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## KEEPING YOUR HOME OR NOT!

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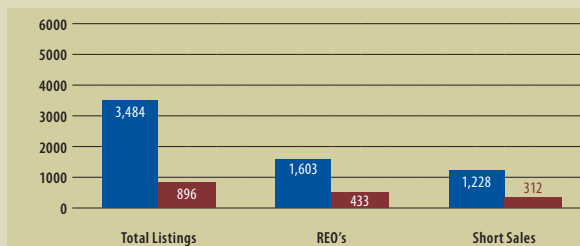
## PREMIER PROPERTIES SNAPSHOT

In September 2009, premier properties (\$1 million or more) showed 83 new listings; 4 were short sales and 8 were bank-owned

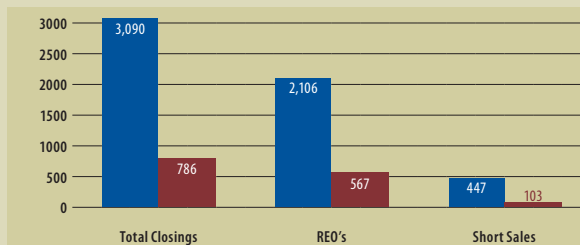
## LAS VEGAS INVENTORY SHRINKING

Inventory levels are shrinking in Las Vegas, due to widespread banked-owned homes and short sales

### SEPTEMBER 2009 NEW LISTINGS



### SEPTEMBER 2009 CLOSINGS



■ Single-Family Homes

■ Condo/townhomes

Source: Windermere Real Estate. All figures as of September 30th.

## KEEPING YOUR HOME OR NOT!

There are a number of solutions for homeowners who are facing financial difficulties. Solutions are dependent on individual circumstances.

### Options To Keep Your Home (Depends entirely on the investor)

The following solutions are options to allow the homeowner to keep their home. All of the following solutions require a thorough analysis of the homeowner's financials.

- **Refinance** A new mortgage on the loan with no change in ownership. The ability to refinance a loan requires that the borrower not be delinquent and that there be equity in the home.
- **Repayment Plan** Plan where delinquent payments are distributed over a period of time, usually no more than 12 months. The monthly amount is added to usual mortgage payment resulting in a higher payment until the delinquent amount has been repaid. This repayment plan brings the account up-to-date within a specified time frame.
- **Loan Modification** Past-due interest and escrow to the unpaid principal balance, which is then re-amortized over a new term. Rate adjustments, term extensions, and principal forgiveness may be considered. Loan modification results in permanent, contractual changes in one or more mortgage terms. Additional loan fees may be involved. A loan modification immediately brings the account up-to-date.
- **Partial Claim** HUD advances a loan to repay the past-due interest and escrow amounts. The loan is due and payable when the borrower pays off the first mortgage or no longer owns the property. The loan is interest-free and the account is brought up-to-date immediately. FHA loans only.
- **Forbearance** A temporary reduction or suspension of a borrower's payment. The repayment plan is based upon the customer's financial situation. Because of long-term implications, this option is used only in severe hardship cases.

### Options To Not Keep Your Home—How To Exit Gracefully

The following options are ways to avoid foreclosure but not keep the home. Even though you may not be able to keep your home, it is important to work with your servicer during this process. Walking away from your home without consulting with your servicer may result in a foreclosure reported in your credit file, tax consequences, and/or a deficiency balance for loan proceeds not recovered in a foreclosure sale. If keeping your home is not a viable option, your loan servicer may have alternatives available to absolve the mortgage and home.

- **Sell the property** This is the best option if you cannot afford the mortgage payment and if there is equity in the home (the value is more than the amount owed). Other considerations when deciding to sell the home include the condition of the home and how much time you have.
- **Assumption** If allowed by the loan documents and if you find another borrower willing and qualified to take over your mortgage, they may assume your mortgage. The new borrower must meet the lender's criteria.

- **Short Sale** If the market value is less than total amount owed, a short sale allows the borrower to sell their home and use the proceeds to pay the mortgage even though the proceeds will not be sufficient to pay off the outstanding balance. The investor and mortgage insurer must agree to this option.

The homeowner must prove they have a hardship and are unable to pay the difference between the sales prices and mortgage balance.

- **Deed-In-Lieu of Foreclosure** The borrower transfers the property to the servicer if the home cannot be sold at market value. This option requires that the property be listed for a specified period of time, generally 90 days. There may be tax consequences.

Sometimes foreclosure is the only option for a borrower. If so, you will want to work closely with a certified housing counselor who can devise a plan of action on how to appropriately transition into alternative housing, liquidate unsecured debts, budget and save for future moving costs, and obtain tips on how to reestablish your credit rating.

Source: <http://foreclosurehelp.nv.gov/Brochures/ForeclosureWorkbook.pdf>

## PREMIER PROPERTIES SNAPSHOT

In September 2009, the SFR Premier Properties (\$1 million or more) showed 83 new listings; 4 were short sales and 8 were bank-owned. There were 17 closings for September; 2 were short sales and 4 were bank-owned. The highest closing for September listed at \$5,995,000 and sold for \$4,000,000.

## LAS VEGAS INVENTORY SHRINKING

Inventory levels are shrinking in Las Vegas, due to widespread banked-owned homes and short sales. As of September 30th, available Inventory for the Las Vegas area totaled at 10,987 units. Single family resident homes represent 8,513 units, which 2,098 of them are bank-owned homes and 3,719 are listed as short sales. Bank-owned homes and short sales make up 68% of the inventory. On the condo and townhome segment, there are 2,474 units available, which includes 602 bank-owned units and 1,046 listed as short sales. Bank-owned homes and short sales represent 67% of the condo/townhome market.

Pending and contingent sales reached highs of 14,770! These units surpass the available inventory. Single family resident pending homes are 11,866, which make up of 4,813 bank-owned homes and 6,549 short sales, representing 96%. There are 2,904 condo and townhomes pending or contingent, of which 1,129 are bank-owned and 1,746 are short sales making 99% of all pending condos and townhomes. Which means over 96% of all pending and contingent properties are distressed. Very few homeowners who do not have to sell are putting their home on the market. Sellers with equity who are willing to sell at current market values are getting multiple offers.