw attention. Adding a wider baseboard and a fresh coat of paint makes the room come to life. Also, framing windows and doors helps complete the look of a room.

3. Textured paint. Faux finishes, accented walls, or even just a little fresh paint on them makes a lasting impression. Choose colors and textures wisely. Don't get carried away with a color you love (e.g. purple walls I've seen it in a home for sale). Remember, that you want your home to appeal to the masses. You can always paint your new home purple and then change it when it comes time to sell it!

4. Improved flooring. Wood, tile, and new carpet can be a showstopper. But if the flooring is chipped, torn, or dirty, you'll get the opposite reaction from buyers. They'll think your home hasn't been cared for properly which could result in a lower offer -- or no sale at all.

5. Add a deck. Adding a deck can add value to your home. It's a nice feature in a yard and many buyers are happy to purchase a home that already has a deck so that they don't have to take on that home improvement project.

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When Is It Time To Replace Your Roof?

By Broderick Perkins

Red flags that signal it's time to replace your roof may be over your head.

Sunlight permitting holes and bucket brigade-sized leaks are obvious signs it's time for a new topper for your home. There are however, additional indicators that may not be so obvious.

"Certainly if your roof is approaching the end of its life cycle -- usually 20 - 25 years for asphalt shingles -- it's time to think about a new roof," says Ray Rosewall, president and CEO of DaVinci Roofscapes in Kansas City, KS.

The National Association of Homebuilders says decorative slate, metal, masonry and newer synthetic roofs can have a life expectancy of 50 years or more.

"However, a calendar shouldn't be the only way you determine if it's time to replace your roof," said Rosewall.

Think about replacing your roof when:

- Your neighbors have new roofs and you want to maintain the value of your home. Also, given most homes in a neighborhood were built at the same time, your roof may reach the end of it's lifecycle at the time your neighbors' roofs are failing.
- Your neighbors have not added a new roof and you want to increase the resale value of your home. Hanley Wood's Cost vs. Value 2008-2009 report says a new roof can return an average 65.5 percent of the cost in the form of value added to the home. On a $18,825 roof, that's $12,336 added to the value of your home. That adds up to greater salability.
- Your geographic area has seen an increase in severe weather conditions, (including hail or tornados) that require a stronger roofing material to handle the dramatic weather changes.

"With the changing weather patterns in our country, combined with the need for homeowners to add value to their properties, consumers should be vigilant about looking for signs of wear along with upgrading their roofs," said Rosewall.

- Your existing roof is functional, but has staining that detracts from the look of your home. In a housing market laden with poorly-maintained foreclosed homes, it's a good idea to make yours standout from the eyesores.
- You want to shrink your carbon footprint and take advantage of more sustainable green roofing alternatives that are low maintenance and energy saving and can come with 50-year warranties.

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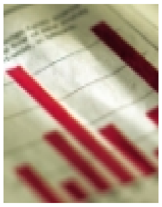
Where Housing is Headed

By Kenneth R. Harney



We received an important indicator of where housing is headed last month, when new mortgage applications for home purchases and refinances suddenly surged as they hadn't in months.

Applications for FHA loans to buy houses were up by 10.4 percent. And overall home purchase applications jumped by 7.1 percent.

Meanwhile mortgage interest rates dropped to their second lowest level in nearly two decades, according to the Mortgage Bankers Association. Thirty year fixed rates averaged 4.96 percent and fifteen year rated dropped to just 4.5 percent.

Why's this important? New financing applications to buy homes obviously point to rising purchase contracts and closed sales in the months ahead. They also suggest that prices have hit a level in many markets that is attracting once-hesitant buyers off the sidelines.

There's still another factor that's likely at work here as well: Congress's recent improvements to the home purchase tax credit -- pushing it to $8,000 from $7,500 and making it non-repayable. George Ratiu, research economist for the National Association of Realtors, says the big jump in loan applications could be tied to the improved credit in the stimulus package signed into law last month.

"Consumers may be responding to the stimulation" effect of the better credit for 2009, he said.

But let's be clear here: A rise in home purchase applications does not suggest we've turned the corner in the cycle or have solved the multiple challenges facing markets around the country -- high foreclosure levels, continuing domination in some areas of REO and short sales, and continuing increases in the unemployment rate.

Even amid these problems, however, there are some hints of possible improvements ahead. For example, a new study by research firm Realty Trac and USA Today found that despite the constant headlines about record levels of foreclosures, the more closely you look, the more you find that those numbers are highly concentrated in a relatively small number of counties.

More than half of the nation's foreclosures in 2008, researchers found, were concentrated in just 35 counties in 12 states. You can guess where: California, Las Vegas, Phoenix and Florida.

But the really eye-opening finding: In more than 650 other counties, representing one fifth of all markets in the U.S., foreclosure numbers have actually declined since 2006.

Foreclosures are horrible no matter where they occur. But the fact is: Huge portions of the United States have NOT been seeing record foreclosures, short sales or even serious property value declines. They're doing better.

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What You Need to Know to Buy a Home Today

By Phoebe Chongchua

Don't let a sluggish economy get you down. There are reasons to shop for personal items - including a new home. I recently saw an advertisement for a new car that said you could return the car in the first year if you lose your job. While there may not be that incentive for homes yet, some other perks might give you reason to start your housing search.

If you can afford to buy, consider making homeownership a goal this year, especially if you haven't owned a principal residence in three years prior to buying. The new stimulus package sweetens the deal for homebuyers who purchase a residence on or after January 1, 2009, and before December 1, 2009. The incentive is for first-time homebuyers who remain in their home for at least three years. It provides a credit for 10 percent of the home purchase price, up to an $8,000 limit. The credit can be taken on your 2008 or 2009 tax return.

If you close on a home after the April 15 tax deadline, you can apply for an extension provided that you close on your home before the extension deadline of October 15. If you're extra speedy and have already filed your 2008 return, don't worry - you can file an amendment to claim the credit. You have three years to do that. You'll need IRS Form 1040X to do that.

Taking the credit on your 2009 return or getting the benefit now, before filing your return, by adjusting your income wage withholding are also options.

The full credit applies to those first-time homebuyers whose modified adjusted income is less than $75,000 or $150,000 (filing jointly). The credit amount drops as your income rises. And if your income is over $95,000 or $170,000 (filing jointly) then you're out of luck - the credit is eliminated.

Be sure to speak to experts to ask questions as some other qualifications apply.

Yet another reason, you may want to shop around is to get in on the action while it's still a buyers' market. Others certainly see the U.S. as a stable place to invest. According to the Association of Foreign Investors (AFIRE), a survey released earlier this year showed that more than 53 percent of respondents ranked the "U.S. as the country providing the most stable and secure real estate investments."

Foreigners from China, Thailand, Vietnam, Mexico, Europe, and South America are traveling to the U.S. to see what real estate opportunities exist in the U.S. Areas such as Las Vegas, New York, and Miami have been infiltrated with foreigners who are buying now to take advantage of their stronger currency or the opportunity to stash their cash in a dollar-dominated place. While many are looking for commercial properties, some are vying for residential properties too.

"This is the greatest opportunity we've had in 50 years," says Billy Procida, president of William Procida, Inc., a turnaround management firm for middle market real estate companies. He says even though there is a lot of inventory on the market, certain properties will have less interest and be a better bargain.

"If you buy something that is pristine, painted, clean - brand new - you're going to be competing. This is truly the time when the folks who are willing to roll up their sleeves and do some work will benefit from it," says Procida. So if you're ready to buy but wondering if you can qualify for a loan, Procida recommends the following:

- Check your credit. Procida says one of his family members found out that there was $20,000 of erroneously reported credit debt. "It's absolutely incorrect, but it was on there," says Procida.
- Clean up your credit. "If you have a delinquency clean it up, says Procida. And he advises that you check your report once it has been cleaned up because sometimes the credit agencies neglect to update your credit report.
- Be prepared. Get all your financial records such as two years of tax returns in order and have them handy to make the loan process go smoothly.
- Liquidity is key. Don't go buy a car before you plan to purchase a home (even if you can return it). Having cash helps to show you are qualified to buy at the price point you want.

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Investor Report: Refinancings

By Kenneth R. Harney

Small-scale real estate investors got a pleasant surprise last week when Fannie Mae and Freddie Mac said they'd refinance potentially thousands of mortgages on rental and second homes as part of the Obama administration's massive housing relief effort.

The White House had announced last month that its refinancing effort would be for owner-occupied principal residences whose loans are either owned or have been guaranteed by Fannie or Freddie in mortgage-backed securities.

But when the two companies sent details of their upcoming programs to lenders last week, investor loans and mortgages on second homes WERE included among those eligible for refinancings.

A Freddie Mac spokesman, Brad German, explained that investors loans were included because refinancings can help reduce renter evictions by putting landlords in a (more affordable) refi that improves their chance of success.

That's excellent news for some investors, but it won't help out everybody.

Here's a quick overview of who's eligible and how to apply:

First, your investment property or second home loan must be owned or guaranteed by either Fannie or Freddie. Ask your loan servicer. Or you can go to websites set up by the companies to speed the process - FannieMae.com or FreddieMac.com.

If your mortgage is in some other institution's portfolio ... or in a private mortgage security, this program isn't for you.

Next, make a rough estimate of your current loan to value ratio on the property. If your mortgage balance does not exceed your property value by more than five percent, you're eligible.

Say you bought a rental duplex a few years back for $500,000 with a first mortgage of $400,000 at seven and a half percent that was acquired by Fannie Mae. You'd love to refinance that to today's much lower rates in the fives or sixes to increase your cash flow.

Because of local property value declines, say your duplex is now worth about the amount of your loan balance. That precludes you from refinancing from most sources, but under Fannie's special program, you'll be eligible... provided your loan balance does not exceed the property value by five percent.

There's another hoop to jump through: Your payment history on the mortgage needs to be just about flawless -- no thirty day late payments during the past 12 months -- or you won't get a refi.

Two additional, positive details to be aware of: Your credit score WON'T be a problem because Fannie and Freddie have agreed to waive their usual minimums, and you WON'T have to pay for new mortgage insurance.

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Seller's Home Appeal for Today's Market

By Mark Nash

Two additional, positive details to be aware After years of hearing from successful sellers that they didn't have to do a thing to sell, they now need to understand how they can stand out from their competition. Here is a handy list to help sellers determine if some features in their home might need some attention.

- Test all door and cabinet knobs. Replace mismatched or inexpensive hardware for a quick update. Buyers rarely can get beyond a knob that comes off in their hand as they attempt to use a door.
- Take the time to paint walls, trim and ceilings. Keep adjoining rooms in one color palette, which will make your home appear larger. Clean up spills from messy painters. Hire professionals to paint mullions on windows and staircase spindles.
- Slipcover mismatched furniture in a room that requires visual unification.
- Discover ways to organize day-to-day room needs. Substantial wicker baskets or square stainless steel or brass containers can organize magazines, remote controls and toys. Books provide a good look, but vary them by laying some down and standing some up.
- Wallpaper is considered fill-in-the-blank decorating. No two people have the same taste in this instant decorator wannabee. If it's more than three years old, take it down and paint in a neutral color. And wallpaper borders are out.
- Simple furniture rearrangement can bring new life to a tired space. Float sofas and coffee tables away from walls for a designer look. Use area rugs to anchor furniture groupings on bare tile and wood floors. Place groupings of candles and clear glass bowls filled with natural potpourri, fresh fruit or glass crystals on side and coffee tables.
- Make sure there is balanced lighting in every room for dusk and evening showings. Dimmers help set the right tone.
- Polish and wax hardwood floors to brighten and blend an old finish.
- Clean every surface until it shimmers and shines. Clean can seal a deal. Don't forget the windows.
- Purchase the best quality carpet pad which can make any new carpeting "cushy," and home buyers love cushy. Stay away from shag styles; buyers know it won't be around long in style cycles.
- Freshen-up closets with closet organizers to maximize storage space and paint a neutral, washable color. Make sure buyers can see the back of all closets and cupboards. Lighting is an often overlooked feature in closets, but buyers will always turn on lights when viewing a closet, big or small. Thinning closets, cabinets, basements, attics and garages will also help your storage spaces look larger. If you can't part with items, rent a storage locker for decision making later.
- Don't forget the basement; dark, dirty and musty basements are a turn-off to buyers. Add extra lighting, paint the floor and vacuum out all the cobwebs. Organize storage areas and take the time to clean the washing machine and dryer. To spruce up the hot water heater and furnace, wipe down with a strong cleaner. Scrub the laundry tub and sweep left-over leaves out of exterior stairs and window wells. Run a dehumidifier to reduce basement moisture.
- Take a good look from the street or road at the front of your home. Look for shrubs that are overgrown or dead and remove and replace them with shrubs or plants that are to scaled to your home. Small inexpensive bushes send the wrong message.
- Limit yard ornaments to a favored few. Excess ornaments can make yards look busy and buyers might want them included in a purchase contract.
- Paint and refresh yard lights, flagpoles, mailboxes, window boxes, fences and trellis. Don't forget the swing set or play equipment.
- Replace broken bricks on terraces, cracked concrete patios and steps.
- Restore screens on porches and lanai's. Dirty, rusty and ripped screens limit functionality to homebuyers.
- Don't leave pets unattended for property showings, especially if you think they could be aggressive or territorial around strangers.
- Have carpets and area rugs cleaned before showing your home to potential buyers. Those allergic to animal dander and hair, even if they can't see your pet will know when their eyes and nose start to alert them to an allergic reaction. Many will not purchase a home that poses strong allergy issues.
- A barking dog or overly-friendly cats can kill a showing. Be pro-active and take your pets off site for showings. Hire a dog walker to occupy pets if you can't be home.

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U.S. Treasury: Mortgage Rates As Low As 2 Percent

By Broderick Perkins

Some of the 3 to 4 million homeowners eligible for loan modifications could see interest rates as low as 2 percent under the Obama administration's new "Making Home Affordable" (MHA) initiative.

Originally dubbed the "Homeowner Affordability and Stability Plan," MHA contains a provision to modify mortgages for qualified homeowners struggling to make the monthly payment.

A loan modification, unlike a refinance, changes the terms of the existing loan without writing a new one. Modifications are designed to make mortgages more affordable.

Also called a "workout," this provision is open to anyone including those who haven't missed payments, but may be at risk of missing payments.

The modification plan is open to anyone with any loan that has a balance under Fannie Mae and Freddie Mac limits, which now as high as $729,750 in some high-cost areas.

The modification program, also designed to standardize a hodge-podge of modification efforts by lenders, comes with financial incentives for both homeowners and lenders.

Loan servicers get thousands of dollars for modifying mortgages and borrowers get a principal reduction also for thousands of dollars over five years for paying on time.

MHA modifications are designed to make the monthly cost of housing more affordable by reducing the mortgage payment to as little as 31 of household income. Lenders can accomplish that by reducing interest rates, extending the life of the loan and even reducing the principal -- though to date most lenders have balked on forgiving debt. "To reach the target affordability level of 31 percent, interest payments will first be reduced down to as low as 2 percent. If at that rate the debt to income level is still over 31 percent, lenders then extend the term or amortization period up to 40 years, and finally forbear principal at no interest, until the payment is reduced to the 31% target," according to the Treasury's "Making Home Affordable Updated Detailed Program Description."

The program runs through 2012, allows borrowers to modify a loan only once and applies only to loans made on or before Jan. 1 2009. Mortgages for single-family homes worth more than $729,750 are excluded.

- Do you qualify? Visit FinancialStability.gov's modification area to find out.

Refinancing help

MHA also includes a refinancing provision for those with loans held by Fannie Mae or Freddie Mac.

Homeowners with less than 20 percent equity in their homes, who now find it difficult if not impossible to refinance, may be eligible to get new loans at lower interest rates provided the new note doesn't exceed 105 percent of the home's value.

The refinanced loans can be as large as $729,750 in high cost areas and go to those who are current and on time with their mortgage payments.

- Do you qualify? Visit FinancialStability.gov's refinance area to find out.

- For more information on all the provisions of the Obama administration's MHA, visit Making Home Affordable on line at http://www.financialstability.gov

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