

C.A.R. Fall business meetings report from Greg Galli

Greeting Region 27 and Directors,

The C.A.R. business meetings and expo was time and effort well spent. The expo was smaller than in years past due to the economy the thread though all of it was Social Networking and how to stay connected to your community.

As your regional chair this year my duties included attending regional chair and executive committee meetings. This gave me a wide view to what was happening in the state on a local level region by region. Some issues you may want to be aware of include.

1. County Assessors are assigning higher values on REO properties than what they actually sold for while this is legal it has been reported when the buyers challenges this they can have it reduced in most cases.
2. SRA zones (State Fire Zones) there is a charge of \$150.00 per structure being added to tax bills while this seems to be mainly a northern California problem when the state figures a way to make money they usually expand it.
3. Many cities charge a sales tax on commissions earned and have been levying fines against agents not complying some cities have even hired collection agencies to collect these taxes.
4. The cities of Yorba Linda and Chino Hills have enacted a handbill solicitation fee requiring anybody that hands out flyers or door hangers to pay \$200.00 application and to have a Live Scan on file. Then each time there is a solicitation done the flyer needs to be approved and a \$25.00 fee paid. I brought this to the attention of Transaction and Regulatory at C.A.R. and staff is looking into it.

In Federal Committee there was one action item:

That C.A.R., in conjunction with NAR," SUPPORT " the removal of the pest inspection and/or clearance requirement to insure a VA loan. This was passed by the Directors.

I am also serving on the Distressed Property Task force and will continue to do so next year. Since my last report the task force has had two phone conferences and one meeting. In that time we answered a request for information for GSE and FHA REO asset disposition regarding bulk sales and rent and hold programs. In the letter we strongly opposed rent-and-hold programs and bulk sales and encouraged them to use the current system of REO disposition showing reason why it would be to the GSE's benefit and the communities and home buyers benefit. This letter can be found on the C.A.R. website. The task force in conjunction with C.A.R. has an ongoing press campaign outlining the following demands. This has been very effective in making the banks, Elected officials, and the public aware of the problems with short sales and distressed properties listed below are the demands.

- Provide realistic time frames and then meet those time frames.
- Provide a comprehensive list of information needed upfront.
- Provide approval requirements upfront that, if satisfied, would assure the borrower of a short sale approval.
- Disclose whether a loan you service is owned by you or if others own it. If others own it, provide time frames for approval. Be clear on who has final authority.
- Pre-approve the short sale and price upon request, prior to the property being listed.
- Review and respond with an approved offer to a borrower's short-sale request within 30 days of receipt of the request. If rejected, be explicit on why, and how it can be corrected.
- Do not "restart" files from square one if something is missing. Allow the correction and continue, without bumping it to the back of the line.
- Have a person available who can inform the borrower about the file's status and shortcomings, and who can assist in problem-solving.
- Increase the speed of processing files. Often, a single home goes through the process numerous times, resulting in months elapsing and buyers losing interest. The pre-approvals and cumulative files discussed above will dramatically assist this effort.
- Increase the amount junior lien holders receive. This is a common reason why short sales fail.
- When the property is cleared for sale, be explicit that there will be no recourse on the notes as required by SB 458, which now is in effect.
- No "dual-tracking", if the servicer/investor have approved a short sale offer then there should be no foreclosure on that property unless the short sale transaction falls out.

Starting in November of this year I will be the Transactions and Regulatory Committee Chair. I expect this to be a very busy committee and expect a lot of bills to be forth coming in the following year.

It has been a pleasure to serve you as your regional chair this year and I thank you for continued trust and support.

Respectfully submitted,

Greg Galli

Region 27 Chair

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