

Al Gage Report

Welcome Home Realty
2920 N. Litchfield Rd. Ste. 100
Goodyear, AZ 85395

Phone: (623) 536-8200
Mobile: (623) 694-9004
Fax: (623) 536-8222
Email: al@algage.com



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IMPORTANT NOTICE: WELCOME HOME REALTY AND AL GAGE P.C. IS NOT ASSOCIATED WITH THE GOVERNMENT AND OUR COMPLIMENTARY SHORT-SALE NEGOTIATION, IF NEEDED, IS NOT APPROVED BY THE GOVERNMENT OR YOUR LENDER. EVEN IF YOU ACCEPT THIS OFFER AND USE OUR COMPLIMENTARY SERVICE, YOUR LENDER MAY NOT AGREE TO CHANGE YOUR LOAN. IF YOU STOP MAKING PAYMENTS ON YOUR MORTGAGE, YOU COULD LOSE YOUR HOME AND DAMAGE YOUR CREDIT RATING.

FHA Changes Waiting Period After Short Sale!

Borrowers that may be otherwise ineligible for an FHA-insured mortgage due to FHA's waiting period for bankruptcies, foreclosures, deeds-in-lieu, and short sales, as well as delinquencies and/or indications of derogatory credit, including collections and judgments, may be eligible for an FHA-insured mortgage if the borrower

- can document that the delinquencies and/or indications of derogatory credit are the result of an Economic Event as defined by FHA,
- has completed satisfactory Housing Counseling, and
- meets all other HUD requirements.

For the past several years the waiting period after a short sale, foreclosure, deed in lieu or bankruptcy has been three years with a few exceptions for medical hardships. With this new policy from FHA/HUD, a borrower who can demonstrate an Economic Event may qualify for an FHA mortgage after a waiting period of only **one year**.

An Economic Event is any occurrence beyond the borrower's control that results in Loss of Employment, Loss of Income, or a combination of both, which causes a reduction in the borrower's Household Income of twenty (20) percent or more for a period of at least six (6) months. The borrower must document the loss of income and show recovery from it.

Recovery from an Economic Event is the re-establishment of Satisfactory Credit (as defined on page 5 of this ML) for a minimum of twelve (12) months.

There are many other requirements for verification of both current status and the status at the time the economic event occurred so give us a call for a full evaluation or go to algage.com under mortgagee letter for details.

To sell your home at the highest price, an effective short sale, new home representation or an investment home,

Please give the **AL GAGE** team a call or email. (623)-536-8200 al@algage.com

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newsletter online at:**
[www.algage.com/
SubscribeToENewsletter.html](http://www.algage.com/SubscribeToENewsletter.html)

**4 Sets of Free Passes This
month by random drawing.**

Free Movie Night

Count-1500

From 1999 to 2007 we hosted a free movie night for all of the homeowners in Rancho Santa Fe, Corte Sierra, Sage Creek, and Crystal Gardens, Las Palmeras and Wigwam Creek as well as our past clients. We would love to offer this little payback to our community again but with the price of mail going up and the cost of printing, the only way we can do that is with your help to promote the E-newsletter to the same level of readership as the mailings touched in the past.



Is this really the American Way?

As a result of the Dodd-Frank bill the following procedure was instituted to replace an old procedure under the auspices of consumer protection. The old procedure definitely needed some revisions because it gave incentives to lenders for charging a higher rate. This practice led to abuse by some lenders by rewarding them for offering the mortgage that paid the most yield spread to the lender and not what was in the consumer's best interest.

The new practice eliminates most of this procedure and requires each lender to choose how much they will make, as a percentage of the loan amount on every transaction in advance. This "profit" is factored in as part of the rate you are quoted essentially replacing the loan origination fee and some of the other "junk" fees that lenders used to charge.

Sounds like a good plan and in general, it is, with a couple very glaring exceptions. The lender can no longer lay three different rates in front of you and let you offset most or all of your closing costs by choosing a slightly higher rate. If you know you are not staying in a home for more than a couple of years, it may be better to have a slightly higher rate and less out of pocket whereas if you plan to stay long term, rate may be more important than upfront cost.

In the event that the lender receives more

than the quoted "profit", because of the difference in rates at the time they were quoted versus the time the loan was actually locked, the lender has basically two options. They can pass the credit on to the borrower at the time of disclosure only or in what seems to be the most un-American thing ever, they can place the unused funds in a reserve account. This account, commonly referred to as a "flex" account, can be used for any OTHER borrower the lender chooses. It can also be used for the original borrower if they incur unexpected charges such as a relock fee or an appraisal review fee but not in a dollar for dollar fashion and at the discretion of the fund manager. In fairness, this fund is closely monitored, but it still allows the lender to give a very sweet deal to a borrower of their choice at the expense of other borrowers. The fund cannot be converted to "profit" for the lender but it would seem easy enough to build in profit on another loan and then credit from the "flex" account to essentially convert the "flex" account into profit. Although I have ranted before about clauses in this bill, such as paying more for an appraisal now and getting less service because almost half of the appraisal fee now goes to a mandated appraisal management company, this seems especially unfair and prone to abuse. **Funds generated from your loan, going to assist another borrower without your knowledge or consent. UN-AMERICAN!**

So here is the deal, if we can get our readership up to around 3500 per month from our current level of just over 1000, the savings in mailing and preparation cost will allow us to once again rent the entire movie theatre for our neighbors and clients. To accomplish this we will need each of you to forward the email or website to friends and have them opt in for market updates and eventually the free movie passes. We will keep a running count of the opt ins and when we reach 3,500 emails currently living in the Phoenix, Avondale, Goodyear, Litchfield Park and Buckeye areas, we will fire movie night back up.

How much value will solar add to my home?

I have been asked this on several occasions in the past month with a variety of scenarios. I am not going to be able to give you a definitive answer. Under one scenario, the consumer was leasing the solar unit. In the first scenario, the unit could be purchased for the salvage price at the conclusion of the lease and would save the consumer a small amount per month over the course of the lease versus the cost of the lease. My understanding is that since the solar company remains the owner of the equipment, all of the tax credits, utility and government incentives and renewable energy credits remain with the owner of the equipment. In addition, if you sell the property during the lease period and the new buyer does not wish to assume the lease (which is likely) you may have to buy out the lease.

The second scenario involves purchasing the equipment which according to various websites costs around \$20,000 after all of the incentives and tax credits. The solar cites and studies also claim that a home with solar sells for an average \$20,000 more (in California). I would caution you that this statistic may only be a correlation and not a cause and effect relationship. It is very likely, that the home with solar also has many more upgrades, is well cared for and in a nicer more desirable neighborhood which accounts for the difference in sales price CORRE-

LATING with the higher sales price. In any case, I would be very surprised if an appraiser actually gave \$20,000 in value for a solar unit and since most of our buyers are financed buyers, the value of the solar would be moot. **Decide on whether or not to install a solar unit based on the profit and loss of the unit itself and do not rely on an increase in the value of your home as a factor.**

We need your home to sell!!
Our goal is:
To get the most money for your home, in the shortest amount of time with the fewest amount of problems.

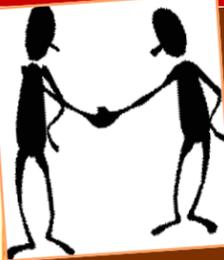
Free Movie Passes Given Away

We assigned everyone that has signed up for the electronic newsletter a random number and then selected these random numbers until we select the number of people corresponding with the number of passes we are giving away this month. We have sent emails to the lucky winners and mailed their passes to them with the exception of one lucky winner who did not give us their address. As our readership increases we will give more and more passes away until we can start FREE MOVIE NIGHT again.

Want a current and local Market Update go to:

www.algage.com/September2013MarketUpdates.html

Over 1,000 homes sold in Avondale!



With over 1,000 homes sold just in the Avondale area since 1997, we are positioned to have several advantages over other real estate agents. We did not sell 1,000 homes by getting some big bank contract or HUD contract, we sold them one customer at time. This leaves us with a large data-base of customers exclusively in the Avondale, Goodyear, Litchfield Park area to better sell your existing home at the highest possible price. We are experienced in short sales and regular sales and have a vested interest in keeping and maintaining the values in our neighborhood. Especially important in this market is the fact that we are experienced in the area to effectively challenge any low appraisals we may receive.



Featured Homes of the Month

<p>Sale Pending</p>	<p>Pending in 4 Days</p>	<p>Sale Pending</p>
<p>1) 12741 W. Desert Flower a Cape Cod model in Rancho Santa Fe (4BR w loft, 2232 S.F) with a pool. Listed by Al Gage for \$174,900</p>	<p>2) 10791 W. Cambridge a 1493 S.F. model in upland park that backs to a greenbelt in very nice condition. Listed by Al Gage for \$142,400</p>	<p>3) 10812 W. Palm Ln., A 2569 model (4 BR., 3BA with a pool on the lake in Crystal Gardens Sale Pending by Al Gage for \$269,900</p>
<p>SOLD</p>	<p>SOLD</p>	<p>SOLD</p>
<p>4) 12519 W. Roanoke Ave A Cottonwood model (1290 S. F.) in Rancho Santa Fe Listed and Sold by Al Gage List Price \$130,000</p>	<p>5) 3206 N. 127th Ln. a 1376 (3 BR/ 2 BA) model in Corte Sierra. SOLD by Al Gage for \$145,000</p>	<p>6) 12571 W. Monterey Way., a 1641 (4 BR/ 2 BA) model in Corte Sierra with a pool. SOLD by Al Gage for \$155,000</p>

Other Notable Sales of Non Short Sale-Non REO Properties in Avondale

- **12629 W. CATALINA Dr** A 2494 model (5BR/3.5 BA) in Corte Sierra. **SOLD for \$221,000**
- **11015 W. ALVARADO** A 2995 model (4BR/3BA) in Crystal Gardens **SOLD for \$265,000**
- **12867 W. LEWIS ST.** A Brady model (4BR/2BA) 2313 S.F. in Rancho Santa Fe. **SOLD for \$220,000**
- **12723 W. CAMBRIDGE AVE** A Brigata model (4 BR/2BA, 2335 S.F.) in Rancho Santa Fe **SOLD FOR \$215,000**

