

SPECIAL  
POINTS OF  
INTEREST:

- Call lenders first when behind
- Mortgage Insurance can betray you.
- Far-flung investors are not your old-fashioned lenders
- You may betray their fine intentions

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## Why Lenders Don't Want to Help

In this issue, we tackle a very pertinent problem currently troubling the housing market, foreclosure. With home prices plummeting over the past twenty-four months, some owe more than their houses are worth, and worst facing foreclosure. Here are some facts to note;

**1. Make the Call:** The borrower need to initiate the first call to the lender when facing difficulties in making mortgage payments, most of the lenders are willing to help, but cannot if the client do not call them first.

**2. Mortgage Insurance:** The fact that some mortgages have mortgage insurance means that the lenders/

investors are protected to the amount of the coverage, a valid discouraging factor to deal with the borrower during hard times. Why should they reduce the principal balance or interest rate, when they could get the full amount from the insurance company?

**3. Securitized Mortgages:** The advent of packaging of mortgages and selling them



on Wall Street has considerably impersonalized the lending process, as mortgages are currently owned by far-flung

entities and countries. It is difficult for these companies to have the client's interest at heart, sitting in places like Canada and China.

**4. Moral Hazard:** Lenders are concerned that if they help some borrowers, others may get in line even if they do not need the help.

**5. Lack of Authority:** Most borrowers make their mortgage payments to servicers, or companies that are hired by the investors to manage their loans. These companies lack the authority to initiate any changes to the loans, thus discouraging needed help. Contact us if you need our assistance.

-Al Som-Any, MBA, President

## Lower Real Estate Taxes Coming

With decreasing property values, most county or municipal governments will be sending out newly reassessed real estate property taxes that shows reduced property value.

Tax reassessment is the re-evaluation of all properties in a given area for the purpose

of establishing a new tax base. In Sacramento County, those bills will be in the mail by the middle of May. Review the taxes and make sure it correctly reflects home values in your neighborhood. If you see significant discrepancies, call your county tax assessors office, and request a reassess-

ment or possible appeal.

This could mean hundreds or even thousands of dollars for the current fiscal year especially when the initial figure is challenged.

Avoid scams by some web sites that want to sell you kits at hundreds of dollars.

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