



The Fran-Ira Report



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Real Estate Prices Here & Around the World

Home prices rose for a third consecutive month in July and the rate of annual decline continued to shrink for the sixth month in a row, according to Standard & Poor's/Case Shiller report.

The five markets in the 20-city study showing the strongest increases were Minneapolis (+4.6%), San Francisco (+3.3%), Chicago (+2.7%), San Diego (+2.5%) and Atlanta (+2.3%). Other points:

***The average sales price on the North Shore in 2008 was \$542,000 – In 2009 it was \$400,000...down 26%

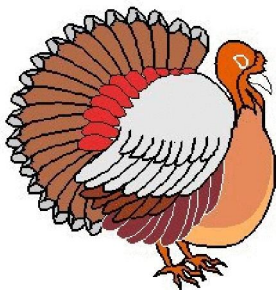
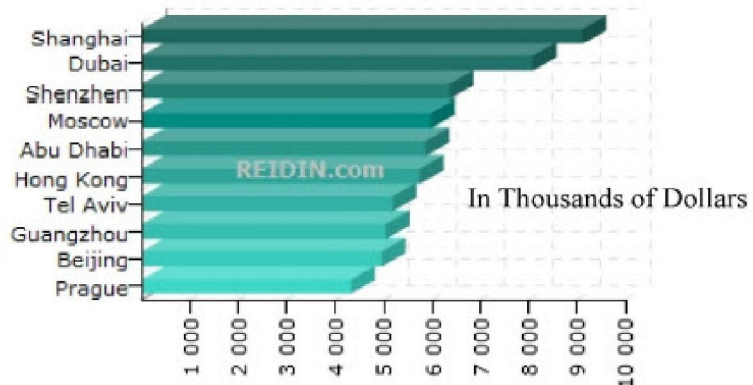
***Nationwide the average sales price in 2008 was \$340,000 – In 2009 it was \$250,000...also down 26%

***In 2008, 71% of sales nationwide were “conventional sales” with homeowners being the decision-makers

***In 2009, 50% were “institutional sales” with banks being the decision-makers rather than homeowners, with 31% of those sales being foreclosures

In contrast this eye-opening chart shows that there are still incredible prices for residential real estate around the world:

Top 10 Cities by Average Sales Prices (2009-May)



Sellers Corner

Once again, free pizza for the first 3 respondents with correct answers!
(847) fran929@aol.com!

1. When were the Olympics held in Mexico?

- a) 1968
- b) 1972
- c) 1976

2. Which of the following states was not once a part of Mexico?

- a) California
- b) Nevada
- c) Oregon

3. Chili con carne was popularized in

- a) California
- b) Yucatan
- c) Texas

4. The term mole means

- a) Avocado dish
- b) Sauce
- c) Soup

5. What is the restaurant/fast food chain that started in Mexico before the U.S.:

- a) Chi Chis
- b) El Pollo Loco
- c) Taco Bell

6. Directly translated, the word taco means:

- a) One's uncle
- b) A plug or a bit
- c) A street vendor

7. The main ingredient for green sauce is:

- a) Green peppers
- b) Green tomatillos
- c) Green squash



Considering A Second Home or Retirement?

Think Mexico!

Riviera...the word alone tends to conjure up pleasant images of beautiful scenery filled with calm serenity and relaxation! Today, the term is more generally applied worldwide to about a dozen, warm coastal regions that are popular with tourists. Among them are two in Mexico: the Riviera Maya and the Mexican Riviera. The Riviera Maya consists of 80 miles of Caribbean coastline around the eastern side of the Yucatan Peninsula and is the home of Cancun, Cozumel and Tulum. While rich in beaches and warm weather the terrain is essentially flat and the region is prone to hurricanes. On the opposite side of the country is the Mexican Riviera, consisting of more than 1,000 miles of Pacific Ocean coastline from Ensenada in Baja California to Puerto Escondido and Huatulco in the state of Oaxaca, with the Sierra Madre Mountains running virtually the entire distance. This shoreline, the fourth most popular cruise destination in the world, has to be considered one of the most scenic on the planet.

The problem is that about 90% of this magnificent terrain is "ejido land" and not available for purchase by foreigners. The land was given to the Mexican citizens after the Mexican Revolution for the purpose of farming or working and has not yet been privatized. However the small fraction that can be purchased with title, as an "escritura" in a 50-year bank trust, is located in the cities of Ensenada, Cabo San Lucas, Mazatlan, Puerto Vallarta, Manzanillo, Ixtapa/Zihuatanejo, Acapulco, Puerto Escondido and Huatulco.

One of the most popular of these resort destinations, located in the center of the Mexican Riviera, is Puerto Vallarta, home of nearly 50,000 North Americans. The cost of living in P.V. is about average for the region but a fraction of that in Pebble Beach, California, where the scenery might be comparable but the climate is not. Being on the same latitude as Maui, Hawaii, the average daily temperature during the winter months is 73 degrees with usually only a brief, refreshing shower, if that, every day!

Over the winter we plan to take our fourth trip to P.V. and this time will check out the local real estate market and retirement communities. We have already made connections with our Coldwell Banker counterpart in P.V. and plan to become specialists in this market. We have the ability to sell real estate in Mexico and are already assured of a desk in the local office. If you would like us to check out properties for you while we are there, just let us know!

SHORT SALE & FORECLOSURE CONSEQUENCES FOR HOMEOWNERS

Issue	Foreclosure	Successful Short Sale
Future Fannie Mae Loan for Primary Residence (Effective May 21, 2008)	A homeowner who loses a home to Foreclosure is ineligible for a Fannie Mae backed mortgage for a period of 5 years.	A homeowner who successfully negotiates and closes a Short Sale will be eligible for a Fannie Mae backed mortgage after only 2 years.
Future Fannie Mae Loan Non-Primary Residence (Effective May 21, 2008)	An investor who allows a property to go to Foreclosure is ineligible for a Fannie Mae backed investment mortgage for a period of 7 years.	An investor who successfully negotiates and closes a Short Sale will be eligible for a Fannie Mae backed investment mortgage after only 2 years.
Future Loan with Any Mortgage Company	On any future 1003 Standard Loan Application a prospective borrower will have to answer YES when asked "Have you had property foreclosed upon?" This will affect all future rates.	There is no similar declaration or question regarding a Short Sale.
Credit Score	Score may be lowered anywhere from 150 to over 300 points. Typically this will affect the score for over 3-5 years.	Only late payments on mortgage will show and after Short Sale mortgage will be reported as paid or negotiated. This will lower the score as little as 50 points and the effects can be as brief as 12 - 18 months.
Credit History	Foreclosure will remain as a public record on a person's credit history for 10 years or more.	A Short Sale is not reported on a credit history. There is no reporting item for a Short Sale. The loan is typically reported as "Paid in Full, Settled."
Security Clearances	Foreclosure is the most challenging issue in a security clearance outside of a conviction or a felony. If client is a police officer, in the military, a government employee or a security officer, clearance will be revoked & the position will be terminated.	A Short Sale, on its own, does not challenge most security clearances.
Current Employment	Employers have the right to regularly check the credit of employees in sensitive positions. A Foreclosure may be grounds for immediate reassignment or termination.	A Short Sale is not reported on a credit report and is therefore not a challenge to employment.
Deficiency Judgement	In 100% of Foreclosures (except in those states where there is no deficiency) the bank has the right to pursue a deficiency judgement.	In some successful Short Sales, it is possible to convince the lender to give up the right to pursue a deficiency judgement.
Deficiency Judgement Amount	In a Foreclosure the home will go through an REO process if it does not sell at auction. This will result in a deficiency judgement for the mortgage balance & costs.	A properly managed Short Sale is almost always better than an REO sale, resulting in no or a lower deficiency amount.

Real Estate Definitions

A MORTGAGE PREQUALIFICATION is a very preliminary estimate of how much you can afford to pay for a home. The lender will base his opinion on the information you provide. However, your credit and employment information typically aren't validated for prequalification, so the results can only be considered a rough idea of what you might qualify for.

A MORTGAGE PREAPPROVAL is a written commitment from a lender or mortgage broker to finance your home purchase up to a specific amount. This indicates that the lender has checked your financial history through a credit reports and possibly looked at your pay stubs, W-2's, tax returns. etc. Once you have obtained a preapproval, you can shop with more confidence, knowing that your odds of obtaining your desired loan are good.

"It's important to note that neither a prequalification or preapproval letter is a guarantee that you will be given the loan.

Our Featured Property In Door County, Wisconsin!

Time to get away from it all? Become the owner of this quaint & popular restaurant-pub and motel in the vacation wonderland of Door County, Wisconsin! Just 1 block from Lake Michigan this establishment has a large local clientele, an enticing menu and attractive prices! Property includes local landmark Mike's Port Pub with 4-bedroom apartment above, 12 room mint-condition motel, office and 4-bedroom single family home all on 2 lush wooded acres! Prominently located in Door County! Take this popular local business up to the next level!

Check out www.bedandburger.com!



Innlet Motel & Mike's Port Pub Door County, Wisconsin

\$1,500,000



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