

SPECIAL
POINTS OF
INTEREST:

- Law in effect on 9/8/2008
- Lenders and agents to show proof of working with borrowers
- Law in effect on 9/8/2008
- Filings to pick up as creditors absorb law
- Obama may save few

SACRAMENTO

Ph: 916.675.1177

Fx: 866.405.1808

BAY AREA

Ph: 925.706.9700

Fx: 510.217.4433

HOUSTON

Ph: 713.952.6092

Fx: 281.668.5002

Foreclosures Drop in California, Due Law

Recent changes in legislation is likely to drop the volume of foreclosures in California, and the country, as the state accounts for almost a third of all foreclosure filings.

On July 8, 2008, Governor Schwarzenegger signed Senate Bill 1137 into law. Commonly known as the Mortgage Relief or Foreclosure Reform Bill, it addresses a variety of issues in current foreclosure crisis. One of the new requirements placed on lenders, loan servicers, and/or their agents is to prove that they have attempted to communicate directly with delinquent borrowers about their financial situation, and have considered potential arrangements to avoid foreclosure. This stipulation requires proof that must be filed with the

recorded documents such as the Notice of Default or Notice of Trustee's Sale.

This law went into effect on September, 8 2008. The foreclosure process in California is managed by trustees already overwhelmed with work load. They have to devise procedures to deal with the new law, which will inadvertently slow down the issuance of more foreclosure documents. As a result of this procedure, there is a decline in the volume of filings significantly. In some counties, volumes has declined by 80% or more. The industry expectation is that a majority of these delayed filings of foreclosures will come to shore later, as the lenders catch up with regulatory compliance, and the economy

deteriorates further, as has been the trend most of the year.

As a reader of this missive, I will hesitate to draw any conclusions from the recent declines in the media, which has made this top priority, without delving into the details of the ramifications of certain underpinnings of the debacle in home financing. The general consensus among analysts is that most of these delayed filings, combined with extremely weak economy will increase foreclosure filings in early 2009, unless the Obama administration does something significant in the very near future. When creditors figure out the ropes in the new California law, increase in filings may be inevitable.

-Al Som-Any, MBA, President

Savings in A Home, No Place like Home

With the cost of homes down in most places to 2003 levels, most home owners still spend a lot in home-related expenses. While income has increased just 35% over the past ten years ending in 2006, according to the Center for Housing Policy, costs were up by more than

80%.

There are few suggestions on curbing its effect on home finances; Create an updated household budget and endeavor to balance it, check out sites like buxfer.com, and Geezeo.com. Second, appeal your property tax assessment, especially in this mar-

ket. Thirdly, check green initiatives in your home, as energy is becoming a huge expense, especially in larger homes. Also, check your insurance, this is one of those expenses people simply pay, check insure.com and esurance.com to comparison shop. Good luck!

Al Som-Any

