

Al Gage Report

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Local Postal Customer

Rita's Corner

FHA: Trying to make a comeback?

Several months ago, the current administration in its infinite wisdom decided to make the mortgage insurance on FHA loans be for the actual life of the loan. So regardless of equity in your property, you would be charged in most cases a pretty hefty monthly fee for mortgage insurance. Fannie Mae and Freddie Mac fought back by bringing their 3% down payment loan. They couldn't really compete with FHA due to the guidelines and interest rate. The latest FHA mortgage insurance change was to make the monthly fee be .85% instead of 1.35%. That equals about a monthly savings of \$85.00. They are certainly moving in the right direction.

Call me for information about this and other programs. I pride myself on keeping up to date with the ever changing mortgage market.

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newsletter online at:
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**4 Sets of Free Passes this
month by random drawing.**

Free Movie Night

Count-1656

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.



Go ask your Father!

Do you remember when you were a kid and you would ask your mother if a friend could spend the night or you could go somewhere and she would say "Go ask your Father!". You would dutifully march to your father and he would say "That is up to your Mother" and you instantly knew that you were caught in a state of limbo, destined to go back and forth between them. The bottom line is they rarely said yes on the first attempt (may be that's wrong with the world now) and never without consultation. In every instance, if you asked in front of a friend or put them on the spot the answer was ALWAYS NO. In all fairness, I was kind of a pest and rarely gave up in such scenarios which probably makes me well suited for handling real estate transactions which are surprisingly similar. Below is a list and a brief description of the huge number of people who have to say YES in order for a transaction to close successfully.

- The buyer and seller.** Actually the buyer and seller have to agree with each other at least 3 times to satisfy the requirement of a "meeting of the minds" in a purchase contract. Negotiating in a real estate transaction is an art more so than a science. If you ever doubt the necessity for a strong negotiator as your agent, keep in mind that 9 out of 10 for sale by owner
- The Home Inspector:** A good inspector will never tell the buyer that they should not purchase a home but will instead point out the flaws and dysfunction's of a home objectively. The second time a buyer and seller must agree is on the repairs, if any, that will be required in order for the buyer to complete the transaction.
- The Lender's Computer:** Generally the first step a lender will take before proceeding with a transaction but after compiling all of a borrower's documentation is running the file through a Direct Underwriting or DU program. This finding will usually yield an approve eligible and generate a list of preliminary conditions which must be met.
- The Lender's Appraiser:** The appraisal is performed to protect the lender from over-lending on a particular piece of property. It is NOT necessarily the actual value of the home. If an appraisal comes in below the agreed sales price then either the appraisal must be challenged or more commonly some re-negotiation occurs constituting the 3rd time the buyer and seller must agree.
- The Lender's Underwriter:** Once all of the documentation has been collected

So here is the deal, if we can get our readership up to around 3500 per month from our current level of just over 1500, 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 3,000 emails currently living in the Phoenix, Avondale, Goodyear, Litchfield Park and Buckeye areas, we will fire movie night back up.

Featured Homes

including verifications of income and the appraisal, an actual human underwriter reviews the file and almost invariably asks for some additional documentation or conditions before they will provide the loan.

- 6. **Potentially the Guarantor of the Loan:** Entities such as Fannie Mae, Freddie Mac, FHA and VA typically also have to agree to guarantee the loan.
- 7. **The Title Company's Legal Department:** The Title department checks the property and the parties for outstanding liens and judgments against the parties. If you have a common name, you may have to clear liens from people with similar names. Not pay them, just prove they are not yours.
- 8. **The Title Company's Escrow Department.** When everything else is complete, the Escrow company receives all of the funds and documentation from all of the parties including the buyer, seller, lender, county assessor, homeowner association and the agents, balances the transaction so that each parties obligations are met and finally records the transaction as a neutral third party.

While most of this occurs behind the scenes and rarely are the clients involved in each and every step, we as agents are required to orchestrate all of this activity. This

requires a good real estate agent to be intimately familiar with each of these steps. In addition, a good real estate agent also has the responsibility to represent his or her client while at the same time has a legal obligation to treat the other party fairly.

In the almost 30 years I have been selling real estate, I have encountered snags in each of these areas and most of the time am able to overcome them but not always. If the transaction is salvageable, I routinely save it. Many agents simply do not have the experience to know that a lien can be overcome by the Homestead Protection or that an appraisal can be challenged successfully. Additionally, a great number of agents live from closing to closing or in other words from paycheck to paycheck. This creates a major problem in discerning when it is in the best interest of the client they represent to cancel a contract or when offering advice to their client.

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/February2015MarketUpdates.html

Quotes of the Day

Professionalism is not sportsmanship. If you don't succeed, you won't be in your profession for long. In our society, it's not about good or bad. It's about who's on top.
Chili Davis

My idea of professionalism is probably a lot of people's idea of obsessive.
David Fincher

Genius is more often found in a cracked pot than in a whole one.
E. B. White

Better three hours too soon than a minute too late! William Shakespeare



 Sale Pending	 Just Listed	 Sold
13049 W. Avalon Dr. An 1860 model (3Br, 2.5 Ba with a loft) in great condition with a pool in Las Palmeras. Listed by Al Gage for \$180,000	12573 W. Hollyhock Ave. A 2406 model (4BR, 2.5 BA, with a downstairs master) in Corte Sierra. Listed by Al Gage for \$205,000	12419 W. Edgemont Ave., A fantastic Stetson model (3 BR plus a den and 2.5 car garage) in Rancho Santa Fe. Sold by Al Gage for \$190,000
 Just Listed	 Back on the Market!	 Coming Soon
2005 N. 110th Ave. A (3BR, 2.5 Bath 2236 sf model) on the lake in Crystal Gardens with many upgrades. Listed by Al Gage for \$225,000	11175 W. Alvarado Rd. A 5Br, 2.5 Ba, 2412 SF with a 3 car garage in Crystal Point. Listed by Al Gage for \$205,000	10802 W. Cambridge Ave. A 1493 model (3 BR, 2 BA) with beautiful upgrades and plantation shutters. Listed by Al Gage for \$163,500
 Just Listed	 Coming Soon	 Sold
12540 W. Cercado Ln. A 1271 S.F. (3 BR, 2 BA) model in Wigwam Creek South. Listed by Al Gage for \$157,900	12812 W. Mulberry Dr. A 2496 model (4 BR, 2 Bath) with a 3 car garage and a pool in Sage Creek. Listed by Al Gage in the \$260's	12875 W. Lewis St. A spectacular Brady model (2313 S.F., 3 BR, 2.5 BA) in Rancho Santa Fe. Sold by Al Gage for \$180,500

Call Al Gage = SOLD!

