

CAREPA NEWS

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華裔房地產專業協會新聞

2009年六月號

June 2009

President's Message ~ 會長的話

In the month of June, we celebrate Father's Day. Fathers work hard to support the family and make sure that all the needs are met. Let's take this opportunity to say "Thank You!" to all fathers for their effort and dedication.



Numbers of attendance at our monthly meetings have been steadily increasing. I would like to thank you for making our association strong and keeping yourself informed from those very important information in the topics the speakers are presenting. The educational committee will invite more outstanding speakers with the most updated information to our monthly meeting. Please don't hesitate to let me know of any particular topic you are interested in and THANK YOU AGAIN for your participation.

We are proud to have Liuligongfang (琉璃工坊), the famous world-known Lazurite (colored crystal) company to be our Golf Tournament sponsor. Liuligongfang will display their creations items at our dinner time, and donate 2 limited art pieces for silent auction. It's not too late to enroll into our 2009 Golf Tournament. Spend a day with your friends and family at the golf course and enjoy a tasty barbeque after the game. Admire the breathtaking works of art during the dinner and get a chance to win from our assortments of certificates over \$3,000 in value. Most importantly, a part of the proceeds will be donated to City of Hope. CAREPA Golf Classic is scheduled for June 29 (Monday) at Friendly Hills Country Club (FHCC) in the City of Whittier. See you there!

JOHN WU 吳程遠

華裔房地產專業協會 會長

2009 CAREPA President

Have You Heard?

MRMLS implemented the new **CARETS Data Integrity Standards** on June 15th. All participants of CARETS must abide by their rules and standards **including YOU**

A TRIP TO TAIWAN

From June 1st to June 5th, members of the Board of Directors of CAREPA (Philip Hsu, Nancy Lin, Lorinda Chau and I) attended the 2009 Surveying Trip for Investment Real Estate in Taiwan, which was hosted by Overseas Compatriot Affairs Commission, R.O.C. (Taiwan) (中華民國僑務委員會.台灣). It was a very successful trip that created great networking opportunities with many in the government of R.O.C. (Taiwan) as well as 24 Real Estate Professionals from Northern California and from other states. It was a great honor that I was elected to be the Captain and also the spokesperson of the visiting group.



We visited the Taipei Association of Real Estate Broker (台北市不動產仲介經紀商業同業公會) during our stay. On behalf of CAREPA, we introduced our association and shared some information about

the current real estate climate and process of real estate transactions in California. Mr. Jack Huang (黃鵬言希理事長), the president of TAREB, led the International Committee Chair, vice Chair, directors and legal advisor to provide us with information about the legal issues for foreign investors purchasing and selling Real Estates in Taiwan. Both Real Estate associations, CAREPA and TAREB, agreed to work closer in the future as we expect to meet again in November 2009.

On behalf of CAREPA, I would like to extend our special thanks to Minister Dr. Y.Y. Wu (吳英毅委員長), Deputy Minister Cheng-yung Hsu (許振榮副委員長), the 3rd Dept Director General Charles Liang (梁崇禮處長) and all the staff from Overseas Compatriot Affairs Commission, R.O.C. (Taiwan) for forming a great surveying tour for the Real Estate professionals in the U.S and for the hospitality extended to us by the Taipei Association of Real Estate Broker.

CAREPA is going more International and will keep working with the associations and governments abroad.

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.



John C. Wu
2009 President



Philip Hsu
President Elect



Lucia Tam
Vice-President



Brian Chen
Secretary



Margaret Chiu
Treasurer



Ling Chou
Historian

Directors



Lorinda Chou



Teresa Fukushima



Paulina Lee



Nancy Lin



Sonny Mao



Karen To



Gregory Tse



Cathy Wong



Kelvin Wong



Paul Cheng, Legal Advisor

COMMITTEE CHAIRS

BUDGET AND FINANCE
BYLAWS
ELECTION
CHRISTMAS/INSTALLATION
GOLF TOURNAMENT

Yin Bihr/Jacqueline Cheou

Margaret Chiu
Kelvin Wong
Philip Hsu
Philip Hsu

HOPE AWARD
MEMBERSHIP
PROGRAMS/MIXERS
PUBLICATIONS/PUBLIC RELATIONS
WEBSITE

Kelvin Wong
Karen To
Nancy Lin
Lucia Tam
Brian Chen

JUNE GENERAL MEETING

June 10, 2009

6:30PM

#26
Casey Enlow
Doug Henker
Rodney Johnson
Brian Kurdziolek
Jay Litchfield
Brent Markley
Jan Miller
M. Grayce
L. Reynolds
Schultz
Samway
D. Nowinski



SPEAKER

Saul Lerner, Ph.D., LL.M., AARE

TOPIC

REAL ESTATE UCTION

EMPRESS HARBOR RESTAURANT

111 N. Atlantic Blvd. 3rd floor, Monterey Park
For reservations and information, please
contact: Nancy Lin @ 626-285-8333

JULY GENERAL MEETING

July 8, 2009

6:30PM

SPEAKER

Mr. Frank Lay

TOPIC

**"Notice and Unlawful
Detainer after
Trustee Sale"**

EMPRESS HARBOR RESTAURANT

111 N. Atlantic Blvd. 3rd floor
Monterey Park, CA 91754

For reservations and information,
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 to
download the flyer and check out more
information about CAREPA Golf
Tournament. Let's have fun there!

MORTGAGE RATES

By [Stephanie Armour](#), USA TODAY

National overnight averages	Today	+/-
30 yr fixed mtg	5.58%	
15 yr fixed mtg	5.10%	
5/1 ARM	4.70%	
\$30K home equity loan	8.38%	
\$30K HELOC	4.97%	

Mortgage rates have risen to their highest levels in six months, threatening to delay a housing turnaround by discouraging potential home buyers.

The average rate on a 30-year, fixed-rate home loan climbed to 5.29% for the week ended Thursday, Freddie Mac reported. That's the highest since December and up from 4.91% a week earlier.

In early and late April, the rate was at a record low: 4.78%. "There's a real risk interest rates could climb up beyond 6% or 6.5%, which can immediately shut down the housing recovery and undermine the national economy," says Bernard Baumohl, chief global economist at the Economic Outlook Group. "That's the big battle to watch in the next couple of months."

Higher mortgage rates are already having an impact. Applications to buy a home or refinance a mortgage tumbled 16% in the week ended May 29 compared with a week earlier, the Mortgage Bankers Association reported this week. Refinancing activity fell 24%. The MBA's purchase index rose 4.3%.

Refinancings' share of mortgage activity dropped to 62.4% of total applications from 69.3% the previous week. While the Federal Reserve is trying to hold down mortgage rates by buying mortgage-backed securities and Treasury securities, other factors are driving up rates.

Mortgage rates have been pushed up by recent increases in yields on long-term Treasury securities, a benchmark for mortgage rates.

If interest rates rise more, that could make a purchase too expensive for some buyers. Weakened demand would delay the reduction of a high inventory of unsold homes, which is considered essential for the market's recovery.

Some economists say the fundamental building blocks of a housing recovery are already in place and that rising interest rates will not derail the process.

"(Higher interest rates) could slow down refinancing, but the housing recovery is going to be one that takes time, and we'll see setbacks on the way," says Michael Darda, chief economist at MKM Partners. "I don't think the housing market recovery is going to be derailed."

Lawrence Yun, chief economist at the National Association of Realtors, says rising interest rates often have a short-term effect of driving more buyers into the market. Those buyers rush to buy so they can lock in rates before they go still higher. But that impact is short lived.

DONOVAN ANNOUNCES RECOVERY ACT'S HOMEBUYER TAX CREDIT CAN IMMEDIATELY HELP THOUSANDS OF FIRST-TIME HOMEBUYERS TO BUY A HOME

FHA plan will stimulate new home sales and help stabilize housing market

WASHINGTON - Speaking to the National Association of Home Builders Spring Board of Directors Meeting, U.S. Housing and Urban Development Secretary Shaun Donovan today announced that the Federal Housing Administration (FHA) will allow homebuyers to apply the Obama Administration's new \$8,000 first-time homebuyer tax credit toward the purchase costs of a FHA-insured home. Donovan said that today's action will help stabilize the nation's housing market by stimulating home sales across the country.

The *American Recovery and Reinvestment Act of 2009* offers homebuyers a tax credit of up to \$8,000 for purchasing their first home. Families can only access this credit after filing their tax returns with the IRS. Today's announcement details FHA's rules allowing state Housing Finance Agencies and certain non-profits to "monetize" up to the full amount of the tax credit (depending on the amount of the mortgage) so that borrowers can immediately apply the funds toward their down payments. Home buyers using FHA-approved lenders can apply the tax credit to their down payment in excess of 3.5 percent of appraised value or their closing costs, which can help achieve a lower interest rate. To read the FHA's new mortgagee letter, visit [HUD's website](#).

"We believe this is a real win for everyone," said Donovan. "Today, the Obama Administration is taking another important step toward accelerating the recovery of the nation's housing market. Families will now be able to apply their anticipated tax credit toward their home purchase right away. At the same time we are putting safeguards in place to ensure that consumers will be protected from unscrupulous lenders. What we're doing today will not only help these families to purchase their first home but will present an enormous benefit for communities struggling to deal with an oversupply of housing."

Currently, borrowers applying for an FHA-insured mortgage are required to make a minimum 3.5 percent down payment on the purchase of their home. Current law does not permit approved lenders to monetize the tax credit to meet the required 3.5 percent minimum down payment, but, under the terms of today's announcement, lenders can now monetize the tax credit for use as additional down payment, or for other closing costs, which can help achieve a lower interest rate. Buyers financing through state Housing Finance Agencies

By Nick Timiraos

Why do borrowers default? Many have assumed it's because mortgage payments are too high. But a new paper from the [Federal Reserve Bank of Atlanta](#) argues that unaffordable loans—with high mortgage payments relative to income from the time they're originated—are “unlikely to be the main reason that borrowers decide to default.” Instead, unemployment and future home price declines are likely to play a bigger role. (The paper looks at loans that are unaffordable from the time they're originated, and not at loans that may start with low “teaser” rates before jumping higher.)

The Fed paper estimates that a 1-percentage-point increase in the unemployment rate boosts the chance of a 90-day delinquency by 10%-20%, and a 10-percentage point fall in house prices raises the probability of a default by more than half. A 10-percentage-point jump in the debt-to-income ratio, meanwhile, increases the chance of a 90-day delinquency by 7%-11%.

The paper also takes a look at whether it's really in the interest of investors and lenders to modify delinquent loans instead of foreclosing on the homes backed by those loans. After all, some estimate that the gains from modifying loans rather than foreclosing on them runs as high as \$180 billion. The authors note, “It is natural to wonder why investors are leaving so many \$500 bills on the sidewalk.” Their answer: modifications don't save much. While investors do save some money by modifying loans, they still lose money on those that work—and many modifications still fail.

So how to prevent defaults and foreclosures? An important question amid news Thursday that mortgage delinquencies hit [record highs](#). While the authors recognize the value of loan modifications as one practical tool, the paper argues for more attention on programs to help people who lose their jobs to get through stretches of unemployment without resorting to the loss of their homes. Another approach: to boost [short sales](#), where the lender allows the sale of a home for less than the value of the mortgage.

✦EDITOR MESSAGE

There is an influx of foreclosures and loan modification cases in the market. It seems that recent REOs are on the rise. While interest rates are going up and government stimulus programs don't show immediate help, we must be cautious in the way we handle transactions. Stay informed!

We, REALTORS®, must always remain professional and ethical in our practice. Persevere with excellence.

“**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 or contact CAREPA President, John C. Wu, at 323-578-8988.



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