



THE TREND!

California	
Median Price	Date
\$296,090	9/09
\$292,960	8/09
\$319,310	9/08
Sales change Prior Month 0.6%	
Sales change Prior Year 2.1%	
Sacramento	
Median Price	Date
\$184,200	9/09
\$192,050	8/09
\$195,900	9/08
Sales change Prior Month -3.1%	
Sales change Prior Year -19.3%	
Source C.A.R. Research Dept.	

SACRAMENTO

Ph: 916.675.1177

Fx: 866.405.1808

BAY AREA

Ph: 510.344.0024

HOUSTON

Ph: 713.952.6092

Fx: 281.668.5002

## What about that credit score..

Recently, our customers have been asking us about the impact on their credit by actions they are taking in this recession, especially as it affects their ability to acquire real estate properties. Here is an attempt to give an overview of what could be at stake.

• **Credit account dispute.** Disputing an account may cause you a mortgage approval, despite your good intentions. When you dispute an account, a mark is placed on your credit report as having a dispute, this entry prevents the system used by Fannie Mae called Automated Underwriting from approving your request. This system is used

by almost all lenders during their first steps in approving your loan. Of course, the lenders may “manually underwrite” your loan, but that is time most lenders do not want to invest. So dispute when you have to, when you are not about to purchase a home.

• **Loan modification.** Can this process hurt your credit, it depends on several factors, but generally it does. If you skipped some payments as some of the servicers make borrowers go through before attending to them, that will hurt your credit. Moreover, in the Obama plan, where lenders give borrowers, a three months trial, the lend-

ers report those months as delinquency. Ironically, the lenders may report your agreed reduced payments as “partial payment”, which also hurts credit.

• **Short Sales and Foreclosures.** Short sales are in most cases better than the later, but note that all lenders with liens on the property must agree for the short sale to conclude successfully. And more especially make sure that the lenders report to the credit bureau as “paid as agreed”, and that you owe “\$0”, otherwise, that may not be an option you should pursue. Make sure your agent has the expertise in this area of real estate.

-Al Som-Any, MBA, Broker

## Real Estate Market Update..

In our September issue we stated that the bottom of the real estate downfall may have been reached, and in the Sacramento area the bottom was in the second quarter of this year. According to the California Association of Realtors, (C.A.R.) the median price of an existing, single-

family home in the state rose for the seventh consecutive month in September to \$296,090. Home sales increased in September by 2.1% when compared with the figure a year ago. The upswing in the market was partly due to first time home buyers who took advantage

of the \$8,000 tax credit. C.A.R reports that nearly 70% of first-time home buyers said the tax credit was an important factor in their decision to buy a home. September marked the first single-digit decline since October 07, compared to double-digits declines for 22 months.

Al Som-Any

