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Now might be your time to buy A cooling market could mean big profits for savvy investors

Sacramento, CA (August, 2008) As the consequences of recent years' creative mortgage lending are paid and interest rates rise, it might be easy to say the nation is entering a bad real estate market. Foreclosures in May were up 16 percent nationwide from the month before, according to date from *foreclosure.com*, a foreclosure tracking service.

These properties – plus others that are no longer affordable but not yet foreclosed upon – are flooding the market at a time when new construction is still moving at a heady clip and climbing interest rates are reducing the number of potential buyers.

According to the U.S. Commerce Department, the national median house price in May was \$235,400, a decline of 4.3 percent from April. Also according to the department's statistics, there were 556,000 unsold homes on the market at the end of May – near an all-time high.

But the "bad" market that economists and real estate agents are lamenting is a matter of perspective, says at least one real estate entrepreneur. And smart investors will not be scared off by this market.

"The best strategy in the stock market is to buy low and sell high, and it's not any different when you're investing in real estate," said Rob Minton, a Cleveland, Ohio, real estate broker, author and consultant. "With so many homes on the market now and fewer buyers, prices have leveled off and we're heading into a 'buy-

low' period. It's a buyers market, so investors can be selective, make better deals and make a lot of money."

Minton's The Home Selling Team Inc. currently works closely with a group of more than 300 client investors who purchase primarily single-family homes in desirable locations. Single-family homes typically have the best rate of appreciation and the highest demand, thus providing steady and sometimes spectacular streams of income.

In the Sacramento area, Maximum Wealth Group has client investors who have capitalized on the same philosophy.

Both Minton and Maximum Wealth Group typically warn against "flipping" homes, but it is an especially dangerous pitfall for beginning investors in current market conditions, Maximum Wealth Group said. Prices are falling in what were once the hottest markets, and the steadier markets don't offer the quick turnaround needed to effectively flip properties.

"You buy a property for what you think is a great deal, but you always end up putting more money into it than you thought you would," said Maximum Wealth Group. "On top of that, you're paying your mortgage while rehabbing the property, then you put it on the market and pay the mortgage, taxes and insurance while you wait for it to sell. And right now, you could be waiting a long time."

Alex Carney of Cleveland is a client of Income For Life, the group of investors guided

by Minton and Maximum Wealth Group. He is a converted flipper, learning his lesson the hard way.

"At first, I just kept thinking about the profits I was going to be making flipping these houses," Carney said. "What I really bought myself was another job that began keeping me away from my family and paid a great deal less than my corporate sales career. Plus, the payout was six months to a year when I finally sold the houses. Cash flow became a problem."

Adopting Minton's strategy of buying quality homes in quality neighborhoods, Carney has capitalized on a housing market that is ripe with pickings for investors. Just since January, he has purchased four homes selected with the aid of Minton's brokerage, and he is finally reaping the rewards of real estate he thought he would. "The numbers blow away any other investment I ever made," Carney said.

To obtain the same free reports that A. Carney has mailed to him, call the pre-recorded message center at 1-888-430-3625--ID Number 1052 and leave a message with your name and mailing address. These reports are only available while supplies last. If your message is received at a time when no reports are available, you will be placed on a waiting list. Understand it may take several weeks to ship new reports to those callers on the waiting lists.

Source: ERA Realty Center

Seniors Considering Reverse Mortgages to Benefit Greatly from Housing Legislation

This article is the latest release by Peter Bell, President, NRMLA National Reverse Mortgage Lenders Association

Washington, D.C. – Landmark housing legislation (H. R. 3221) passed by Congress this weekend will make substantial improvements to the federally-insured reverse mortgage program and greatly benefit senior homeowners who may want to utilize home equity to help finance their retirement years. "Instantly, reverse mortgages have become a more viable retirement finance option for a broader audience of seniors who could receive higher benefits at a lower cost," said Peter Bell, president of NRMLA. During the last federal fiscal year, ending September 30, more than 107,000 homeowners took out a reverse mortgage, compared to 76,351 the year prior and 7,781 in 2001.

Improvements to the Federal Housing Administration (FHA)-insured Home Equity Conversion Mortgage (HECM) program, which will take approximately 60-90 days to implement, once the president signs the bill, will include:

- A single national loan limit of \$417,000 that can increase up to as much as \$625,500 in high cost areas. (Currently, limits vary by county and range from \$200,160 to

\$362,790).

- Ability to use FHA-insured reverse mortgages to purchase homes
- Ability to get a HECM on a co-op property.

Reverse mortgages are becoming a more mainstream financial planning tool for older homeowners. A reverse mortgage enables older homeowners (age 62+) to convert part of the equity in their homes into income without having to sell the home, give up title, or take on a new monthly mortgage payment. The reverse mortgage is aptly named because the payment stream is "reversed." Instead of making monthly payments to a lender, as with a regular mortgage, a lender makes either one or more payments to the borrower. The loan is repaid when the borrower moves out of the property.

To learn more about Reverse Mortgages, feel free to submit questions to this paper or call Diane directly.

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