



# In the Loop Realty Newsletter

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*Amerival*

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Personality

## ***FOLLOW THE LEADER???***

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

### **LEADER OF WHAT?**

It's been reported and confirmed that our Secretary of the Treasury, Timothy Geithner is 'upside down' with his house in Larchmonth, NY. He purchased his mansion in 2004 and has been attempting to sell it. He just reduced the asking price to less than he paid for the property. Now, don't feel sorry for him. First, a man so "dollar smart" should have done his homework in 2004. For anyone who was involved in real estate in that year knew it was an incredible up-swing market; and, that's what it proved to be *incredible, untrue, false, phony* and you may as well add, ridiculous and stupid for the those who one would expect to know better... like the Secretary of the Treasury. OK! He wasn't treasury secretary in 2004, but did he all of a sudden get smart in 2008. Hardly! That's what is hard to believe and very, very

frightening. He heads the treasury of the US and he's making decisions for us, the taxpayer. God help us because if he doesn't no one will! Wait! I'm not letting Geithner off the hook that easy. Is it possible he's so naïve that with all that has gone on in real estate values from 2006, that he honestly believed he'd sell at his purchase price? The rest of the country knows better, how could he possibly not.

**NEGOTIATE, PLEASE-** a USA Today report indicated that most Americans are bargaining when they buy something. It said that they succeed 54% of the time. You can bargain for clothes, food and for sure services. So, don't be afraid to ask. The worst that can happen is someone will say, "No".

Another means of saving money is via bartering. There is a formal organization for those who barter, but you don't need to belong to get it done. If you have a service others can use and you are in need of a service, then try to trade your service or product for

another's service or product. If you or the other party are not in the immediate need of the other's service, then sign an agreement to provide whatever at a later date.

How about just cooperating with those you know. I am one of the founders of the *Shore Professional Business Association (SPBA)* which is now 8 years old and growing to a very healthy organization. The long time members have developed a great rapport with each other and go out of the way to help via professional advise and / or services. As one of the two founders, I am very proud of the men and women who are making the organization grow and function so very well. The camaraderie is wonderful and friendships abound. So, look to your circle of influence and see if you can't reach out to them when you are in need and I bet you'll be surprised of the positive response. If anyone is interested in the SPBA, call me and I'll discuss the opportunities. We are always looking for good people.

**HOUSING REFINANCING-** With interest rates rising the refinance market throughout the US is drying up. And guess what! The American public is not spending which is rather obvious, thus the recession and layoffs. However, they are saving at a rate of 5.7% of their income. My guess is it doesn't include 'mattress money'. Refinancing is at its lowest level since November 2008.

**WANNA HOUSE?** On June 27th there is an auction in Phoenix, AZ for 150 + houses taken in foreclosures. It's surely a buyers market. With the number of foreclosures in Phoenix and the like, those property sale prices are in fact "market value" in those locales. Frightening? **Con't**

Courtesy of

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This phenomena occurs in many adult communities in New Jersey. It is simply an effect of the Economic Principle of Supply and Demand.

### **FIVE WORST BAD REPUTATION CAREERS-**

**REERS-** For those of us with more “earth” time, the one that would top the list would be used car salesman. However, today there’s a different perspective. Here they are in the order of worst first.

*Mortgage Broker*—not a surprise with all the press they’ve received over the past few years.

*Executive Recruiter*- With a more recognized name of “head hunter” what can you possibly expect. However, they do place just over 30% of executives today.

*Publicist*- Frankly, mine is great. How many people really have a publicist? But here it is 3rd on the list. I guess all the cover-up for which they are noted gives them this ranking.

*Insurance Sales Agent*– An insurance salesman when interviewed said that when he doesn’t want to talk to someone, he just tells them what he does and that person finds an excuse to get out of his sight.

Well, I have my own list.

Fannie Mae, Freddie Mac, HUD, Politicians and ineffective self-serving politicians. And I bet you have a bunch more. What to do? What to do? Any ideas?

*Tax Collector*- They’ve had a bad rap since the movies of Olde England with the black caped tax collector. They really get a bad rap and shouldn’t be on the list. But they are.

Well, I have my own list, Football Players, Baseball Players, Basketball Players, Hockey Players and Anyone who doesn’t agree with me. Yes, Ernest Hemingway is my hero.

### **STATE OF OUR ECONOMY-**

**OMY-** I’m not an economist but this tales an interesting tale of just where we are today. Avon, Mary Kay and Tupperware are inundated with applications from out of work bankers, stay at home moms and still gainfully employed people who are worried about the future. The ranks of these knock on door and house party businesses are swelling. Does that give you a good picture. All this and our president spends \$1 million of tax payer money to take his wife to a Broadway play because he promised her. Well, I applaud him for living up to his word and his expression of love, but while the people who paid for their night out are staying home and some trying to just keep their homes are struggling, I think that promise could and should have waited. It was tasteless.

### **FREDDIE MAC TO THE RESCUE?-**

The general public has littleidea of the inner workings of the lending industry in the US. Here is a description printed by

Technologies, Inc., a profit company selling to the lending industry.

### **“Freddie Mac’ Home Value Explorer”**

Home Valuation Explorer (HVE) is an AVM that generates a property estimate within seconds. HVE streamlines the collateral valuation process and saves lenders and consumers hundreds of dollars on every transaction. HVE has extensive coverage and is one of the most precise AVMs available. In nationwide tests conducted by large wholesale lenders, HVE consistently performs at the top in the areas of coverage, accuracy and reliability.

HVE actually encompasses several models rolled into a single product, for one low cost. When you use the HVE you benefit from Freddie Mac’s unique proprietary algorithm that blends multiple model estimates returned by repeat sales model and the hedonic model. HVE is a Freddie Mac Automated Valuation Model (AVM) tool that simplifies the mortgage process by streamlining the collateral valuation cycle. For over 15 years, Freddie Mac has effectively employed AVMs internally, for it’s own risk and portfolio management. Right! Their system is so good they went broke and needed our money to bail them out and more is due them. For those of you who don’t know. An AVM is *not* an appraisal and is found in NJ to be only 35 - 40 accurate.

### **HOW TO SUCCEED-**

Courtesy of Bob & Cathy Novy . Bob is a premier elder law attorney with offices in Manchester Twp.

1. If you want your dreams to come true, you mustn’t oversleep
2. Of all the things you wear, your expression is the most important
3. The happiness of your life depends on the quality of your thoughts
4. One thing you can give and still keep is your word.
5. Your mind is like a parachute... it functions only when open
6. The pursuit of happiness is the chase of a lifetime! It’s never too late to become what you might have been.
7. Life is too short to wake up with regrets; and, forgive yourself if you brought them upon yourself.
8. Don’t get so caught up with who’s right and who’s wrong, that you forget what’s right and what’s wrong.
9. A sharp tongue can cut your own throat.