



Realty & Valuation Newsletter

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By

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COLUMBUS DAY- Here we are 518 years later and Columbus and his day are virtually unrecognized. Statistics reflect that Columbus Day is the least recognized national holiday of all major ones. Only 1 of 10 businesses close for this day. Some excuse this action based on interpretation of history. It's claimed that Leif Ericson, a Norse explorer is said to have discovered America nearly 500 years in 1001 AD before good ol' Chris. He landed on the shores of what we know today as Canada. And, apparently Columbus didn't land in the USA as we know it today but in the Bahamas or San Salvador depending on which historical version you want to believe. In one of his writings he talked of enslaving the natives as they were ignorant according to the times and on his second trip he sailed with 17 ships and nearly 1,500 men to capture natives. Shame, Chris, didn't you know slavery would be abolished in the 19th century. Once again the problem with retrospective logic. Today there is a movement to rename the day we now celebrate in Chris' name. Various factions to change the holiday from Columbus Day to Indigenous People's Day or Native American Day or whatever are garnering support for the change. Well, fellow Americans, if the day is changed to whatever, guess what's next? Did you forget! Our country is the United States of **America**, named after Amerigo Vespucci who never set foot in North America. In fact he never was captain of any ship. However, his contributions cannot go unnoticed. He was a navigator and in fact developed a measurement of longitude and latitude only superseded by today's advanced technology. But remember, **America** is the female version of his name; and, so established by the Portuguese and Spanish because Asia and Europa were feminine names. Vespucci's success was in his letters, two published and three unpublished. However, present day historians believe his were legitimate. There were two forged letters written to destroy his credibility. Any how, the way our history books are being re-written today, The United States of America may become the United States or the United States of Independent Thinkers or maybe just North Mexico or Northern Province of Beijing. Take your pick. With all the problems we have in this country, pseudo sophisticates and academicians with grant funding find nothing better to do than challenge a decision of history of over 500 years ago retrospectively. We're not even teaching kids today about WWII, let alone wasting time and resources on a holiday name. Someone has to really wake up. Changing a name of a holiday doesn't change the occurrences of the 1,500's.

UNEMPLOYMENT STATS- The latest figures reflect a no change to the 9.6% unemployment rate. Christmas hiring's will probably make somewhat of a difference but then January will reflect the loss of those jobs. The point of this discussion here is based on the above writing. What impact does the Columbus Day date have to do with one of the most important factors impacting our economy and every **American's** [what will we be known as if they do away with America?] pocket book. Absolutely nothing!! It appears that the administration wants to fund \$50 billion for infrastructure improvements because that will create jobs. I thought that was part of the 1st stimulus... I guess not. I wonder how long it takes to get major construction started so the everyday people can have work???

Courtesy of

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ALL THAT GLITTERS ISN'T GOLD- This isn't about real estate but a tip on what is touted as a tax saving action. Donating your old vehicles will allow you to take a tax deductions. However, if you donate it to a charity, the blue book value is not that to which you are entitled. Most charities do not have the wherewithal to sell those vehicles because the tax credit is based on the amount actually received by the charity. Most charities use brokers who then pay back to the charity what they say is the net after expenses, etc. Thus, a charity may only receive \$25 to a couple of hundred dollars for an auto that has a blue book value of substantially more. The donator is only entitled to the amount actually received by the charity which most often is quite a bit less than the blue book value.

DANGERS OF REO'S TODAY- Just this past few weeks GMAC Mortgage, BOA and JP Morgan Chase halt their foreclosures due to a scandalous finding. Senator Dodd has called for senate hearings to sort out the fraudulent paperwork that created a rush and deluge of foreclosures. The serious problem is that a company in the midst of the foreclosure process actually created missing documents and forged signatures of the property owners. The courts have found that the chain of title for most of these foreclosures was broken and thus there is no proof of who owns the property and what was intended in the transfers. At the head of the problem is MERS, Mortgage Electronics System, which is owned by some of the largest banks and Fannie Mae and Freddie Mac. It is charged with initiating and completing foreclosures for the banks. Unfortunately, there was such an influx of foreclosures, that it couldn't handle the avalanche. This started the problem of creating fraudulent documents. The problem is further exacerbated when you add the REO (real estate owned) purchases with the purchasers conceivably not having legal ownership to the properties. So, be very careful if you own an REO or are in the market to buy one. Very close and certain title is necessary. Watch for any caveats relieving sellers, banks, etc., from any responsibility of a fraudulent transaction.

To give an idea as to the impact these activities can have. It was projected that there would be over 1.2 million foreclosures in 2010. This is not likely to be reached due to the moratorium on foreclosures by some of the major lenders. The July—September quarter saw the largest foreclosure numbers for that period since the housing market collapsed in 2006. For the 2010 quarter there were 288, 345 properties lost to foreclosure in the U.S which is up from 270,000 during the preceding quarter. So, there will be families who are receiving a reprieve and hopefully can benefit by the moratorium. It is anticipated that the freeze on foreclosures could postpone at least, 30 % of all home sales for that period.

DEFICITS & UNEMPLOYMENT- Good news and bad news! Jobless claims rose to 462,000 from an expected of 445,000 last week. However, the number on the unemployment roles fell 112,000 to 4.399 million which is the 2nd lowest since November 2008. However, this doesn't account for the number of unemployed who no longer can collect benefits. Odd, isn't it, the number who don't collect but are still unemployed is never published! Couple this with an August jump of 8.8% traded deficit increase to \$46.4 billion with the largest deficit of the U.S. to China at \$28 billion, and we have a very dismal economic outlook.

Oddly, if you couple the foreclosure problem addressed above with these economic stats, one can realize that the real estate market is not going up by any means. So, sit tight and don't make any major decisions just yet.

WHERE DID THAT SAYING START-

Most people got married in June in the 1500's because they took their annual bath in May so they still smelled pretty good. However, to cover the beginning body odor, the brides carried flower to mask the odor. Hence, the custom of carrying a bouquet when being married.

Houses in the 1500's had thatched roofs (or *tatched* as the Irish say) of thick straw piled high. Animals like cats, small dogs, mice, bugs lived in the roof to stay warm. When it rained, the thick straw pieces became slippery and sometimes the animals would slip and fall into the room. Hence, the phrase, it's raining cats and dogs.

Our now sought after *canopy beds* came into existence as a means of catching small critters and bugs which fell from the roof. The large posts with a canvas or other material was draped over the posts and caught the falling critters. So much for romance.