



From My Home To Yours

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Mortgage: (610)436-0689

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From My Home To Yours - Introduction

Hello everyone, I hope this newsletter finds you well, successful, and enjoying much happiness in your homes. You, like me, have probably been toiling in the gardens - raking, weeding, & mulching. Despite the lack of rain in the early spring, I bet your flower & vegetable beds look great. Everything looks fresh, bright, and colorful. I love Spring!

Spring is also typically the busiest time in the real estate market. So, for me, I've been very busy handling everything from weeding to mortgages, to real estate sales. I've been slowing but surely developing my new, dual function "one-stop shopping" model, helping clients both find and finance their new homes.

It's been a very interesting, educational, and entrepreneurial experience and given the evolution in the way real estate sales are being transacted, I'm glad I made this expansion. Real estate service bundling, if done well and efficiently, can produce both lower costs and better service to the consumer, especially if it's one-on-one service rather than a myriad of different departments and contacts.

In the process of creating Professional Realty Consultants LLC, I spent over 4 months writing and organizing a new web site. I encourage you to check it out – I've accumulated some excellent reference materials, all in keeping with the ethos, "consumer-oriented information & advice to save time and money." I have links and references to information such as your local township website, the "Megan's Law" check website, and your school district's "report card" and statistics website.

Thanks always to you, I hope you find the newsletter helpful and informative, and take care.

Enjoy the spring! - Laurence

PRESCREENED OFFERS OF CREDIT

We've all received those solicitations in the mail, "You've been preapproved for ____ at the ridiculously low rate of ____." Of course, you have to call to understand if you're really qualified for the offer and the offer is usually conditioned in a whole ream of fine print.

Nonetheless, your receipt of this "preapproval" for credit or insurance means that you have just been "prescreened." Prescreening is legal, according to the Fair Credit Reporting Act, though there are restrictions and conditions of its use.

Credit bureaus make money from and provide service to creditors or insurers by referencing your information in two possible ways: The creditor or insurer establishes criteria, like a minimum credit score, and orders a list of people in the bureau's database which meet the criteria. Or, the creditor can supply a certain customer list to the bureau, then order a list of people who meet that criteria. I understand the terminology is "scrubbing."

In order to obtain this list, the creditor must already have your written consent (maybe somewhere in the fine print of something you signed) OR the creditor must present to you a "firm offer of credit or insurance." This offer is defined as "any offer of credit or insurance to a consumer that will be honored if, on the basis of information in the consumer's credit record, the consumer meets the specific criteria used to select him or her for the offer, except that the offer may be further conditioned in certain circumstances."

If you don't want to receive these offers, call (888)567-8688, or visit www.optoutprescreen.com. If you have joint credit, both parties will need to opt out. You will be prompted to verify certain personal information and you will select a permanent or 5-year opt out option.

2005 ECONOMIC RECAP

- * Economy grew 3.5%
- * Unemployment rate fluctuated from 4.9% to 5.2%
- * Inflation averaged 3.4% (despite energy prices)
- * Wage & Salary income rose 2.4%
- * Consumer spending increased 3.6%



Real Estate

* Sales of existing homes rose 4.2% & sales of new homes rose 6.6% - both represent the 5th consecutive year of record sales

* The national median home price rose 12.7% in 2005 to \$208,700, the largest gain since 1979. In 12/05 alone, the median hit \$211,000.

* In the 2nd qtr. of 2005 (typically a good estimate of the annual average), the median existing home price for the Philadelphia-Camden-Wilmington region was \$247,200, according to the research division of the National Association of Realtors.

* New homes built in 2005 were almost 40% larger than in 1985, 4% larger than 2004. 37% were built with 4 or more bedrooms - 18% in 1985. And 19% were built with a 3 car garage vs. virtually 0 in 1985.

* According to the Association of Real Estate License Law Offices, there was a 4.11% increase (between '05 & '04) in people holding a real estate sales license, up to 2,636,783 - that's one licensee for every 113 man, woman & child in the US - yikes!

The real estate market for 2006, predicts David Lereah, the National Association of Realtors chief economist, will remain solid "driven by population and employment growth as well as favorable affordability conditions in most of the country, so we expect the housing market to remain historically high but lower than last year's record."

WILL ROGERS FUNNY

"The quickest way to double you money is to fold it and put it back in your pocket."

"If you're ridin' ahead of the herd, take a look back every now and then to make sure it's still there."

POTHOLES

See a pothole? Want to take action, not just grumble? If it's on a state road, call the PA Dep't of Transportation pothole hotline - (800)Fix-Road. If you're not sure if it's a state road, go to AAA's web site - www.aaamidatlantic.com and click on the "Safety & News" tab. Then click on the pothole photo which will take you to a questionnaire. AAA will pass along your complaint to the responsible government agency.

IDENTITY THEFT

There has been much written about identity theft lately, in terms of understanding the concept, protections to avoid theft, and recommended responses in the event of theft. It's a serious topic and unfortunately, more wide-spread than many think. A personal friend was the victim of identity theft and I've spoken with some of you regarding this as well.

I will outline some of the ways criminals can steal your identity, and by understanding this, then make suggestions to minimize the theft from occurring.

The most common means of identity theft is through lost/stolen wallets or checkbooks.

– **Suggestion:** Place the contents of your wallet on a photocopy machine, copying both sides of each card, license, etc. Thus you will know what you had in your wallet at all times and know the account & telephone numbers to call and alert. Keep the photocopies off premises with family or someone you can contact to retrieve for you.

– **Suggestion:** When ordering checks, do not include your full name (maybe just initials) or address.

Other means of theft include rummaging through your trash, mail, files in your home, and online data. Half of all identity theft is committed by friends, family members, relatives, employees, and live-in care givers.

– **Suggestion:** Shred statements that contain personal information or preapproved offers of credit before discarding. Keep financial & personal information in locked, preferably fire-proof cabinets.

– **Suggestion:** Monitor your accounts & statements frequently. Are you receiving the statements when you should? Are there any transactions you cannot account for?

– **Suggestion:** Don't write your personal ID number (PIN) on your credit, debit, or ATM cards and don't write your social security number and/or credit card number on any checks (you can write the last 4 digits of the account #).

– **Suggestion:** Ensure the identity of the entity or person with whom you are providing information to over the phone, internet or fax. If using the internet, make sure the form is secure.

– **Suggestion:** Take advantage of your right to a FREE copy of your credit report each year. As noted in last year's newsletter, as of 9/1/05, you can obtain it by logging on to www.annualcreditreport.com (or calling 877-322-8228) and following the instructions. I would suggest obtaining it from all 3 credit bureaus. Look for anything that is not accurate. Feel free to call me (as always) if you want me to help analyze your report with you.

If you're the victim of identity theft, contact the police in the jurisdiction where the theft occurred and file a report. This report will probably be needed by various parties you will be contacting. Also, contact the Federal Trade Commission and file a complaint - (877)ID-THEFT.

Contact a credit bureau and place a "fraud alert" on your credit report, request that only the last 4 digits of your social security number appear on your report, and obtain a free copy of your report - concentrate on the recent inquiries and any recently opened accounts. You just need to contact one of the bureaus; per federal law, that bureau is required to notify the other two.

Transunion: (800)680-7289 or www.transunion.com

Experian: (888)397-3742 or www.experian.com

Equifax: (800)525-6285 or www.equifax.com

If you see anything inaccurate, call back to the credit bureau to get it removed and contact the creditor's security or fraud department directly.

Lastly, keep a written log of everyone you speak with - name, date, substance of the conversation, etc. You might need to refer to this for reference and follow-up.

For more information on this topic, I suggest the following Federal Trade Commission brochures:

1) ID Theft: What's it all about

www.ftc.gov/bcp/conline/pubs/credit/idthefmini.htm

2) Take Charge: Fighting Back Against Identity Theft

www.ftc.gov/bcp/conline/pubs/credit/idthef.htm

WILL ROGERS FUNNY

"Good judgment comes from experience, and a lot of that comes from bad judgment."

"If you find yourself in a hole, stop digging."

ENERGY TAX CREDITS

If you are considering energy conservation home improvements, you might want to make them in 2006 or 2007. You might qualify for a maximum tax credit of \$500 - that's a credit, not a deduction, i.e. dollar-for-dollar reduction in your tax obligation.

The improvement(s) would need to be performed in '06 and/or '07, and you can now rely upon the manufacturers claims that their products qualify for the credit as proof the items meet the law's requirements. Eligible improvements include

– replacement windows

– high-efficiency gas, oil & propane furnaces/boilers

– high-efficiency central air conditioning units,

including air-source & ground-source heat pumps

– adding insulation to walls, ceilings, or other parts

of the building envelope

– high-efficiency fans for heating & cooling systems

For more information about the various home improvements which qualify under the Energy Policy Act of 2005, go to www.energystar.gov.

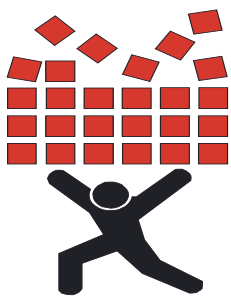
SAFE FOOD PREPARATION

You're tired, hungry, and want a fast meal - sounds familiar, huh? Well, if you're like me, I paw around the fridge, find last night's leftovers stored in a plastic container, and throw it in the microwave. According to several university studies, I might have just added some carcinogens into my diet.

Many plastic containers contain chemical additives, some of which can leach out during the heating process in both the microwave oven and in the dishwasher, and can also leach from scratches if hand cleaning with abrasive sponges or harsh cleansers.

For cooking or reheating food, it is recommended to use microwave-safe glass or ceramic cookware.

For refrigerator storage, use glass, ceramic, stainless steel, or PVC-free plastic wrap.



DON'T FACE FORECLOSURE

You might have heard me mention that, before I started working in the field of mortgage originations, I worked for a bank in their collection and foreclosure departments and various aspects of mortgage servicing. Being familiar with these “back office” workings of the mortgage industry, I try to convey some pointers to you all, especially at closing, about the notions of default and foreclosure.

I recently read a disturbing survey conducted by Freddie Mac/Roper, which is prompting me to review a few hopefully helpful suggestions to avoid foreclosure and/or damaging your credit.

First of all, no one should be ashamed of going into default on their mortgage. In fact, I bet you're in default now. Remember, if your payment is received by your mortgage servicer on or after the 2nd of the month, you're technically in default. In practice, usually the 16th, when you would be charged a late fee, is the date mortgage servicers enforce.

And, there are legitimate, understandable tragedies that are thrust upon us. As a collector, I heard many sad stories - death, loss of job, physical injury, financial calamity, etc. Lastly, there is the occasional ... “I was on vacation / I forgot” ... which has rarely, but certainly, happened to me. All of the above reasons should not make anyone feel ashamed.

With that backdrop, the survey found that 75% of delinquent borrowers recall being contacted by their mortgage servicer. I found that surprising - it costs the servicer a lot of money to employ the people who do the calling. I would have thought the percentage would be more like 100%. If your mortgage servicer contacts you, please take the warning and contact them promptly. Find out the problem and try to immediately resolve it.

Of those people who recall the contact, 68% responded that they never called the servicer back - 28% said that they were in denial claiming there was no reason to talk to the servicer or that the servicer could not help, 17% said they didn't need any help, 7% played the procrastination game, saying they didn't have enough money to pay, 6% said that they were embarrassed, 5% said they were afraid, and 5% claimed they did not know who to call.

Whatever the reason for a pending default, contact your servicer immediately - the 800 number is located within your coupon book or monthly bill. Feel free to discuss your problem openly and directly. Believe me, the collector will be astonished and should have the willingness and ability to bend-over backwards to accommodate you through the ordeal. The mortgage servicer really doesn't want to foreclose. This is the last option they want to exercise. It costs a lot of time and money on the servicer's part, and if they reclaim the property, lenders have proven to be terrible real estate agents. Disposal of the property costs them as well. Foreclosure is the last resort.

Many servicers refer people to consumer credit counseling agencies who specialize in budgetary and financial knowledge in general.

Many servicers employ work-out specialists, in order to provide a workable solution to the problem via a repayment plan - the word in your mortgage is “forbearance.” If you would enter into a repayment plan with the servicer, always get the agreed upon plan in writing, and a notation of whether or not you'll be reported late to the credit bureaus if you complete the plan as scheduled. There are other tools and accommodations the servicer can employ in order to keep you out of foreclosure.

If the tragedy or particular problem is so severe, it might make sense to refinance, maybe into a longer term loan for instance, or even sell the property and scale down. The faster you can resolve the debt with the servicer, the better. In your mortgage, it says that any fees and expenses the servicer incurs getting you into and through foreclosure, gets added to the your total obligation in order to satisfy the mortgage. In other words, their bill becomes your bill.

Thus, the sooner you recognize the severity of the situation and act quickly on it, the better. Selling, while the last consideration emotionally, may be the best option financially and for your future credit needs.

I hope you never need this advice; but the bottom line is not to be ashamed, don't procrastinate, and directly engage your mortgage servicer.

Great Tip From A Previous Client

Want to block telemarketing companies from bothering you on your cell phone?

Call (888)382-1222 - good for 5 years

Thanks Lillian! - Laurence

SELECTING A REAL ESTATE AGENT

Your selection of a real estate agent is an important decision. After all, you will be working with this professional, trusted advisor for perhaps many months, relying upon his/her guidance to help you make better and more profitable decisions. Your agent will have a fiduciary responsibility to you and will be advising and guiding you through the many steps involved getting your house sold and you to settlement.

Obviously, you will want to carefully consider your decision. I suggest you consider a real estate agent who is preferably local and referred to you by family, friends, or co-workers. This agent should be willing to make a formal "listing presentation" to you in your home. During this presentation, you will have the opportunity to evaluate the message and the messenger.

The Message: During this presentation, the real estate agent should

- Provide & explain the Consumer Notice (*). This PA required disclosure outlines how the agent proposes to represent you, and the related obligations thereof.
- Provide & explain the Seller's Property Disclosure Statement (*). This PA required disclosure details your knowledge of the property's condition.
- Inspect your house, discussing both positive and negative aspects.
- Discuss your motivations selling the property, your expectations, and your concerns.
- Present a current Comparative Market Analysis (CMA) so that you can make an informed pricing decision and agree upon the listing price.
- Discuss what personal property, if any, you want included with the house sale.
- Discuss and agree upon the marketing campaign of your property.
- Explain the various types of listing contracts & agree upon the appropriate contract and term that both meets your needs and is acceptable to the agent's broker.
- Discuss and agree upon how the agent will "service your listing" - the duties the agent will perform for you.
- Discuss and agree upon the agent's fee, based upon the level of representation, the type and term of the [listing contract](#) (*), and the extent of marketing.

- Discuss if the real estate agent's company imposes any charges, typically called "broker service," or "conveyancing" fees.
- Provide a written estimate of closing costs and net seller proceeds.

The Messenger: Naturally, your personal regard for each agent is highly subjective. But, I suggest you evaluate the following characteristics – thoroughness (detail-oriented), honesty, knowledge, work ethic, and reliability. Be careful of the agent that tells you what you want to hear, and not necessarily what you should hear.

Overpricing your house creates longer marketing time-frames and your property to be considered a "stale listing." In this scenario, you ultimately will be forced to lower the price (possibly more than once) and you have wasted valuable time. And, even if you captured your higher than market price, you could still be forced to lower it later, due to appraisal problems in the middle of the transaction.

Lastly, be careful of the agent who concentrates on past performance, i.e. average listing time or percentage of final sales price compared with initial price, etc. Despite an agent's best efforts, real estate is like any other market, it's cyclical and heavily dependent upon supply and demand. Remember the disclaimer of all stock funds: "Past performance is no guarantee of future results."

I hope you consider **Professional Realty Consultants LLC (PRC)** to represent and help you through the selling and/or buying process. My concept is unique in the real estate industry in that one agent finds and finances your new home. And, **PRC** takes pride in never imposing any office fees, such as "broker service" or "conveyancing" fees. This equates to about \$200 in savings. Additionally, **PRC** has no affiliation with, nor owns any title insurance company. Thus, you should take advantage of your federal right to shop and select your own provider. This unique philosophy and business structure will additionally save about another \$200 compared with the typical real estate office owned or affiliated title insurance company. In total, **PRC** saves its clients about \$400 on every transaction.

Call us anytime at (610)436-5397.

(* These forms can be found and printed from my web site, www.prc-pa.net.

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