

## Tax credit guidance for FHA loans announced by HUD

In his speech at the National Association of REALTORS® Housing Summit, US Department of Housing and Urban Development (HUD) Secretary Shaun Donovan announced a program that allows borrowers to use the first-time homebuyer tax credit for a down payment or closing costs on a FHA-insured mortgage. The Secretary said "We think the policy is a real win for everyone, ensuring that borrowers can tap into the numerous organizations that are already part of the FHA network to receive this additional benefit."

The details of the program were announced in Mortgagee Letter 2009-15. Government entities and instrumentalities of government may provide a second mortgage. Currently, 10 state housing finance agencies offer a product buyers can use that will effectively monetize the tax credit for down payment purposes. These states are Colorado, Delaware, Idaho, **Kentucky**, Missouri, New Jersey, New Mexico, Ohio, Pennsylvania, and Tennessee.

### [Get information on the Kentucky program here](#)

The original guidance permitted lenders and HUD-approved nonprofits and lenders to offer bridge loans via second lien financing or short term loans. Guidance released today allows lenders to offer the monetized tax credit for down payments in excess of 3.5 percent, closing costs and interest rate buy downs. Mortgage industry leaders have indicated that this type of product may not be immediately available to consumers. Lenders will need some time to develop documentation for what will effectively be personal loans to the home buyer.

## Bills introduced to extend, expand home buyer tax credit

Several House members have introduced bills reflecting their support for the home buyer tax credit and urging that it be expanded and extended. NAR is saluting their efforts, but has not endorsed any particular approach. The bills have differing details, but, taken together, all would have beneficial effects on the housing market. NAR anticipates additional bills in the near future. The bills introduced so far include:

**H.R. 2562:** Ron Kind (D-WI) and 3 bipartisan cosponsors. The bill extends the tax credit through December 1, 2010, but limits the extension to individuals who served for 3 months or more in the military during 2009.

**H.R. 2606:** Eddie Bernice Johnson (D-TX). The bill expands the credit to all purchasers, not just first-time purchasers. The bill extends the credit through December 31, 2010. Her bill also eliminates the repayment feature that applies to the \$7500 2008 tax credit.

**H.R. 2619:** Kenny Marchant (R-TX). The bill makes the credit available to all purchasers and also extends the credit through June 30, 2010. The bill also provides a temporary \$3000 tax credit that has the effect of refunding the closing costs associated with refinancing a mortgage, so long as the refinanced amount was no greater than the outstanding balance on the mortgage being refinanced.

## GRI Courses

The entire 2009 GRI schedule is now available on KAR's website.

Registration for classes can be made [here](#) or by visiting <http://ims.kar.com>.

June 25 & 26  
GRI 2: Smart Marketing  
Owensboro, KY

July 20 & 21  
GRI 3: Financing the Successful Trans.  
London, KY

## Kentucky to use federal funds to prevent homelessness

Kentucky leaders announced a plan recently to use \$18.5 million in federal stimulus money to help prevent homelessness over the next three years. The effort will focus on people who are close to homelessness - living with extended family and friends or facing imminent eviction. Housing officials said the federal money could go toward rent assistance for up to 18 months, deposits and utility payments.

In unveiling the program in Frankfort, Gov. Steve Beshear said those on the verge of becoming homeless are often overlooked because they aren't living on the streets or in shelters.

"They need help," Beshear said. "They desperately need help." The money is expected to be available this fall. Louisville stands to receive nearly \$4.9 million, with \$2 million available to nonprofit social service agencies and other groups.

The city's Neighborhood Place - a partnership that also includes the state, Jefferson County Public Schools and Seven Counties Services - would oversee another \$2.4 million available directly to homeless people.

Three Kentucky cities - Louisville, Lexington and Covington - will manage their shares and the Kentucky Housing Corporation will guide more than \$12 million to be distributed outside of those areas. The funding is based on concentrations of homeless across the state. Agencies that aid the homeless also will be able to apply for the statewide funding, said Rick McQuady, the housing corporation's CEO.

### Stimulus breakdown

*Kentucky stands to gain \$18.5 million to prevent homelessness*

Louisville: \$4.9 million

Lexington: \$850,000

Covington: \$680,000

Rest of state: \$12.1 million

*Source: Louisville Courier-Journal*



## 5 offbeat ways to sell your house



Trying odd things might even the odds when it comes to selling a property these days. Some homeowners and real estate agents are thinking beyond price, condition and location to get buyers in the door and make a sale. Some equate it to being noticed among potential daters on a site like Match.com. However you look at it, you have to stand out.

Here are five offbeat ways to sell your house, and they might inspire you to think outside the box:

1. Let them sleep over
2. Hire housesitters
3. Offer incentives, incentives and more incentives
4. Swap lives
5. Sell to a builder

[Click here to learn more](#)

## 5 practices all successful internet marketers have in common

You've probably read some amazing success stories of agents succeeding online in the past few months. With everything you have to do today, how can anyone expect you to become expert in online marketing, websites, and all that technical stuff? The simple answer is that you don't have to be expert in any of those things; you just need to follow the formulas that successful online marketers know.

This is an area where you must succeed if you plan to be an agent or broker much longer. With the public loving their ability to look at homes online and using the Internet to narrow down the choices they are faced with in choosing that new home, you must be competent and you must be a participant in the business of selling homes online.

### *Here are the 5 things all successful online marketers of real estate have in common:*

1. Successful online marketers are all professional and successful agents
2. Successful online marketers all have their own individual website
3. Successful online marketers websites can be found by Internet buyers looking for homes in their market
4. Successful online marketers websites are not just a billboard, but they are interactive selling tools
5. Successful online agents respond to inquiries immediately, monitor their progress and adjust their marketing based on what works the best on their site

[To read more about each of these practices, click here](#)

## The 2009 NAR member profile

The National Association of REALTORS® has published its 2009 NAR Member Profile. As part of its "Right Tools, Right Now" campaign, this 84-page report is available to all NAR members for FREE, as a PDF download! You still have to go through the online REALTOR® Store process, as though you were purchasing it, but it really is FREE.

### *A few highlights:*

- Median gross income of REALTORS® fell 14 percent to \$36,700 in 2008, a rate consistent with the decline in prices and transaction volume over the past year.
- The profile of the typical REALTOR® has changed only slightly in the past year. The median age of REALTORS® rose to 54 from 52, however, reflecting the difficulty many younger, less experienced entrants face when working to earn sufficient income to remain in the real estate business.
- REALTORS® continue to embrace new technology, the latest being social networking; 35 percent indicated that they used one or more social networking web sites on a regular basis.
- The typical REALTOR® has 10 years experience.



## Online CE courses available

It is now possible to earn CE credit for your real estate license renewal without leaving your home or office. These courses may be entered and exited at your convenience. Once you register for a course, you can begin immediately. All course work must be completed in a 12-month period to earn CE credit. Your completion date of the course determines the year the credit will be issued.

Three courses are available:

*Environmental Issues in Real Estate* - 6 hours (3 hours law credit & 3 hours elective credit)

*Real Estate Finance Today* - 3 hours (3 hours elective credit)

*Fair Housing* - 3 hours (3 hours law credit)

[Click here to learn more](#)

[Click here to see NAR's summary of the Report](#)

## RE/MAX warns of fraudulent money scam

RE/MAX International Inc. is alerting affiliates and consumers across the country of a money scam that uses the name of the Denver-based real estate network as the source of a fraudulent sweepstakes and lottery drawing.

The scam notifies supposed sweepstakes winners, via mail or e-mail, that they have won a sweepstakes drawing. The letter appears to be from RE/MAX International Inc. with an attached check in the amount of \$4,500 that would help the recipient pay a "Non-Resident Government Service Tax (GST)," that the winner supposedly owes. The tax amount is said to be \$2,980 with payment to be made through a Western Union account. Letter recipients are instructed to call a claims agent to arrange payment for the tax before the winnings can be "legally released."

RE/MAX first learned of the scam last week and has since contacted the Federal Trade Commission (FTC) and the Minnesota Attorney General's office - one check is drawn on a bank account in Minnesota - to alert them of the fraudulent activity. The company has been notified by a handful of people that have received the letter so far, but it appears the scam is still active.

RE/MAX International is taking action to warn its affiliates, their clients and the general population about the scam, and is advising anyone who receives such a letter to contact their local Better Business Bureau (BBB) and their state's AG.

## Forecasters say recession nearing end

More than 90 percent of economists think the recession is nearing its end, but they don't expect the economy to soar anytime soon. Nearly 75 percent of economists, surveyed by the National Association for Business Economics, say that the recession will end in the third quarter. Another 19 percent think the turnaround will come in the fourth quarter. The rest are betting on the first quarter of 2010.

Americans seem to believe that things are getting better too. The Conference Board's Consumer Confidence Index rose 14.1 points in May to 54.9, the second month in a row in which there has been an increase. Forecasters say that home sales will bottom out in the second quarter, an important stabilizing factor.

*Source: The Associated Press*

### **Facts At A Glance**

According to NAR, the median home price nationwide climbed slightly, to \$170,200 in April from \$169,900 in March, the group reported.

Prices, however, were down from \$201,300 in April a year ago.

Across the country, existing home sales rose 2.9 percent in April from a month earlier but were down 3.5 percent from a year ago. Sales rose 11.6 percent in the Northeast and were up modestly in the South and the West.

## **Calls for 2009 Award Nominations**

**Distinguished Service Award**  
**Deadline: Friday, June 12, 2009**

**Nat Sanders Education Award**  
**Deadline: Saturday, August 15, 2009**

**REALTOR® Community Service Award**  
**Deadline: Saturday, August 15, 2009**

**Please visit the KAR Web site ([www.kar.com](http://www.kar.com)) for nomination forms and more information about each of these awards.**

## Pending home sales up three months in a row

Record low mortgage interest rates boosted pending home sales for the third consecutive month, with some benefit now from the first-time buyer tax credit, according to NAR

The Pending Home Sales Index, a forward-looking indicator based on contracts signed in April, rose 6.7% to 90.3 from a reading of 84.6 in March, and is 3.2% above April 2008 when it was 87.5.

Lawrence Yun, NAR chief economist, said buyers are responding to very favorable market conditions. "Housing affordability conditions have been at historic highs, but now the \$8,000 first-time buyer tax credit is beginning to impact the market," he said. "Since first-time buyers must finalize their purchase by November 30 to get the credit, we expect greater activity in the months ahead, and that should spark more sales by repeat buyers."

NAR's Housing Affordability Index is in record territory. The affordability index rose to 174.8 in April from an upwardly revised 171.9 in March, and was the second highest monthly reading on record after peaking at 176.9 in January of this year. The HAI is a broad measure of housing affordability using consistent values and assumptions over time, which examines the relationship between home prices, mortgage interest rates and family income; tracking began in 1970.

## 12 percent are behind on mortgage or in foreclosure

A record 12 percent of homeowners with a mortgage are behind on their payments or in foreclosure as the housing crisis spreads to borrowers with good credit. And the wave of foreclosures isn't expected to crest until the end of next year, the Mortgage Bankers Association said.

The foreclosure rate on prime fixed-rate loans doubled in the last year, and now represents the largest share of new foreclosures. Nearly 6 percent of fixed-rate mortgages to borrowers with good credit were in the foreclosure process. At the same time, almost half of all adjustable-rate loans made to borrowers with shaky credit were past due or in foreclosure.

The worst of the trouble continues to be centered in California, Nevada, Arizona and Florida, which accounted for 46 percent of new foreclosures in the country. There were no signs of improvement.

Source: Yahoo News



## Half-million first-time buyers in Q1

The good news: close to 455,000 buyers purchased their first home during the first quarter of 2009. First-time home buyers are taking advantage of improved affordability, as well as lower prices of existing homes in foreclosure and short sales. But distressed sales - foreclosures and short sales - accounted for nearly half of all transactions in the first quarter of 2009. That contributed to a decline in the median home prices in most of the metropolitan area markets monitored by NAR.

The latest NAR quarterly survey of metropolitan area home prices showed the majority of markets - 134 out of 152 metropolitan statistical areas - experiencing declines in home prices compared to the first quarter of 2008. Eighteen metro areas showed price gains over the same period.

The national median existing single-family price in Q1 2009 was \$169,000, 13.8 percent below that registered in the first quarter of 2008.

## Join KAR on Facebook, LinkedIn and ActiveRain

Join now and become a member of the KAR groups! KAR has added additional sites to its list of social networking outlets.

If you are not currently on these sites, getting started is easy. Just log on to [www.facebook.com](http://www.facebook.com), [www.linkedin.com](http://www.linkedin.com) or [www.activerain.com](http://www.activerain.com) and set up a profile.

Joining is free and once you become a member, you can request to be added to the KAR groups. That's all there is to it.

To locate the KAR groups, use the search feature or go directly to the group:

### Facebook

[www.facebook.com/group.php?gid=9244727021](http://www.facebook.com/group.php?gid=9244727021)

### LinkedIn

[www.linkedin.com/groups?gid=1323837](http://www.linkedin.com/groups?gid=1323837)

### ActiveRain

[activerain.com/groups/kar](http://activerain.com/groups/kar)



Mark your calendars and make plans to be a part of KAR's upcoming events!

## Summer Business Meeting

June 17 - 19

Lake Barkley

Cadiz, KY

Free registration to all members!

## Annual KAR Convention & Expo

September 29 - October 1

Galt House

Louisville, KY

\$49 registration for first-time attendees before July 31.

\$99 registration for all other attendees before July 31.

As part of KAR's Stimulus Package, registration rates are being held much lower than last year (savings up to \$50) making the 2009 gathering a tremendous value!

You'll have the opportunity to earn a full year's worth of continuing education credit, see the latest products and services at the Expo, network with your peers from across the state, socialize at the ever-popular KAR reception/Field of Bling event and advance your Association via our business functions.

Register now at [www.kar.com](http://www.kar.com).



## Seven tips to surviving the inspection

1. Attend your inspections!
2. Never, ever belittle your buyer's concerns.
3. Take your directory of contractors with you to the inspection.
4. If you don't have your very own handyman on call, make this your top priority.
5. If an inspection goes poorly, let your buyers sleep on it.
6. When preparing an inspection notice for the seller, never, ever use inflammatory language.
7. Keep your inspection requests to as few bullet points as possible.

[Read more about these tips here](#)