



Mitchell Schwartz
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Scored 98 points out of a possible 98 points on Bank of America's recent score card!

TEAM MEMBER SPOTLIGHT

Pamela Nichols-Listing Assistant

Pam grew up in a suburb of Pittsburgh, PA. Her job is to oversee listing documents, create listing folders, follow up with vendors for completion of work, inspections and generally keep me in line. I value Pam's attention to detail and her keen ability to remain focused.

2008 Stats

147 REO Sold
Avg. SP. \$127,000
D.O.M. 32
SP to LP Ratio 99.2%
Open to Close: 97%

Important Statistical Information as of 12/7/2009

Total Available Properties

REO	2292	+/-8.1%
Short Sales	4591	+1.9%
Equity Sales	4491	-.002%

Total Sales Closed Past 30 days

REO	2156	-2.01%
Short Sales	610	-10%
Equity Sales	821	-.02%

Market Absorption Rates

Single Family	3.14 Mo	+21.2%
Condominiums	2.67Mo	+0.26%
Townhouse	3.01 Mo	+28.0%
Manufactured	11.69 Mo	+29.8%

FHA Changes: Are they a good thing?

As this article is being written, the Federal Housing Administration is proposing changes to FHA loan guidelines, the amount of money borrowers must put into the transaction and how much the M.I.P. is going to cost them among other things.

These changes, if confirmed, will raise the amount required in down payment from borrowers from 3.5% to 5%. In addition, the minimum credit score required to qualify for an FHA Loan would be increased from 500 to a higher score that has yet to be determined. The desire behind these changes, is to ensure the buyer is more credit worthy and that they have more to risk should they be thinking about walking away from the loan.

Seller contributions will be changed in a big way. The amount

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Webinar Schedule

All Webinars begin at 10am PST

12/16/2009	Using 203K to sell REO's in Las Vegas
1/13/2010	Pools and Preservation

Words of Wisdom

"Life is 10% of what happens to me and 90% of how I react to it."
John Maxwell

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FHA Proposed Changes (Cont'd from page 1)

A seller can contribute to the buyer's costs is currently at as much as six percent of the purchase price. If the changes take place as proposed, this amount would be reduced by half to just 3%. While this may have an appearance of a reduction in sellers costs and increase in seller net proceeds at closing, it will severely reduce the number of buyer's who can purchase properties. Many of the FHA buyer's with whom I have worked with in my twenty-two years as a REALTOR, have not been in a position to pay their own costs. They may have good credit and jobs, but not been able to save enough to complete the transaction without the assistance of the seller.

The last item that could be of concern is an increase of Mortgage Insurance Premium, (M.I.P.). Included with the proposed changes is a change to how the amount insurance premium and how it is collected. The proposal will increase the amount of the total premium by continuing to charge the upfront premium and adding on an additional monthly premium. Buyers would pay an upfront fee as they do now, which may be increased, and a monthly fee that has yet to be determined. This could really reduce the purchase amount a buyer could qualify for.

I am sure these changes are well intended. They are designed to improve the quality of buyer using the FHA loan program and increase the amount of reserves held by the M.I.P. Most of the time change is good. In this case, I agree. It's time for the borrowers to have more of a vested interest in the deal, and time for the buyer to save and use a little more of their own money. Although we live in a country that gives all people the right to own their own home, sometimes, based upon a person's credit history, income or job stability, they just won't be able to do so. If they do quality, we have a quality loan program like F.H.A. to help them get the loan.

Changes to Nevada HOA Law

Laws pertaining to Nevada Homeowners Associations and REO Assets are always being massaged or changed by our legislature. These laws are written and passed people with good intentions. However, many of these same people are un-informed and under-educated about the various business that these laws impact. The relationship that is shared by Nevada HOA's and Lender/Serviceers or REO Asset Management Companies is one such topic where all the good intentions in the world can't wipe away the additional burdens.

AB 204, Section 2 is one such law. This new piece of legislation is an expansion of the Super Priority Lien law already on the books. With the addition, the Super Lien was expanded from six months to nine months. This basically means that the lenders and serviceers are going to be required to pay for the prior owner's short comings and failure to pay the association assessments as far back as nine months prior to the sale date.

It's a shame that this should fall upon the very companies who many agree are going to be a catalyst for our revival from this current recession.

The MBS Team helped raise over \$12,000 for KW Cares in November. KW Cares is Keller Williams' sponsored organization that helps many non-profit groups in the Las Vegas Valley. Call to find out what you can do to help KW Cares!

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