

# CAREPA NEWS

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### 華裔房地產專業協會新聞

2009年四月號

April 2009

#### President's Message ~ 會長的話

The Ethnic Real Estate Industry Associations Leadership Summit is being held on **Thursday, April 16**. The Summit is a gathering of the leaders of ethnic real estate organizations and the California Association of REALTORS® (C.A.R.) to discuss the issues affecting the organizations and how we can work together to better serve their constituencies.



At the meeting of the summit, the topic of illegal language in title documents will be discussed. The title records of older housing stock sometimes contain offensive restrictive covenants that attempt to impose a "whites only" ownership limitation, or other unconstitutional limitations, on ownership or occupancy. While these covenants have been illegal for decades and unenforceable since the 1950s, they may none the less give offense to owners or prospective owners that discover them in the course of researching title. The restrictive covenants that exist today are artifacts of an earlier, less enlightened time. They are potentially offensive reminders of conduct that is now neither allowed nor enforceable.

After the summit, CAREPA recommends the following language for the removal of illegal restrictions:

***CAREPA declares that the existence of real estate covenants which unlawfully discriminate against persons on the basis of ethnicity, nationality, race or color is hurtful to the Chinese Real Estate Community and we encourage all reasonable and cost effective efforts to remove such language from all the public records of all the counties in California.***

CAREPA GOLF TOURNAMENT is scheduled for June 29. It will be a 10:30 AM shotgun at Friendly Hills Country Club in Whittier. I would like to special thanks to Yin Bihr, Jacqueline Cheou's efforts and contribution to our golf Committee and to make it happens. We are looking for 25-35 foursomes (100+ players) and as many who wish to be sponsors. If you are the golfer and/or the sponsor we are looking for, please call **626-292-7200 X 132** or **626-656-8788 X 109**. Visit our website: [www.carepa.org](http://www.carepa.org) to download the flyer and check out more information about CAREPA Golf Tournament. Let's have fun there!

JOHN WU 吳程遠  
華裔房地產專業協會 會長  
2009 CAREPA President

#### Key facts about the federal loan modification program

Here are some questions and answers on concerns people might have about the federal Making Home Affordable program. By Candice Choi-The Associated Press

— It's welcome relief for homeowners struggling with mortgage payments.

The new federal program to let people refinance or modify their mortgages is expected to help millions of Americans lower monthly payments and avoid foreclosure. So what strings are attached?

You might be concerned about the impact to your credit report or the tax implications, for instance. Others who are still paying low introductory rates might fear their monthly bills could skyrocket.

Here are some questions and answers on concerns people might have about the Making Home Affordable program.

**Q:** How will my credit profile be affected?

**A:** Refinancing generally doesn't affect your score since it's simply a rewritten mortgage, according to Norm Magnuson of the Consumer Data Industry Association, a trade group based in Washington.

This is especially true of refinancing under the federal program, since one of the terms of eligibility is that homeowners can't have missed a payment in the past year.

It's not yet clear what impact a federal loan modification — an adjustment to terms of an existing mortgage, rather than a new one — will have on credit profiles, however, Magnuson said. Regulators haven't yet determined how the loan modifications will be reported, if at all.

If you're applying for a loan modification under Making Home Affordable, it means you've already missed payments and hurt your credit profile. A loan modification should improve your credit profile in the **A:** If you're still paying a low, introductory rate, it's possible your monthly mortgage payment will increase slightly under the federal refinancing program. But the idea is to avoid the big interest rate spikes that typically come with adjustable-rate mortgages.

After applying for the Making Home Affordable program, your lender should give you a "good faith estimate" that includes your new interest rate, mortgage payment and the total cost of the loan. Compare the numbers with your current loan; you might decide that refinancing isn't an improvement.

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# 2009 CAREPA BOARD OF DIRECTORS

感謝所有理事會成員為本協會所做出的貢獻

Thank to the Board of Directors for their voluntarism!

Felicidades a la Junta de Directores. Gracias por ser voluntarios.



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### APRIL GENERAL MEETING

April 9, 2009

6:30PM

**SPEAKER**

Paul Cheng, attorney at law

**TOPIC**

FORECLOSURE, LOAN  
MODIFICATION, HOUSING  
DOWNTURN

**EMPRESS HARBOR  
RESTAURANT**

111 N. Atlantic Blvd. 3<sup>rd</sup> floor  
Monterey Park, CA 91754

For reservations and information,  
contact Nancy Lin @ 626-285-8333

### MAY GENERAL MEETING

May 6, 2009

6:30PM

**SPEAKER**

Susan Hsieh, REALTOR®

Green Nest Design, Principal

**TOPIC**

STAGING AND THE  
VALUE OF GREEN

**EMPRESS HARBOR  
RESTAURANT**

111 N. Atlantic Blvd. 3<sup>rd</sup> floor  
Monterey Park, CA 91754

For reservations and information, please  
contact: Nancy Lin @ 626-285-8333

### CAREPA GOLF TOURNAMENT

June 29, 2009

10:30am Shotgun

**FRIENDLY HILLS COUNTRY CLUB  
Whittier**

We are looking for 25-35 foursomes  
(100+ players) and as many who wish to be  
sponsors. If you are the golfer and/or the  
sponsor we are looking for,

**PLEASE CALL**

**Yin Bihr at 626-292-7200 x 132 or  
Jacqueline Cheou at 626-656-8788 x 109**

Visit our website: [www.carepa.org](http://www.carepa.org) to  
download the flyer and check out more  
information about CAREPA Golf  
Tournament. Let's have fun there!

Key facts about the federal loan modification program

Continued from front page

You can also check out the payment reduction estimator on the government's Web site at [www.makinghomeaffordable.gov](http://www.makinghomeaffordable.gov).

**Q:** Should I wait to see if mortgage interest rates come down in a couple of months before applying?

**A:** Probably not, since mortgage rates are at historic lows.

Recently rates on 30-year mortgages inched upward to 4.87 percent, but that's still close to the lowest level in decades. Waiting for the rate to go any lower might backfire, said Ken Inadomi, director of the New York Mortgage Coalition.

long run since the idea is to get you on track for meeting payments. It might also free up money to pay off other debts.

**Q:** Is it possible my payments will be higher?

**A:** Even introductory rates shouldn't be that much lower than fixed rates these days — in some cases, they may even be higher. So it's probably in your best interest to apply for refinancing now.

In case you decide to wait: The Making Home Affordable program expires on June 10, 2010.

**Q:** What are the tax implications?

**A:** Charges for refinancing a mortgage are tax deductible. That cost should be evenly divided to be deducted over the life of the mortgage, Inadomi said. Other costs, such as attorney or appraisal fees, are not deductible.

You'll also have to adjust your mortgage-interest deduction if you get a lower rate.

**Q:** Can I try to refinance or modify my mortgage on my own, without going through the program?

**A:** Working directly with a lender shouldn't be a problem if you think you're not eligible for the federal program. Just beware of getting a third party involved, especially if they ask for an upfront fee.

Government officials have recently warned homeowners of scammers that charge fees of \$1,000 to \$3,000 to help with loan modifications. Officials say such operations almost always are fraudulent, and that help is available for free from government-approved housing counselors.

Officials said the scams often go by official-sounding names designed to make borrowers think they are using the Obama administration's program.

## REMOVAL OF DISCRIMINATORY RESTRICTIVE COVENANTS ON PUBLIC RECORD

On April 16, 2009, C.A.R. Leadership Summit is scheduled to take place at the Consolidated Realty Board office, located at 3725 Don Felipe Dr. Los Angeles, CA 90008 from 10:00am ~ 3:00pm. Groups from different ethnic backgrounds along with C.A.R. representatives will be present to discuss matters affecting our communities. Amongst one of the issues of great sensitivity and much interest is the removal of "offensive/discriminatory" racial restrictive language in prior recorded real property public records. **Though found unconstitutional and unenforceable in 1948 by the U.S. Supreme Court, should these restrictive covenants be removed?**

The title records of older housing stock sometimes contain offensive restrictive covenants that attempt to impose a "whites only" ownership limitation, or other unconstitutional limitations, on ownership or occupancy. While these covenants have been illegal for decades and unenforceable since the 1950s, they none the less give offense to owners or prospective owners that discover them in the course of researching title. In 2008 C.A.R. successfully opposed legislation (AB 2204, De La Torre) imposing a time of sale purging requirement that was estimated to cost hundreds of millions of dollars. A version of the bill has been re-introduced as AB 985, which would require title companies to remove the illegal language before a property is transferred. C.A.R. has been approached to consider co-sponsoring title "clean-up" legislation with the California Land Title Association and county recorders.

**The AB 1168 Approach:** In 2007 Assemblyman Jones introduced legislation, which eventually became law, requiring county recorders to use a new software program to "scrub" their electronic records and remove Social Security Numbers. The legislation effectively creates a new property data base (the "Public Record") that is made available to the

public, and which will not include the SSN in a reported title document. The Land Title Association has received commitments from a medium, small and large county recorder to implement a pilot project to adapt the SSN program to unconstitutional covenants.

The issue has been the subject of frequent legislation. C.A.R. was the first interest group in California to successfully sponsor legislation (SB 716, Lockyer, Chap. 500, Stat.s of 1987) on the subject. That legislation, by operation of law, eliminated racial restrictions from real estate documents. Unfortunately, the illegal restrictions are still in the historical record, and continue to inspire legislation. Indeed, just since 1999 the legislature has passed at least four different measures on the subject. The area appears ripe for further activity, because the offensive material is still in the documentary (historical) record.

Existing law (Government Code 12956.1) requires deeds, governing documents and other documents delivered in a transaction to have a cover sheet or stamp that says:

"If this document contains any restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."

Existing law also provides a standardized form for a property owner to use in recording a corrected set of CC&R that eliminates the restrictive covenant.

**The AB 985 Approach:** Recent legislation is twofold:

**First**, it attempts to "fix" the problem at time of sale, and does not take a comprehensive approach that avoids burdening escrows with untimely delays and costs.

**Second**, no matter what, the old illegal documents are ultimately discoverable in the property record if the owner wants to search back far enough.

1. Operates only at sale; may hold up the transaction.
2. Title Company responsible for change (Note: A title company can only record documents not physically change the old records).
3. Cost for removal is unknown. If Title Company has to read and review covenants. Cost will be significant.

In January 2009 C.A.R. Legislative Committee discussed this issue with the ultimate recommendation being to seek input. During the discussions the Committee was divided with some members taking the position that the historical record should NOT be changed to remove the offensive (but unenforceable) covenants. The argument was that they should remain on the record as an ongoing reminder of the discriminatory practices that existed but have been done away with. Strong argument was made on the other side that the offensive restrictions should be removed from the historical record if the cost to do so could be managed.

**WHAT RECOMMENDATION, IF ANY, SHOULD GO  
BACK TO C.A.R.?  
PLEASE SEND YOUR OPINION/COMMENTS TO  
JOHN WU AT 323-578-8988.**

CHINESE AMERICAN REAL ESTATE  
PROFESSIONALS ASSOCIATION  
P.O. Box 1435  
San Gabriel, California 91776

## EDITOR MESSAGE

In these pressing economic times, it is time to make sure that we keep abreast of current laws, regulations and practices. Please refer to the National Association of REALTORS®, California Association of REALTORS® and your local association websites for more information. If you have any comments/suggestions, your participation is encouraged.

CAREPA is a partner in the HOPE Award program sponsored by N.A.R. Presentation of this award is scheduled on the second week of May along with its Annual Expo and Board of Director's meeting. CAREPA will be represented at this event.

***CHANGE OF SCHEDULE: Due to scheduling conflicts, CAREPA's monthly dinner mixer will take place on the first Wednesday of May ~ May 6 at the same time and same place! Please mark your calendar . . .***

CAREPA is holding its **Annual Golf Tournament on June 29**. Everyone is welcome to participate. If you wish to become a sponsor and/or wish to help, please contact Yin Bihr or Jacqueline Cheou. Welcome Aboard!

"**CAREPA News**" is newsletter published by CAREPA, Chinese American Real Estate Professionals Association in an attempt to facilitate and serve our membership needs. If you would like to contribute an article, include an advertisement, make a comment and/or sponsor any program, please contact Lucia Tam at 626-221-2888 or e-mail to [luciatam@yahoo.com](mailto:luciatam@yahoo.com) or contact CAREPA President, John C. Wu, at 323-578-8988.

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