



Mary M. Rhoades, CRS, GRI  
 Lake Forest Realty, LLC  
 466 S. Link Lane  
 Fort Collins, CO 80524  
 Office (970) 224-9234  
 Mobile (970) 531-1581  
 Toll Free 1-866-627-1302



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**THE BUZZ Today's Real Estate News**

**Half Of All Markets Surveyed Show Housing Prices Going Up**

A recent report by the National Association of Realtors® suggests that the housing outlook isn't as grim as is sometimes reported.

The Association's 4th quarter report shows that 73 out of 150—about half—of the cities analyzed showed increases in prices during the 4th quarter.

If you look at regions, you do see the housing market droopy in the West, which saw the biggest

decline of -8.7%. In the Midwest, the market remained relatively stable, although it showed a slight decline at -3.2%.

Taking the nation as a whole, home prices in the U.S. declined by 5.8% in the 4th quarter of 2007 versus 2006.



**Consequences for "Walk-Away" Borrowers**

The government and the lending industry are taking aim at "walk-away" home owners who stop making payments and months later send the house back to their lender.

Such borrowers will not be able to get another mortgage through Fannie Mae for five years, unless there are "documented extenuating circumstances." In that case, the prohibition is three years. Even after the prescribed time has lapsed, a borrower with a foreclosure in his file will have to make at least a 10 percent down payment and have a FICO credit score of at least 680 to qualify for a Fannie Mae loan.

Freddie Mac, which counts foreclosures as major credit black marks for seven years, is now aggressively pursuing walk-away borrowers where permitted under state law.

Federal legislation enacted last year allows home owners, who negotiate loan modifications with lenders and have portions of their principal debt eliminated, to escape income tax liability for the amount forgiven.

Walk-away borrowers, by contrast, have nothing forgiven, and the IRS may demand taxes on the balance they never paid, the IRS says.

Source: Washington Post Writers Group, Kenneth R. Harney 2008

**What's New In Northern Colorado Real Estate...**

**May 2008**



**Notable Rise in Home Sales Can Be Anticipated in the Second Half of 2008**

Real Estate agents and mortgage brokers nationwide are talking about the effects of the \$168 billion Economic Stimulus Act signed by President Bush on February 13, 2008. The stimulus package raised the ceiling on FHA 'conforming loans' which was set at \$417,000. "Our research highlights that increasing FHA loan limits will help an additional 138,000 Americans achieve the dream of home ownership and will allow nearly 200,000 homeowners to refinance and potentially keep their home", said Richard Gaylord, NAR president. In addition, over 300,000 additional home sales could be generated. "These are real results and can have an immediate and sustainable impact for families across our country". NAR believes that increasing the loan limits for Fannie Mae and Freddie Mac will bolster the housing finance market, which continues to be severely stressed, by providing an immediate infusion of much needed liquidity to the nation's mortgage market.

Lawrence Yun, NAR chief economist, said "the market will come into clearer focus this summer. We're looking for essentially stable sales in the near term, before higher mortgage loan limits translate into more sales in high-cost markets. The

wider access to affordable credit should increase sales activity notably this summer as pent-up demand begins to be met".

**FHA Loan Lending Limits insured on or after 4-17-2008**

	Larimer County	Weld County	National Level
One Family	312,500.	417,500.	271,050.
Two Family	400,050.	534,450.	347,000.
Three Family	483,550.	646,050.	419,400.
Four Family	600,950.	802,900.	521,250.

I have completed the CHFA (Colorado Housing and Finance Authority) Loan Program and Procedures course for Realtors® and have community specific income and purchase price limits information for low to middle income and first-time homebuyers. I've successfully brokered several Buyer-CHFA transactions and look forward to assisting more first-time homebuyers and non-first time buyers this year.



Hello, and welcome to the May issue of my newsletter. I developed "THE BUZZ" as my way of sharing with you pertinent information about today's real estate topics that affect our community.

Buying or selling a home can seem like an overwhelming task. I am a Certified Residential Specialist (CRS), and have advanced training in areas such as finance and marketing that I will apply to helping you make smart decisions in this fast-paced, complex and competitive real estate market.

As a Realtor® specializing in your area, I look forward to helping you with your real estate needs. I promise friendly service, solid advice and utmost professionalism. **Serving you would be my pleasure!**

**Mary M. Rhoades, CRS, GRI**

Broker/Owner  
 Lake Forest Realty, LLC  
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## Sell a Home Quickly—Price It Right

By Mary M. Rhoades, CRS, GRI



The time will come, sooner or later, when you need to sell a home. You may want to move to a smaller or larger home. As your Realtor®, you can expect my assistance in setting the correct price that will result in the fastest and most profitable sale. My marketing techniques will insure the maximum exposure to the marketplace. In addition, I will help you evaluate all of the terms and conditions of offers so that your final acceptance results in exactly what you wanted in the sale. When you are moving to your next property, I will coordinate the closing to make it as easy as possible.

It is only natural for a seller to want immediate action on the sale of a home. After all, the listing of the property is only the final move in a long series of decisions that most homeowners have already made. The owners have debated the move, the purchase of another property, the possible change of jobs, moving the children's school, etc. for days, weeks or months.

The property is just listed on the market, but where are all the offers? The owner sometimes wants the broker to perform miracles in a sale, not realizing that the most important factor in the transaction is in his hands...

*The Seller's decision on the asking price will be a major factor in the amount of time that the home takes to sell.*

Overpricing a home, by even a small amount, can be a serious problem. That is why I carefully prepare a Comparative Market Analysis that shows all of the recent sales prices for similar homes in your area. I will always make a firm recommendation on the price range for the listing of your home.

Real estate brokers still get excited about new homes coming on the market. They give strong attention to

the newly listed home. The house that is overpriced doesn't get this interest. Potential buyers and brokers are initially attracted, but if the price is out of line, the early attention and excitement is lost. The set of buyers that might buy the house may never see it: the other set of buyers that do see it will reject it.

A neat, clean home that is priced right will usually sell within a reasonable length of time. Buyers who are in the market for that home in that price range will be looking at it with their brokers. That home will sell.

More and more homeowners in this community are calling on me when they are buying or selling a home, second home or other type of investment real estate. Since real estate is my only business, I stay current on real estate topics, changes and updates to the Colorado Real Estate contract, and changes in available mortgage sources and rates that will affect your investment. Count on me to provide up-to-date information in order to maximize the investment benefits that you receive when you buy or sell your next property.

## Ask An Expert

By Mary M. Rhoades, CRS, GRI



**Question:** I'm selling my house;

the inspection has revealed several defects that I am not willing to repair or pay for. What are my options?

**Answer:** When a property inspection reveals defects, buyers typically request that the seller repair them within a certain deadline. As a seller, you have several options: agree to make all the repairs, agree to make some but not all, refuse to make any repairs, or give the buyers a credit at closing to handle the repairs themselves. Ask yourself, are the buyer's demands reasonable? If you were the buyer would you want those repairs made? It is okay to negotiate. However, keep in mind that once you become aware of a problem, you are required to disclose it to other prospective buyers should the transaction fall through and you place the house back on the market. Therefore, unless a buyer's request is unreasonable, it is advisable to try to find common ground with them.

Have a real estate question? Feel free to contact me at (970) 224-9234 or email to [mary@grandlakeco.com](mailto:mary@grandlakeco.com)

**Referrals:** They are the highest compliment a Real Estate Professional can receive from a client. Please pass my name on to friends, family and acquaintances so that I can provide them with excellent real estate service. Thank You!

## Market Trends Mortgage Rates This Week

Freddie Mac released the results of its Primary Mortgage Market Survey in which the 30-year fixed-rate mortgage (FRM) averaged 6.03 percent with an average 0.3 point for the week ending April 25, 2008, up from last week. Last year at this time, the 30-year FRM averaged 5.88 percent.

The 15-year FRM this week averaged 5.62 percent with an average 0.3 point, up from last week when it averaged 5.40 percent. A year ago at this time, the 15-year FRM averaged 5.87 percent.

Despite the gloomy near-term outlook, Fed officials generally expect that lower interest rates and the government's \$168 billion stimulus package will spur a recovery starting in the second half of the year. Fed policy makers next meet at the end of April: futures markets are split over whether officials will cut rates by a quarter-point or half-point.

Charles Wheelan, a University of Chicago economist, stated that "Falling home prices will put the 'market' back in the real estate market; it'll get us back to a point where sellers are asking prices that buyers are willing to pay". "If someone needs to sell a home or get a mortgage today, he has to play by today's rules. The sooner everyone realizes that fact, the sooner the housing market will bring it's recovery".

Source: National Realty News, Monday April 28, 2008

### Did you know?

**84%** of Buyers used the Internet to search for homes in 2007

**57%** of Internet home buyers walked through a home viewed online.

**6 years** is the median amount of time a seller in 2007 spent in their previous home before deciding to move.



Put My Marketing Expertise To Work For You!

## Top 10 Home Features Desired By Home Buyers

1. Central Air Conditioning
2. Garage (2 or more spaces)
3. Walk-in closet in master bedroom
4. Backyard/play area
5. Cable/satellite TV-ready
6. High-speed internet access
7. Separate shower enclosure in Master Bath
8. Patio
9. Fencing
10. Home less than 10 years old.

Source: NAR 2007 Profile of Buyer's Home Feature Preferences

### Double Deuce Sudoku

To solve a sudoku puzzle, you only need logic and patience. No math is required.

Simply make sure that each 3x3 square region has a number 1 through 9 with only one occurrence of each number. Each column and row of the large grid must have only one instance of the numbers 1 through 9.

Here's a tip for playing. We call the 3x3 squares "regions." With a highlighter, color in all the rows and columns in the large grid that have a 2 in them.

We chose 2 because there are several of them in the puzzle.

Now observe. In the bottom left region, what is the only possible location for the 2?

This technique is called scanning, and you usually do it with your eyes. The difficulty rating on this puzzle is medium.

				3			4	
2	8							
	7			4				
			9				6	2
8								3
	5	9						
	4		7					2
	1				2		8	6
7	3		9		4			5



5	1	4	8	6	9	3	2	7
9	8	7	3	2	4	5	1	6
6	4	8	7	5	1	3	2	9
1	5	9	3	2	6	8	4	7
3	9	6	2	1	7	4	5	8
4	3	7	9	8	5	1	6	2
3	7	1	2	4	9	6	5	8
2	8	4	5	6	7	9	3	1
5	9	6	8	1	3	2	7	4

### Vintage 1936 Homestead Farm House 2730 W. Elizabeth Street, Fort Collins, CO

This 3 bedroom/2 bath home sits on a large 0.35 acre corner lot about 1.5 miles west of the CSU campus. Desirable features include a 2 car detached and heated garage, registered irrigation-only well producing 11.5 gpm, 12-zone sprinkler system, solar domestic hot water system, beautiful country kitchen with new oak cabinetry, ceramic tile and original red oak hardwood floors. Mature landscaping and front and backyard covered patios.

**Under Contract in 2 days**  
**Closed in 5 Weeks**  
**100% List to Sale Price**