

The

Alpha-Omega Dispatch

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March 2008

VALUE

INTEGRITY

MAGNIFICENT SERVICE

GOING, GOING, GONE!

In Florida and around the nation, many real estate brokers, developers, and private sellers have turned to auctions as a marketing tool to secure a buyer for properties of all types.

Recently Greg Gary, President & CEO of Grace Title, attended an auction for 27 townhomes developed by Trevi Development Company in Naples. Greg was on-hand to assist with any closing and title related questions that arose.

Professional auctioneers Lori & John Chipps and Stirling Sotheby's International Realty were in charge of the auction from initial marketing to saying the words "going, going, gone." The Chipps have handled auctions all over the state and have many other auctions planned for the near future.

Grace Title was chosen as the closing agent for these Naples properties by Trevi Development. A "one-day sale" like this requires careful preparation prior to the auction and speedy processing so the winning bidders could take ownership within 30 days.

Because of the success of this sale, the team at Grace Title looks forward to handling many more auctions in the future.

FOUR QUESTIONS TO ASK BEFORE BUYING A HOME

You're thinking about signing on for the M-word: A Mortgage. (You thought "marriage" didn't you?) Buying a home isn't for the faint of heart. In order to make a wise investment, there are some things to think through.

1. How much house can I afford?

Be careful when you start crunching numbers, though. You'll want to buy a house you can easily afford, so you don't end up "house poor" – meaning

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TODAY'S HOUSING MARKET: PRIME TIME TO BUY?

Serious homebuyers and investors take note: Don't fret recession talk and dismal foreclosure and mortgage delinquency numbers coming from the experts. It's time to get off the fence and buy!

"Today's market could be the opportunity of the decade -- and even decades to come -- for the average person to pick up affordable housing at cut-rate prices," says Alexis McGee, president of and co-founder of ForeclosureS.com (www.foreclosures.com), California-based foreclosure and property information analysts and publishers. "Homes today are available at discounts of 20, 30, and 40 percent off retail prices in some areas; choices are abundant, and inexpensive, reliable financing is now available, thanks to new higher Federal Housing Administration and Fannie Mae loan limits," adds McGee, author of the ForeclosureS.com Guide Series: Advanced Investing Techniques You Won't Learn Anywhere Else (Wiley 2008), and Investing in Pre-foreclosures Without Selling Your Soul (Wiley 2007).

Even the Mortgage Bankers Association on March 6th reported record mortgage delinquency and foreclosure rates points to a slowing foreclosure spiral. However, new foreclosure starts year over year and quarter to quarter were relatively flat in Michigan, Ohio, and Indiana, states with the highest percentages of loans in foreclosures.

Could the downturn have hit bottom? "That's

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all you can afford to do is sit in your living room on Friday nights.

Develop a realistic budget to determine what you can put aside for a mortgage payment. Remember to factor in miscellaneous and variable expenses such as gas, food, entertainment, and car repairs as well as annual expenses like property taxes, insurance, and home maintenance.

2. How much cash do I need?

Unless you've been stacking up the savings, you probably won't be able to pay the traditional 20 percent down payment. Recent surveys show that the typical first-time buyer puts a down payment of 5 to 15 percent when purchasing a home. In addition to the down payment, you'll be responsible for closing costs, or the fees associated with completing the purchase of a house. This will be about 3 percent of the cost of the home, paid up front. But that's not all you'll be paying up front.

3. What type of home do I want?

Don't try to buy your dream home the first time around; instead, buy one you can be comfortable in for several years. House or condo, you'll also have to choose old or new. You can find a better selection of older homes, and you might even close a better deal on a house that's been lived in or is a fixer-upper. However, you can customize a new home through a builder and enjoy brand-new living, which can mean fewer repair problems.

4. Where do I want to live?

They say the three words that matter most in real estate are location, location, location. You want to think about resale value, steering away from areas that may have outpriced themselves, but you also need to think about where you really want to live. No matter where you wind up, home ownership provides opportunities to love your neighbors as yourself – for the long haul.

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anyone's guess," says McGee. "But clearly our government has taken essential steps to allow the market to recover in a way that stimulates the economy, keeps interest rates affordable, and helps buyers, sellers, and investors, alike." For example:

-- Last week Senate Republicans blocked consideration of the "Bankruptcy Cram Down" bill that would have allowed bankruptcy judges to modify the mortgages of troubled borrowers to help them avoid foreclosure. "Cram down would have undermined investor confidence in secondary markets where mortgages are bought and sold, resulting in higher interest rates and larger down-payment requirements," adds McGee.

-- The temporary increase in loan ceilings for FHA-insured loans and Fannie Mae loans mean the average person now can access affordable, safe insured loans. "Until now, homebuyers in high cost of living areas had been priced out and forced to look to creative expensive mortgage financing options," adds McGee. (Check out the loan ceiling for your area, <http://www.fhaoutreach.com/>)

-- U.S. District Judge Paul L. Friedman filed a preliminary injunction temporarily barring HUD from enforcing a ban on seller-financed down payment assistance programs. That injunction gives investors another tool to sell houses in today's market and ensures the continuing operation of nonprofits like [nehemiahcorp.org](http://www.nehemiahcorp.org) to help with down payment assistance for families.

But for others already trapped by soaring mortgage payments and looming foreclosure, it's not enough. Despite talk that the number of overextended homeowners helped by lender workouts is up, so are serious mortgage delinquencies and foreclosures. Industry claims aside, homeowners facing foreclosure simply aren't getting the workout assistance they need from lenders and industry, adds Bruce Marks, chief executive of Boston-based Neighborhood Assistance Corporation of America, a nonprofit foreclosure prevention counseling group (www.naca.com).