



first tuesday

The California Real Estate Educators

February 2010 Real Estate Guidance from first tuesday

Hello first tuesday Student,

Brokers and agents working listings know market reality is a far less rosy picture than painted by reports of rising (phantom) median sales prices. The few brokers listing REOs are seeing action. Those listings have become fewer, but will rise dramatically in the coming months. Just where is that real estate recovery the media is always talking about?

In a stable market, real estate ownership flows from seller to buyer, creating business opportunities for real estate agents and movement necessary to have an economy. This sales process is currently held hostage by institutional lenders who recognize that their so-called "solvency" is based on the over-inflated value of their assets (loans secured by underwater homes and unsold REO inventory). The longer lenders can avoid marking these loans down to market value, the longer they remain "solvent."

Brokers, agents and homeowners must go over lenders' heads and appeal to political bosses for any of the following corrective measures to occur:


1. Lenders must make [meaningful, permanent loan modifications at reduced fixed-interest rates to allow homeowners with LTVs less than 125% to keep their homes](#).
2. Congress must give [bankruptcy court judges the ability to cramdown to market value the principal balances of loans with LTVs in excess of 125%](#).
3. Lenders must process their foreclosures *immediately* on 90-day delinquency, move the resulting REO properties into the hands of buyer-occupants and report their losses.

In the latest February issue of **fresh articles**:

- a critique of the [Congressional failure to allow cramdowns](#);
- an analysis of [lenders' reluctance to renegotiate loans](#);
- a look at the [due diligence obligations of a mortgage](#)

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H.R. 4173 and the failed homeownership cramdown amendment

On Congress' failure to save homeowners from foreclosure.

Why won't lenders renegotiate

On why lenders prefer foreclosure to renegotiation.

Due diligence investigations into a trust deed note

On the due diligence required of a mortgage loan broker representing a trust deed investor.

Updates for brokers and agents subject to Senate Bill (SB) 36

On more information about the mortgage loan origination law requirements.

[loan broker in trust deed note sales](#); and

- an update of the [mortgage loan broker RESPA-controlled endorsement requirements](#).

Thanks again for choosing **first tuesday!** We hope you continue to find our materials valuable to your success, and hope you will forward this email to your agents and friends to help spread the real estate news.

Regards,

first tuesday

6141 Riverside Avenue #7

Riverside, CA 92506

Phone (800) 794-0494

Fax (877) 319-8510

<http://www.firsttuesday.us/>

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