



# In the Loop Realty Newsletter

January 1, 2010 Issue

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## **HAPPY NEW YEAR???**

*BY: Albert M. Cerone, IFAS, FELLOW*

**ANOTHER YEAR-** In August I wrote of a wonderful woman who turned 100 in July. Her spirit was that of a 30 year old, her heart of a seasoned mother, sister and friend of the best kind; and, her mind is incredibly sharp.

As time goes by we age, maybe not mentally but we can't deny the warnings of our bodies. My adopted mother's body is failing. It's no surprise to us but it's not easy to accept. For all our lives, she has been there with us and for us. The inevitable is difficult to accept but we must. I spent time with her the other evening and talked about the wonderful times we had and the people who were and are in our lives. While reminiscing we could not remember the name of a former neighbor. So, we looked to Mom and the name was spoken immediately. She's still amazing. This story now brings me

to the point that we have "another year", but not just another year, a special year. One in which we all can change the direction of our lives. The adage, "It's never too late." is true. Each of us can change our modus operandi in business and relations that will bring about the change we well may need. New Year's Resolutions are apparently rarely kept. So, don't make a resolution because that's a plan of failure. Find one thing you'd like to alter in your life and focus on that. It may simply be stopping smoking, making a relationship better, gaining a new account, or whatever. Simply, plan that one focus point so it can come to fruition. If it doesn't, you didn't fail, it just wasn't to be. Not all things we want in life will be ours. It's not failure, it's just not a controllable thing. We need to be able to distinguish between the two. If we have the power to change something, then we have ultimate control and we will make it happen. However, when a pursued result requires another's input or decision, then we don't have control.

That which we can't control, is not ours simply for the want or asking. When this happens, we must then focus on another part of our lives which we seek change... betterment.

Some of us immerse ourselves in work as it's the cure all for our financial lives and egos. But far to often that detracts us from the real essence of a successful life....family, friends and most importantly our own emotional and mental stability, the true axis of our lives.

Another adage which lends credence to the necessity of self over business is, "there is no record of anyone saying at their time death, that "I wish I had spent more time at the office." Some of the typical regrets expressed at the final moments are, "I wish we took that trip to .....", "I wish I saw my son hit that homerun." or "I wish I could have seen my daughter off on her first day of school." These are those things that in retrospect are most important. So, let's remember that this year. Make those memories.

Each year when my wife and I travel with my brother and his wife we say, "Well we're making another memory." Let's make a few this year.

### **THINK ABOUT GETTING OLDER-**

One of the many things good about aging is that being young is beautiful, but being older is comfortable.

Long ago men cursed and beat the ground with sticks. It was called witchcraft. Today it's called golf.

When you feel badly about your youth gone by... remember algebra.

Lord keep your arm around my shoulder and hand over my mouth.

### **ENJOY 2010!**

Courtesy of

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## **7 THOUGHTS THAT ARE BAD FOR YOU-**

*Stress* is a killer as a recent study showed. Stress for good or bad things happening to you, can create unusual stress and can cause type 2 diabetes, heart disease, flu virus and / or high blood pressure.

*Lack of Purpose* creates feelings of low self worth and diminishes the sense of importance in life for many. Those individuals suffer from heart disease, neuroticism and depression.

*Fretting* is constant worry and anxiousness about things you can't really control or perceived problems. It can cause neuroticism and depression.

*Lack of Self Control* is often characterized by being late for appointments, unorganized acts and general lack of self discipline. This can result in excessiveness such as drinking and smoking.

*Anxiety* is often demonstrated by being jittery or highly frazzled. This can bring on Alzheimer's disease. Dementia may be 50 % more likely in those that have anxiety as a problem.

*Gloom and Doom* is symptomatic of those who are categorized as Type D Personalities. These people are more likely to experience negative emotions while at the same time suppress their feelings. Tests show that these people die sooner than those without this demeanor.

*Cynicism* is demonstrated by those who are suspicious and mistrustful of others. This often results in greater hostile temperaments and have a 25% greater incident of heart disease.

So, as we begin another new year, let us be aware of our own thoughts and emotional responses as well as of those around us. A keen eye and caring and understanding may help us or someone close to us to avoid a catastrophic ending to one of these emotional tendencies. Based on the past couple of years in not just real estate but in all aspects of business and employment, more people than we'd like to believe may be suffering from one of these debilitating emotional problems.

## **7 RED FLAGS FOR HOME BUYERS-**

From A Kiplinger Report comes the following. It is suggested that via results of various studies home buyers should have a home inspection completed and made a condition of the purchase agreement. This writer cannot disagree. However, one must be very careful of the competency of the home inspector. The public should check with local and state agencies to assure the proper license is had by the inspector. Experience is always important and conversation with some of the clients of a home in-

-spector should be had. There have been many cases in which the home inspector is sued for lack of good investigation. Yes, some of these are frivolous and a means of tapping the insurance policy of the home inspector, much as what happens to appraisers. Here are the 7 most critical points of inspection which were cited by the president of House-Master.

*Poor Water Pressure*—possible plumbing problems or water line problems from the provider.

*Ceiling Stains*- Most obvious to the scrutinizing inspector. For the home buyer look yourself and in the corners of the closets.

*Overloaded Electrical Outlets or Extension Cords*- Could indicate inadequate electrical service or non-professional maintenance.

*Grading to Dwelling*- Most water problems is due to improper grading sloping to the dwelling and also non-directed downspouts.

*Odors*—Repeat visits is a good test of a problem.

*Synthetic Stucco Siding*- More critical than most think. Improper installation often results in trapped moisture which creates rot and mold. Professional testing is best.

*Troublesome Doors*- Sticky doors means structural settling. Be careful.

**HVCC-** The Home Valuation Code of Conduct is once again in the news. To the non-appraiser this is the edict that has created havoc in the real estate industry. It has put requisites as to how business is conducted which may not seem ill at first blush but when its presumption is that all the players in a real estate transaction are crooks or criminals, it is problematic. There are requisites that only open the appraisers to greater liability exposure. Overall it has been a problem and created problems for various business sectors in the mortgage loan scheme of things since it's inception. It is from this that loan officers have been precluded from speaking with appraisers with regard to a loan in which both are involved. This was suppose to insure that there was no undue pressure placed on appraisers to "make predetermined values" needed for a loan to go forward.

It also placed the distribution of appraisals in the hands of companies who would dole out the assignments, which unfortunately are profit driven and fees fell dramatically for some and expected results were still controlled but "quietly" **CON'T**

## *Washington Report: New Consumer Financial Protection Agency*

*by Kenneth R. Harney*

*Congress took a major step last week toward eliminating what has been a painful thorn in the side of home sellers, Realtors, home builders, mortgage brokers and appraisers for months. As part of its financial and mortgage industry reform bill, the House voted to terminate the controversial Home Valuation Code of Conduct (HVCC) once a new Consumer Financial Protection Agency begins operations. The new agency would assume primary federal responsibility for equal opportunity in credit, real estate settlement procedures, financial disclosures to borrowers, plus unfair and deceptive marketing in mortgages and other financial products. The giant bill, nearly 1,300 pages long, now heads to the Senate, which is working on its own version. But tucked away in the depths of the House bill is a section that provides unusually detailed instructions to the director of the new Consumer Protection agency. The legislation requires the director to quickly come with new national appraisal rules and standards covering all transactions. On the day the new rules are adopted, Fannie and Freddie will be prohibited from using their much-maligned home valuation code. Fannie's and Freddie's rules have been criticized for producing lowball, inaccurate valuations; cutting appraisers' fees to the point where the most experienced professionals refuse to accept low-pay assignments; plus encouraging the use of inexperienced appraisers unfamiliar with local markets - and a long list of other problems. The National Association of Realtors and the National Association of Home Builders have fought the code since it was first imposed last spring. Mortgage brokers and appraisers have circulated petitions asking Congress to ban it or impose a moratorium. One petition reportedly pulled in more than 100,000 signatures. Now the House is on record as favoring the code's termination. Under the legislation, the consumer agency's rules would require lenders to compensate appraisers their full fees, rather than splitting them with management companies and pocketing part of the money themselves. It would also allow mortgage brokers and loan*

*officers who are state licensed and registered under the federal "SAFE" law to order valuations and discuss them with appraisers, which they are not allowed to do under the Fannie-Freddie code. The bill also permits home sellers, buyers and Realtors to ask appraisers to consider alternative market data and comparables without such requests being treated as "interference." Whether the Senate ultimately goes along with creation of the consumer protection agency won't be known until next year. But the House bill should be a warning shot to Fannie and Freddie that their controversial appraisal code may have a very limited lifespan .*