

CAREPA NEWS

CAREPA NEWS

華裔房地產專業協會新聞

2010年七月號

JULY 2010

President's Message ~ 會長的話



It is a great summer. Hope that you are enjoying a successful real estate business as well as happy time with your family.

This month, our speaker, Paul Tecson, will talk about global real estate land investment. For those who have investors interested in expanding their future immigrants to put their foot into a

piece of U.S. land. The opportunities are there as many new infrastructure projects are being contemplated. Next month, our speaker, Mary Kay, of Advanced Group Property Inspection Co. will speak about "Home Inspection".

In August, our Board of Directors will not be meeting. Nominations for our new 2011 Board will be due on August 11. Please make sure to read the qualifications and responsibilities for the candidates. If you qualify, want to participate and become part of CAREPA directorship. We

welcome you. If you know of anyone who you think will be good, nominate him. Leadership starts with the confidence to work in a team.

HOPE Award is seeking applications for outstanding contributors to minority homeownership through December 17, 2010. Winners receive \$10,000. In the last couple of years, it has become increasingly hard to deal with real estate purchase and lending obstacles. And with the lack of federal, state and local assistance, it has been even more difficult to help those in need. Nevertheless, there are those out there who have extended a lending hand, spent a lot of patience and time to help and should be recognized for their efforts. For more information, please go to www.hopeawards.org.

Fourth of July celebration will be in observance in many cities. Find the participating cities and enjoy the fireworks. Please enjoy the remainder of this summer. See you at our general meeting dinner.

PHILIP HSU 徐一飛
華裔房地產專業協會

WISHING YOU A HAPPY 4TH OF JULY

California Housing Forecast – 2nd Half of 2010

by Bob Schwartz



General real estate market observations imply that the market should see continued price stabilization or edge up in the foreseeable future, yet there is still a lot of uncertainty about the rest of this year. For one thing, it remains to be seen how the housing market will sustain itself now that the federal Homebuyer Tax Credits have ended.

California has their own home buyer tax credit of \$10,000, but many believe it will be over-subscribed within a few weeks. For further information on the [California home buyer tax credits](http://www.brokerforyou.com/brokerforyou/california-homebuyer-tax-credit-monies-may-run-out-fast.html) the link is: <http://www.brokerforyou.com/brokerforyou/california-homebuyer-tax-credit-monies-may-run-out-fast.html>

Tax credits aside, there are long-standing concerns about a coming second wave of foreclosures and how it will impact housing market values. Plus, the Greece credit woes may translate into our own tighter home mortgage requirements. Plus, in San Diego, we have the just announced Nasco shipyard layoffs of 900 workers in July to deal with.

Recent changes to the HAMP loan modification program, including principal forgiveness, and similar changes to the loan modification programs of major banks, along with growing evidence that the California market has shown improvement in recent months, seems to indicate the housing market will experience a double dip ... a slight possibility that cannot be discounted.

2010 CAREPA BOARD OF DIRECTORS

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

Gracias a la Junta de Directores por ser voluntarios.



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JULY GENERAL MEETING

JULY 14, 2010

6:30PM

SPEAKER

Paul Tecson

Executive Marketing Director
Inland Development Group, Inc.

TOPIC

**GLOBAL REAL ESTATE INVESTMENT
OPPORTUNITIES**

EMPRESS HARBOR RESTAURANT

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

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

AUGUST GENERAL MEETING

AUGUST 11, 2010

6:30PM

SPEAKER

MARY KAY

Marketing Director
Advanced Group Property Inspection Co.

TOPIC

PROPERTY INSPECTION

EMPRESS HARBOR RESTAURANT

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

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

Brown Issues Warning about Rise of Short Sale Fraud

LOS ANGELES - Attorney General Edmund G. Brown Jr. today joined the California Department of Real Estate and the State Bar of California to warn homeowners about an alarming rise in short sale fraud across California in a field "rife with scam artists".

A short sale is an arrangement in which a homeowner sells his or her home for less than the outstanding mortgage, with the consent of the lender.

"While short sales can provide homeowners with a last-ditch alternative to foreclosure, this market is rife with scam artists," Brown said. "Homeowners and buyers, agents, and lenders should beware of short sale negotiators who operate without licenses, use straw buyers or charge illegal fees."

With so many homeowners now considering short sales, an entire industry of so-called short sale negotiators has emerged. These individuals solicit homeowners by promising to expedite the process and help coax lenders into taking part in the transaction.

The Department of Real Estate is investigating more than 40 complaints of short sale fraud, up from "virtually zero" cases only three months ago, a spokesman said.

In April, the Obama administration launched a new initiative called the Home Affordable Foreclosure Alternatives Program, which encourages homeowners in financial distress -- especially those who have failed to complete a trial modification or qualify for a loan modification -- to consider a short sale as an alternative to foreclosure.

Before working with -- or paying -- any short sale negotiator, homeowners should consider the following red flags:

No license

With limited exceptions, only licensed real estate agents or attorneys can engage in short sale negotiations with a homeowner's lender.

Up-front fees

Licensed real estate agents wishing to collect up-front fees from homeowners for short sale transactions must first submit an advance fee contract to the Department of Real Estate and receive a no-objection letter.

Surcharges

With many distressed properties listed well below market

value, negotiators and agents are charging potential buyers thousands of dollars in surcharges and hidden fees just to place an offer on a home. These illegal fees are frequently not disclosed and are paid outside escrow.

Straw buyers and house flipping

In this scheme, short sale negotiators misrepresent the market value of a property to a homeowner's lender by only submitting offers on the property from an affiliated straw buyer. After the home is purchased below market value, the fraudsters immediately flip it and pocket the difference.

Short sale negotiators and agents use a number of titles including debt negotiator, debt resolution expert, loss mitigation practitioner, foreclosure rescue negotiator, short sale processor, short sale coordinator and short sale expeditor.

If you are a homeowner who has been scammed, contact Brown's office at 1-800-952-5225 or file a complaint online at: www.ag.ca.gov/consumers/general.php.

Homeowners can also learn more about avoiding mortgage and real estate fraud by visiting the Department of Real Estate website at: http://www.dre.ca.gov/cons_alerts.html. A complaint form can be accessed online at: http://www.dre.ca.gov/frm_consumer.html.

"Short sale fraud appears to be the fraud of the moment, and it is proliferating statewide," according to Real Estate Commissioner Jeff Davi. "Consumers, licensees and lenders must all arm themselves with the tools necessary to avoid such scams."

Homeowners can file a complaint against a lawyer, a legal specialist or a company purporting to operate as a law firm with the State Bar by calling 1-800-843-9053 or visiting: www.calbar.ca.gov.

Homeowners can learn more about the federal government's Home Affordable Foreclosure Alternatives Program by visiting: <http://makinghomeaffordable.gov/hafa.html>.

Non-profit housing counselors certified by the U.S. Department of Housing and Urban Development are also available to provide free help to homeowners. To find a counselor in your area, call 1-800-569-4287.

For more information on Brown's work against loan-modification fraud visit: <http://ag.ca.gov/loanmod>.

Legislation to Crack Down on Landlord Imposters Passes Senate Public Safety Committee

California Political Desk

June 30, 2010

SACRAMENTO -- Assembly Bill 1800, authored by Assemblywoman Fiona Ma (D-San Francisco) and Assemblyman Hagman (R-Chino Hills), unanimously passed out of Senate Public Safety Committee with a bi-partisan vote of 7-0. The bill seeks to protect victims of real estate fraud by enhancing the current misdemeanor crime of posing as a landlord to a felony provision.

"With 22% of the country's foreclosures and a housing market saturated with vacant homes, California has become a breeding ground for real estate fraud and rental scams," said Assemblywoman Fiona Ma. "Victims left homeless and penniless deserve some recourse, a way to seek justice."

"Senate Public Safety Committee did the right thing today

by taking action against this type of crime," said Assembly man Hagman. "I am encouraged to see both houses of the legislature make the protection of renters against scam artist a priority."

As the State grapples with record foreclosures, more and more families are struggling to keep a roof over their heads. As more families look at rental options, a wake of housing-related crimes has erupted throughout California. Scam artists, hoping to prey on potential renters, pose as landlords or as owners of a property, and post attractive rental listings of

Southland home sales edge up, prices level off

La Jolla, CA---Southern California's housing market continued its slow crawl toward normalcy in June as sales volume rose and the median price slipped back a notch from May, but remained 13 percent higher than a year ago. Red-hot, fire-sale deals continued to give way to mere bargains in the lower- cost inland markets where first-time buyers and investors have competed fiercely, a real estate information service reported.

A total of 23,871 new and resale homes were sold in Los Angeles, Riverside, San Diego, Ventura, San Bernardino and Orange counties last month. That was up 7.2 percent from 22,270 in May, and up 2.6 percent from 23,262 for June 2009, according to MDA DataQuick of San Diego.

The sales count was the highest since July last year when 24,104 homes were sold. It was the strongest month of June since 2006 when 31,602 homes sold. The average June since 1988 has had 28,086 sales.

"The market was wildly out of kilter a year ago, now it's just somewhat out of kilter. We're still seeing lots of bargain hunting, and we're not seeing much discretionary buying. The single-biggest issue is still mortgage financing. Rates may be at record lows, but that doesn't mean much if the lender won't qualify you," said John Walsh, MDA DataQuick president.

"Still, more money was spent last month buying homes in Southern California than in the past two years, and more money was loaned. The tax credits had something to do with that, though it's not clear exactly how much. With the impact of the credits fading fast, the next few months will tell us a lot."

The median price paid for a Southland home was \$300,000 last month. That was down 1.6 percent from \$305,000 in May, and up 13.2 percent from \$265,000 for June 2009. The low point of the current cycle was \$247,000 in April 2009; the high point was \$505,000 in mid 2007. The median's peak-to-trough drop was due to a decline in home values as well as a shift in sales toward low-cost homes, especially foreclosures.

Foreclosure resales accounted for 33.0 percent of the resale market last month, down from 33.9 percent in May, and down from 45.3 percent a year ago. The all-time high was February 2009 at 56.7 percent, DataQuick reported.

abandoned homes on the internet. An unsuspecting renter meets with the imposter, is handed keys, and is asked to pay large cash deposit, completely unaware that he or she is about to become a victim of real estate fraud.

AB 1800 will enhance the current misdemeanor crime of posing as a landlord by doubling the misdemeanor penalties. Under current law, individuals posing as landlords are only guilty of a misdemeanor, punishable by a fine of no more than \$1,000 and /or 6 months of jail time. A thief could walk away with a slap on the wrist, and leave a family homeless. The bill also ensures that nothing in the specified penal code section prevents the broader prosecution of felony grand theft.

Government-insured FHA loans, a popular choice among first-time buyers, accounted for 39.0 percent of all mortgages used to purchase homes in June.

Last month 20.8 percent of all sales were for \$500,000 or more, compared with 22.2 percent in May and 19.3 percent a year ago. Zip codes in the top one-third of the Southland housing market, based on historical prices, accounted for 29.6 percent of existing single-family house sales last month, down from 31.0 percent in May but up from 27.8 percent a year ago. Over the last decade those high-end areas have contributed a monthly average of 33.3 percent of regional sales. Their contribution to overall sales hit a low of 21.0 percent in January 2009.

High-end sales would be stronger, and the overall market recovery more robust, if adjustable-rate mortgages (ARMs) and "jumbo" loans were more available. Both have become much more difficult to obtain since the August 2007 credit crisis.

While 43.9 percent of all Southland purchase mortgages since 2000 have been ARMs, it was 6.6 percent last month, up from 6.5 percent in May and up from 2.7 percent in June last year.

Jumbo loans, mortgages above the old conforming limit of accounted for 17.3 percent of last month's purchase lending, up from 17.2 percent in May and from 14.9 percent in June 2009. Before the credit crisis, jumbos accounted for 40 percent of the market. Absentee buyers – mostly investors and

	Sales Volume			Median Price		
	Jun-09	Jun-10	%Change	Jun-09	Jun-10	%Change
All homes	23,262	23,871	2.6%	\$265,000	\$300,000	13.20%
Los Angeles	7,636	7,849	2.8%	\$320,000	\$335,000	4.7%
Orange	2,958	3,423	15.7%	\$418,000	\$445,000	6.5%
Riverside	4,694	4,645	-1.0%	\$185,000	\$210,000	13.50%
San Bernardino	3,438	3,179	-7.5%	\$140,000	\$160,000	14.30%
San Diego	3,692	3,885	5.2%	\$314,250	\$335,500	6.8%
Ventura	844	890	5.5%	\$365,000	\$384,000	5.2%
SoCal	23,262	23,871	2.6%	\$265,000	\$300,000	13.20%

some second-home purchasers – bought 19.7 percent of the homes sold in June, paying a median of \$220,000. Buyers who appeared to have paid all cash – meaning there was no indication that a corresponding purchase loan was recorded – accounted for 23.5 percent of June sales, paying a median \$213,000. In February this year cash sales peaked at 30.1 percent. The 22-year monthly average for Southland homes purchased with cash is 14.1 percent.



The “flipping” of homes has also trended higher over the past year. Last month the percentage of Southland homes flipped – bought and re-sold – within a six-month period was 3.4 percent, while a year ago it was 1.9 percent. Last month it varied from as little as 3.0 percent in Orange and San Diego counties to as much as 3.8 percent in Los Angeles County.

MDA DataQuick, a subsidiary of Vancouver-based MacDonald Dettwiler and Associates, monitors real estate activity nationwide and provides information to consumers, educational institutions, public agencies, lending institutions, title companies and industry analysts.

The typical monthly mortgage payment that Southland buyers committed themselves to paying was \$1,251 last month, down from \$1,293 for May, and up from \$1,193 for June a year ago. Adjusted for inflation, current payments are 44.3 percent below typical payments in the spring of 1989, the peak of the prior real estate cycle. They were 54.4 percent below the current cycle’s peak in July 2007. Indicators of market distress continue to move in different directions. Foreclosure activity remains high by historical standards but is lower than peak levels reached over the last two years. Financing with multiple mortgages is low, down payment sizes are stable, and non-owner occupied buying is above- average, MDA DataQuick reported.

Source: DQNews.com Media calls: Andrew LePage (916) 456-7157 or John Karevoll (909) 867-9534 July 2010

Highlights from the [DQNews report](#) on June California home sales:

1. In June, 40,965 houses and condos were sold statewide, which was an increase of 9.3 percent from April (28,111), and up 4.9 percent from the 37,967 houses sold in May 2009 (see chart).
2. The median price for a California home sold last month was \$278,000, up 9 percent from \$255,000 in April and up 20.9 percent from \$230,000 a year ago (see chart).
3. The year-over-year increase was the seventh in a row (starting in December 2009, which is likely the bottom for home prices in CA), following 27 months of year-over-year declines.
4. Of the existing homes sold last month, 35.5 percent were properties that had been foreclosed on during the past year, down from 38.1 percent in April and down from 50.2 percent a year ago (see



chart). The last time foreclosure resales were as low was in March 2008, 27 months ago.

What's not to like here (I'm sure the "[pessimism porn](#)" addicts will find something)? This report seems to have all of the key ingredients of a real estate market in full recovery mode: 1) increasing unit sales, 2) increasing median rises for seven consecutive months, and 3) declining foreclosed homes as a share of sales (27-month low).

Southern California Home Sales Rise 7.2 % In June, 2010

[Dataquick](#) reported a 7.2 percent increase in Southern California Home Sales during June, 2010, over May, 2010.

This report was a welcomed relief following the [National Association of Realtors'](#) prior report showing that, nationwide, pending home sales had [tanked by 30 percent during May, 2010](#), as compared to April, 2010.



Dataquick reports that the 7.2 percent increase was the strongest increase in homes sales since June, 2006.

This strong June report may not be all-too surprising if you take into account that the April upsurge in sales followed by the May backslide in sales may have been attributable to the ex-

Counties	Sales Volume			Median Price		
	Jun-09	Jun-10	%Chng	Jun-09	Jun-10	%Chng
All homes						
Los Angeles	7,636	7,849	2.8%	\$320,000	\$335,000	4.7%
Orange	2,958	3,423	15.7%	\$418,000	\$445,000	6.5%
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(Table of Sales by Counties compiled by Dataquick).

piration of the homeowner tax credits ending April 30, 2010.

These April through June reports coupled with the strong sales reports of [prior months](#), may be evidence that the housing market has indeed stabilized.

Stable home sales together with historically low interest rates, of around 4.55 fixed for a 30-year fully amortized mortgage loan, may make for a strong 2010 summer home sales season.

Realtors(R), Homebuyers & Homeowners & Investors – new EPA rules on lead paint may affect your sale.

BY JULIA M. WEI, attorney at law

June 20th, 2010

Effect April 22, 2010, the EPA issued a [rule requiring the use of lead-safe practices](#) and other actions aimed at preventing lead poisoning. Under the rule, beginning April 22, 2010, contractors performing renovation, repair and painting projects that disturb lead-based paint in homes, child care facilities, and schools built before 1978 must be certified and must follow specific work practices to prevent lead contamination.

EPA requires that firms performing renovation, repair, and painting projects that disturb lead-based paint in pre-1978 homes, child care facilities and schools be certified by EPA and that they use certified renovators who are trained by EPA-approved training providers to follow lead-safe work practices. Individuals can become certified renovators by taking an eight-hour training course from an EPA-approved training provider.

BOTTOM LINE: If you have painter, handyman repairs, remodel work on your house (residential real estate, commercial building with a child care service, daycare, school or afterschool program) that could disturb the old paint, your vendor, repair person or general contractor may need to do comply with the EPA rule requiring them to be **CERTIFIED** to use lead-safe work practices and follow these three simple procedures:

- Contain the work area.
- Minimize dust.
- Clean up thoroughly.

WHAT DOES IT MEAN IN A PURCHASE OR SALE OF A BUILDING: Anyone who had some work done in the last six weeks since April 22, 2010 should disclose that there was work performed and whether or not the vendor, painter or general contractor was EPA certified.

Short Sales and California Anti-Deficiency Laws

I have had several issues arise recently in several short sale transactions where the potential liability to our clients for a **deficiency judgment** was in question. The following comments relate to the anti-deficiency statutes in the State of California CCP § 580b thru (d). A deficiency is the difference between the amount owed and what the lender was able to recover through foreclosure. These issues were discussed with an attorney with the California Association of Realtors on their legal hotline and an [article on their website](#).

1. In California, lenders have two choices in foreclosing on a property. Non-Judicial foreclosures are where the lender forecloses under the rights in their deed of trust and are processed without court intervention, with the requirements for the foreclosure established by state statutes. Under a non-judicial foreclosure, the lender initiating the foreclosure cannot later sue for a deficiency judgment, based on what is called the "one-action rule". Judicial foreclosures are where the lender sues for foreclosure under their rights of sale under the mortgage and pursues the foreclosure through a law suit through the courts. In this situation, the lender may also sue for a deficiency. In California, however, a lender may not pursue a deficiency for loans that qualify as a "**Purchase Money Mortgage**".

To qualify as a purchase money mortgage in California, the loan must be obtained at the time of purchase of the borrowers' principal residence. This can include a second mortgage obtained at the time of purchase. Although the legal issue as to whether a home equity line of credit used to purchase a home would qualify as a purchase money mortgage has not yet been fully addressed through case law, most attorneys believe that if the loan was only used to purchase the property and additional draws for other purposes were not taken, the home equity line should qualify as a purchase money mortgage. If the **initial loan was refinanced**, even if no additional proceeds were drawn and the refinance was only a change in interest rate or terms, **the new loan would not qualify as a purchase money mortgage** and would be recourse. This is a major issue with those borrowers who have recently modified their loans which are in default, because **they may have unknowingly converted their purchase money non-recourse loan to a fully recourse loan**, and exposed themselves to a potential large deficiency judgment.

If a second mortgage is a purchase money mortgage, and the first mortgage forecloses out the second mortgage, the second mortgage is precluded from pursuing a deficiency judgment as the borrower is protected by California anti-deficiency laws. Under Code Civ Proc, § 580b, the holder of a note secured by a purchase money second trust deed may not recover even though the second trust deed had become worthless by reason of a sale conducted under the senior first deed of trust. *Barash v. Wood* (1969, Cal App 2d Dist) 3 Cal App 3d 248, 83 Cal Rptr 153, 1969 Cal App LEXIS 1377.

2. If the first and second mortgages are **recourse and not purchase money mortgages**, and the property is foreclosed on in a non-judicial foreclosure, it is important as to who initiated the foreclosure. If the first forecloses on the property and wipes out the second mortgage, the first mortgage holder can't pursue a deficiency; however, the second mortgage holder can pursue a deficiency judgment against the borrower. If the second mortgage holder forecloses on the property and takes over the property, they would not be able to pursue a deficiency judgment. In California, this is known as the "one-action" rule. A lender cannot both go through a non-judicial foreclosure (foreclose on the deed of trust) and then
3. sue to collect a deficiency judgment, however they could choose to go through a judicial foreclosure where they are not simply foreclosing on the deed of trust through a trustee's sale, but instead are suing the borrower for title as well as a

deficiency judgment. This is not often done as it is much more expensive and time consuming to go through a judicial foreclosure.

4. If a mortgage satisfies the conditions of a purchase money mortgage under these statutes at the time the mortgage is made, then if the property is **later converted to an investment property** and rented out, the **status of the mortgage as a purchase money mortgage is not changed.**
5. In obtaining a release from the lien of either a first or second lender **in a short sale**, even if the loans are purchase money mortgages, it is imperative that a full release from both the mortgage lien as well as the promissory note is obtained, otherwise the lender may pursue a deficiency judgment since the lender did not go through foreclosure. Releasing the lien on the property is not enough since the property just serves as security for the promissory note. You must get a full release on the note as well. Often times a second mortgagee will negotiate with the borrower as to what they will require to be paid, either from the sale proceeds (as allowed by the first mortgagee) or from the seller contribution, but this may be just for obtaining their release of the lien, and you need to make sure they will also give a full release of the promissory note, otherwise they could pursue a deficiency judgment after the short sale is closed.



In a short sale where the first mortgage loan is not a purchase money mortgage and is recourse, the borrower must weigh their exposure to a deficiency judgment if they do a short sale without a full release of liability for any deficiency, compared to the advantages of doing a short sale (primarily less effect on the borrowers' credit rating). This is because if they simply allowed the non-judicial foreclosure, they would not be exposed to a deficiency judgment from the first mortgage holder. Since the short sale is a contractual arrangement and not a foreclosure, the foreclosure rules and anti-deficiency protections of the "one-action rule" would not apply.

If a full release from the promissory note is not able to be obtained, or if the lender insists on including language in their short sale approval letter that they can pursue a deficiency in accordance with law, unfortunately there is no case law currently on point in California as to whether a lender may pursue a deficiency judgment on a purchase money mortgage after a short sale. This is because the anti-deficiency statutes in California specifically relate to a foreclosure sale and do not mention short sales. Most attorneys that I have spoken to believe that lenders would have a difficult time prevailing in a lawsuit pursuing a deficiency after a short sale for a loan that was a purchase money mortgage. They believe that a court would have a hard time allowing a lender to contractually work around the anti-deficiency statutes when there is no consideration given by the seller. This is a very complex area of law and a competent real estate attorney should always be consulted when facing this issue.

Wells Fargo seems to be taking the approach of granting full releases of both the promissory note and the mortgage lien for purchase money mortgages, once any seller contribution is negotiated. Bank of America and Chase are both holding the line on granting full releases of any deficiency after agreeing to the amount of sales proceeds that would go to them as well as a seller contribution to release their lien, and leaving it to their recovery departments to make the decision as to whether to pursue a deficiency based upon the laws of the state the property is located in. When signing a short sale approval letter with a lender in California for a property that has a purchase money mortgage that does not provide a full release of liability or states that the borrower is still liable for any deficiency as called for in the loan documents, it would be a good idea to also provide a statement attached to the letter with the following wording:"

"_____ ("Borrower's") execution of the Short Sale Approval Letter dated _____ between _____ and _____ for the premises located at _____ does not constitute a waiver of Borrower's rights under the anti-deficiency statutes of the State of California for purchase money mortgages"

Residential 1-4 units, Owner Intends to Occupy a Unit in the Secured Real Property	Non-owner Occupied or Other Real Property				
Lender Purchase Money Loan (non-recourse loan) ▼	Seller Financed Purchase Money Loan (non-recourse loan) ▼	Refinance (Non-Purchase Money Loan) (recourse loan) ▼	Lender Purchase Money Loan (recourse loan) ▼	Seller Financed Purchase Money Loan (non-recourse loan) ▼	Refinance (Non-Purchase Money Loan) (recourse loan) ▼
NO deficiency judgment if senior or junior lienholder*	NO deficiency judgment if senior or junior lienholder*	YES deficiency judgment if judicial foreclosure NO deficiency judgment if trustee's sale foreclosure	YES deficiency judgment if judicial foreclosure NO deficiency judgment if trustee's sale foreclosure	NO deficiency judgment if senior or junior lienholder*	YES deficiency judgment if judicial foreclosure NO deficiency judgment if trustee's sale foreclosure
Cal. Code Civ. Proc. § 580b	Cal. Code Civ. Proc. § 580b	Cal. Code Civ. Proc. § 580d	Cal. Code Civ. Proc. § 580d	Cal. Code Civ. Proc. § 580b	Cal. Code Civ. Proc. § 580d

This legal chart provided by the California Association of Realtors is intended to provide a quick and easy guide to determine when a borrower may be liable for a deficiency judgment. There are other factors and conditions which may change the result (such as fraud by the borrower and bad faith waste) and as noted above, these issues are complicated and sometimes ambiguous as they relate to short sales. For more details see the legal article:

Deficiency Judgments and California Law.

* If a senior lienholder forecloses on the property, the "wiped out" junior lienholder who no longer has a secured note may not sue on this promissory note for those categories indicated in the chart.

The above information is provided for educational purposes only and is not intended to be definitive legal advice. The specific facts of a case can have significant impact. Anyone going through a short sale or foreclosure should obtain legal counsel from a licensed real estate attorney.

EDITOR MESSAGE:



Fourth of July celebrations are very festive every year, especially when amazing fireworks programs are designed. Make sure to take advantage of these festivities offered throughout the counties. Keep in mind that you must take extra precautions to stay safe at all times. You never know what others have in mind. Look around your surroundings and always walk in numbers.

"CAREPA News" is newsletter published by CAREPA, Chinese American Real Estate Professionals Association with the goal to facilitate and serve our membership needs. CAREPA may or may not agree with the views of the writer.

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, Philip Hsu, at 626-230-9655 ◦

ADVERTISING OPPORTUNITIES

You may want to put an ad in our monthly CAREPA NEWS: 1/4 PAGE AD \$25 ~ 1/2 PAGE AD \$50 ~ FULL PAGE AD \$100
Feel free to contract Lucia Tam at 626-221-2888 or luciatam@yahoo.com for further information.

ARTICLES/WRITE-UP

If you have an interesting article you would like to submit, please send to luciatam@yahoo.com by the 20th day of the month before the article is to appear.

華裔房地產專業協會

CHINESE AMERICAN REAL ESTATE
PROFESSIONALS ASSOCIATION

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