

# Real Estate

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BLUFFTON'S ONLY DAILY HOMETOWN NEWSPAPER

## It's a buyer's market

BY FRANK DUNNE JR.  
SPECIAL TO BLUFFTON TODAY

In a scene from a National Association of Realtors television ad, a family gazes longingly at a house from their collective perch atop a white picket fence. It is their dream home, but they just sit and stare. "They say we should wait," explains Dad.

Then, a confident, professional-looking Realtor steps into the picture to tell us that this line of thinking is nonsense. We are in a "buyer's market," after all.

Is it time to get off the fence? How does one recognize a buyer's market? If you ask a local real estate professional, the answer you get just might be, "Open your eyes and look around."

Real estate expert and author Blanche Evans succinctly defines a buyer's market in a recent Realty Times article as one in which there are too many homes on the market for the number of buyers. Homes take longer to sell and prices fall.

This would adequately describe the present Lowcountry real estate market. Inventory is high and prices are low. "There are some extremely good buys out there right now," said Craig Ostergard, Sea Pines Real Estate Co. broker-in-charge. However, buyers are not taking advan-



Special to Bluffton Today

**In this still from a National Association of Realtors commercial, a family contemplates whether the time is right to purchase a new home.**

tage as would be expected, and this is largely due to the daily deluge of negative news about the economy.

"There's a lot of uncertainty," said John Robinson of Dunes Marketing Group, "Some people are very concerned about their job situations."

These are legitimate concerns, but it should be stressed that if your own financial house is in order, home ownership is still a good long-term investment and you might be very sorry down the road if you continue to wait.

"The one certainty that can always be counted upon is that one side of the market will never stay on top forever," said Evans.

The Lowcountry real estate market has a good record with regard to such cycles.

"We keep a substantial statistical base to track how our market has done over the past 15 to 20 years," Ostergard said. "Historically, our market has always responded very well coming out of recessions."

Robinson notes that people tend to follow a herd mentality under the assumption that the popular choice is the right one. Right now that choice is to put off buying a home.

"There are very few 'pilgrims' out there right now," he said. "The bold ones who buy in this market are going

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## Half of housing grants used to buy foreclosures

KATRINA A. GOGGINS  
ASSOCIATED PRESS WRITER

Just over half of a new \$4 billion federal housing program approved late last year will go to purchase and fix up foreclosed homes nationwide, a study released this week showed.

The program aims to raise home values by helping state and local governments buy bank-owned properties, repair or demolish them, and help working families make the leap to homeownership. And Congress added another \$2 billion to the Neighborhood Stabilization Program this year when it passed the economic stimulus package.

The first round of grants were allocated to states and cities as part of a housing rescue plan that was regarded at the time as the most significant housing legislation in a generation. The Department of Housing and Urban Development signed off on more than 300 proposals from all 50 states. Grantees in foreclosure-ravaged Ohio will get about \$258 million.

Around 56 percent of the grants approved last year will be used to buy and rehabilitate properties that have been abandoned or foreclosed, according to the report from Enterprise Community Partners.

Twenty-one percent will be used to help low- to moderate-income families purchase the homes, while

just 6 percent will be used to demolish vacant properties.

"These are pretty flexible funds that allows you to serve extremely low-income families all the way up to working families and that's unique," said Alazne Solis of the Enterprise Community Partners, a nonprofit financier for affordable housing.

The group's report provides the first look at how states and local governments nationwide plan to use the money.

While Solis praised the program, critics say the grant proposals are too vague and the program lacks oversight and accountability. The plan has also drawn fire from some neighborhood groups that want a say in how the money is spent.

In Ohio, the Livingston Avenue Area Commission in Columbus continues to press city officials to include the group in meetings about the funding.

"We are the neighborhood," gripes Bryan Boatright, vice president of the group. "I wake up every morning and look out my window and see it. The folks in the administrative offices wake up every morning and have to drive 10 miles to it. It's more important than ever residents have a say in what's happening in their backyards."

Enterprise did recommend lawmakers monitor the outcomes of the program.

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# Financial questions and answers

BY ILYCE GLINK  
TRIBUNE MEDIA SERVICES

**Q:** The interest rate on my loan just adjusted to 9.25 percent last month. We are upside down on our house by 5 percent, so we aren't sure we can refinance. I'm trying to do a loan modification, but am being told that I have to be late on my mortgage or the lender won't work with me.

I am now current and don't want to miss a payment just so someone will help me. The loan modification company I'm working with wants to charge me a fee of \$1,700. Will this save my house? Should I spend this money?

**A:** I have good news for you. The good news is that President Obama's new mortgage refinance program should help you if your mortgage is only 105 percent of the value of your property.

For example, if your house is worth \$100,000 and your primary loan is \$105,000, you can refinance your home as long as you have the income to pay the new loan. The home must also be your primary residence.

Lenders will work with you on this program to lower your interest rate so that it is no more than 31 percent to 38 percent of your gross monthly income. The nice part about

President Obama's \$75 billion loan program is that lenders and borrowers have an added financial incentive to keep these loans current.

Mortgage lenders will receive a "pay for success" fee of \$1,000 for each eligible loan modification, plus additional fees of up to \$1,000 per year (paid monthly) as long as the borrower pays on time. Homeowners will receive up to \$5,000 (up to \$1,000 per year for five years) to reduce the balance owed if they pay on time through these years.

The details of this plan were only announced in early March 2009. Please contact your lender as soon as possible. If your lender refuses to help, please call the Hope Now Hotline (toll-free 888-995-HOPE) and speak to a federally certified housing counselor.

There are many credit and loan companies out there claiming that they can help borrowers for a fee. Be careful in dealing with these companies. If you pay them almost \$2,000, you may not necessarily be getting the best deal. You should first work with your lender, call the Hope Now Hotline and talk to a housing counselor.

You need to become informed about your options. You may find that your current lender is now willing to

talk to you. When you call the company, ask to speak with the loan mitigation department, particularly if that wasn't the department you were talking to before. That department is the one that should be able to work with you on your issue. And, keep your \$1,700 in your pocket for now.

**Q:** I have an interesting situation. A wife was given guardianship over her husband. At some point in time, the wife resigned and her guardianship was terminated. After the guardianship was terminated, the wife got a mortgage on a property owned solely by husband. Is the mortgage void?

**A:** You should be asking this question of a real estate attorney, and you haven't sent enough detail in your e-mail to know for sure what is going on. But I'll give you a short answer to your question with a couple of possibilities.

First, the mortgage may indeed be void, in that it was signed by someone who didn't have an ownership interest in the property. However, if the wife did not have guardianship but held a power of attorney over the financial affairs of her husband, she might have been entitled to take out

the mortgage.

On the other hand, this might also be considered mortgage fraud or theft, especially if the wife took cash out of the property after the guardianship was terminated and didn't have a power of attorney. If she used the proceeds of the refinance for her own affairs to the detriment of her husband, she might have also crossed the line in what she could have or should have done.

If this issue involves a family member or friend, you should talk to a real estate attorney. Be prepared to answer how and why the guardianship was created. You should know whether the mortgage was taken out using a power of attorney. If you have a copy of the mortgage you should be able to determine in what capacity the wife signed the document. If she signed it as guardian after the guardianship was terminated, the mortgage company and title company that processed the paperwork might have been duped into believing the guardianship was in force. You will need to have the paperwork showing when and why the guardianship terminated. With all of this information, the attorney can give you a better answer.

## Market

### From the cover

to look back at their decision and pat themselves on the back. Those who wait are going to be disappointed."

Prices are low and the selection is wide. Also, interest rates are low and, contrary to a widely held but misguided belief, banks are writing loans. It is true that they are being more selective, but this is a good thing because sound lending practices beget a stronger banking industry.

"Today's buyer is savvy, smart and confident. They know the rule to buy low and sell high, and the buyer is in complete control right now. You can be as picky as you want to be. This new buyer knows when to take advantage of a great deal while selection is still inviting," said Robinson.

Let your personal financial situation, needs and objectives be your guide as always. Now is a good time to buy, and this opportunity will not last forever.

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