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STATEWIDE HOME LOAN CORPORATION™

REAL ESTATE FINANCING NEWS

Volume 14, Issue 2

New Loan Modification and Refinancing Programs – Q&A's

At the beginning of March, the Obama Administration announced a new Foreclosure Prevention Plan, which includes provisions for loan modifications and refinancings. This is one of the several initiatives announced by the government in the last 12-month intended to reduce the number of loan defaults, foreclosures, and ultimately bank-owned properties on the market. Below are answers to frequently asked questions regarding this plan.

• What do these programs involve?

One component calls for reducing payments for distressed borrowers through modifications of loan terms, known as loan mods. A second involves refinancing mortgages for some people who are current on their payments but have little or no equity in their homes.

• When does this start?

Immediately.

• How do I know whether I qualify for a loan modification?

For starters, this program applies only to your primary residence (there are other loan modification programs, which may apply to second residences and investment properties). That could be a home for one to four families, condo, cooperative apartment or manufactured home affixed to a foundation. The home can't be vacant or condemned. It also doesn't apply to mortgages on one-unit homes whose balances exceed \$729,750

In addition, this program isn't for people who can easily afford to pay their loans. You qualify only if

your mortgage payment is MORE than about 31% of your pretax monthly income. The monthly payment includes principal, interest, taxes, insurance and homeowner association or condominium fees. Income includes wages, salary, overtime, fees, commissions, tips, Social Security, pensions and other items. You may qualify whether or not you are up to date with your payments, but you will need to show that you don't have sufficient cash or other readily available assets to meet your current payments.

• If I think I may qualify, what's the first step?

Call your loan servicer, the company that sends you your monthly mortgage bill. If you want a counselor to help you, you can request free counseling from approved counseling organizations by dialing the Hope Hotline at 888-995-4673. You can also call Statewide Home Loan Corporation at 619-280-9990 ext. 110 and request a Free Loan Modification Evaluation.

• Aside from lower payments, what are the benefits of participating?

As long as participants stay current on the modified loans, they can get reductions of as much as \$1,000 each year in their principal balance for five years.

• Can everyone with a hardship be helped?

No. Servicers will apply a "net present value" test to determine whether a loan modification is in the financial interests of the lender or investor who owns the loan. If it isn't, you may not qualify.

• Do lenders charge a fee for a loan mod?

No, typically lenders don't charge a loan modification fee. However, there might be miscellaneous minor fees associated with the establishing value of the property and getting the new title insurance (if the loan is past due). Also, the lender may require a prepayment of the first mortgage payment once the loan is modified. If a loan modification firm is involved in helping borrowers, it charges a separate fee for its assistance with completing the paperwork, submission and negotiations of the modification with the lender.

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Experience the Difference®

Our commitment is to create a different experience for our Clients. We specialize in providing real estate financing to purchase and refinance real properties. Our mission is to treat every Client with the utmost care and respect and provide the highest quality personalized service. Our goal is to understand our Client's needs and work towards fulfilling them with customized financing solutions. A vast majority of our Clients are repeat customers and referrals. Your satisfaction is 100% Guaranteed.



We greatly appreciate your business and referrals – thank you!

Will you give this to my Daddy?

Last week I was in Atlanta, Georgia attending a conference. While I was in the airport, returning home, I heard several people behind me beginning to clap and cheer. I immediately turned around and witnessed One of the greatest acts of patriotism I have ever seen.

Moving thru the terminal was a group of soldiers in their camos. As they began heading to their gate, everyone (well almost everyone) was abruptly to their feet with their hands waving and cheering.

When I saw the soldiers, probably 30-40 of them,

being applauded and cheered for, it hit me. I'm not alone. I'm not the only red-blooded American who still loves this country and supports our troops and their families.

Of course I immediately stopped and began clapping for these young unsung heroes who are putting their lives on the line everyday for us so we can go to school, work and home without fear or reprisal.

Just when I thought I could not be more proud of my country or of our Service men and women, a young girl, not more than 6 or 7 years old ran up to

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My Daddy?

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one of the male soldiers. He kneeled down and said 'hi.'

The little girl then asked him if he would give something to her daddy for her.

The young soldier, who didn't look any older than maybe 22 himself, said he would try and what did she want to give to her daddy. Then suddenly the little girl grabbed the neck of this soldier, gave him the biggest hug she could muster and then kissed him on the cheek.

The mother of the little girl, who said her daughter's name was Courtney, told the young soldier that her husband was a Marine and had been in Iraq for 11 months now. As the mom was explaining how much her daughter Courtney missed her father, the young soldier began to tear up.

When this temporarily single mom was done explaining her situation, all of the soldiers huddled together for a brief second. Then one of the other servicemen pulled out a military-looking walkie-talkie. They started playing with the device and talking back and forth on it.

After about 10-15 seconds of this, the young soldier walked back over to Courtney, bent down and said this to her, 'I spoke to your daddy and he told me to give this to you.' He then hugged this little girl that he had just met and gave her a kiss on the cheek. He finished by saying 'your daddy told me to tell you that he loves you more than anything and he is coming home very soon.'

The mom at this point was crying almost uncontrollably and as the young soldier stood to his feet, he saluted Courtney and her mom. I was standing no more than 6 feet away from this entire event.

As the soldiers began to leave, heading towards their gate, people resumed their applause. As I stood there applauding and looked around, there were very few dry eyes, including my own. That young soldier in one last act of selflessness turned around and blew a kiss to Courtney with a tear rolling down his cheek.

We need to remember everyday all of our soldiers and their families and thank God for them and their

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*Robert W. Dudek
Chief Lending Officer*

*For more information or FREE Confidential Consultation please contact Robert W. Dudek at 1-800-507-9990 ext.110 or rdudek@shlc.com. *OAC, interest rates and terms subject to market change.*

sacrifices. At the end of the day, it's good to be an American.

RED FRIDAYS – Very soon, you will see a great many people wearing red every Friday. The reason? Americans who support our troops used to be called the 'silent majority'. We are no longer silent, and are voicing our love for God, country and home in record breaking numbers.

We are not organized, boisterous or over-bearing. We get almost no media coverage on TV, to reflect our message or our opinions. Many Americans, like you, me and all our friends, simply want to recognize that the vast majority of America supports our troops.

Our idea of showing solidarity and support for our troops with dignity and respect starts this Friday – and continues each and every Friday until the troops all come home, sending a deafening message that every red-blooded American who supports our men and women afar will wear something red.

By word of mouth, press, TV -- let's make the United States on every Friday a sea of red much like a homecoming football game in the bleachers.

If every one of us who loves this country will share this with acquaintances, co-workers, friends, and family. It will not be long before the USA is covered in RED and it will let our troops know the once 'silent' majority is on their side more than ever; cer-

tainly more than the media lets on.

The first thing a soldier says when asked 'What can we do to make things better for you?' is... 'We need your support and your prayers.'

Let's get the word out and lead with class and dignity, by example; and wear something red every Friday.

IF YOU AGREE -- THEN PASS IT ON.

PS. Southwest Airlines just announced its support for the "Red Fridays."

Submitted by: Gerald Pando

Loan Modification

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- **How do I know whether I qualify for the refinancing part of this plan?**

You must be current on your payments and your loan must be owned or guaranteed by government-backed mortgage companies Fannie Mae or Freddie Mac. These refinancings are designed for cases in which the loan balance is between 80% and 105% of the estimated value of your home. (Those below 80% should be able to get refinanced without the help of this program by contacting lenders or mortgage brokers.) Loan servicers will use computer programs or other means to estimate the value of your home. These refinancings also are available for second homes and investment properties in some cases.

- **How do I find out if my loan is owned or guaranteed by Fannie or Freddie?**

Your loan servicer or counselor should be able to determine that. On your own you can contact Fannie by calling 1-800-7FANNIE or visiting this Web site: www.fanniemae.com/homeaffordable. To reach Freddie, call 1-800-FREDDIE or go to www.freddiemac.com/avoidforeclosure.

- **Do I have to pay a fee for a refinanced loan?**

Lenders or mortgage brokers may charge fees, which are likely to vary.

- **How long will these programs last?**

The modification plan ends Dec. 31, 2012, and loans can be reworked only one time under this program. The refinance program ends in June 2010.

- **Where can I get more information?**

The U.S. Treasury has provided information at www.financialstability.gov.

You can also contact Statewide Home Loan Corporation at 619-280-9990 ext.110 or email: shlc1@shlc.com to request a Free Loan Modification / Refinancing Evaluation.

Source: James R. Hagerty, WSJ

Foreclosures Make Up Over Half of California Home Sales

According to MDA DataQuick, a leading provider of real estate data, over 52% percent of California home sales last December were foreclosures. In the meantime, in some areas of the State, the median home prices decreased by as much as 30 percent between November 2007 and November 2008. This represents a 6.5 year low and more than 41 percent decrease from the market peak in 2005.

Many real estate analysts point to the foreclosures and the bank-owned housing inventory as "pull-

down" factors, affecting all property prices. This includes properties located in more affluent and less foreclosure-prone neighborhoods. Other negative factors include higher unemployment and lesser availability of financing, especially for higher-priced properties. According to many real estate agents, majority of homeowners who do not have to sell, are trying to wait out the current economic downturn.

Source: SD Business Journal

Loan Modification Services

Statewide Home Loan Corporation offers a loan modification service designed to assist Clients with distressed mortgage loans. Borrowers with one or more of the following situations can benefit from this service:

- Financial hardship • Loss or reduction of income
- Behind on mortgage payments • Have mortgage payments gone up
- Unable to refinance due to lack of equity
- Need to renegotiate a mortgage loan • Poor credit OK

For more information and Free Loan Modification Evaluation, please contact Robert W. Dudek at 619-280-9990, toll-free 1-800-507-9990 ext. 110, email : rdudek@shlc.com.



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MARKET UPDATE: Current Interest Rate Indicators

Prime Rate	3.25% ↓
10 year U.S. Treasury Bond	2.90% ↑
11th District Cost of Funds	2.45% ↓
12 month MTA	1.63% ↓
1 month LIBOR.....	0.56% ↑

Source: SHLC Market Research 3/09