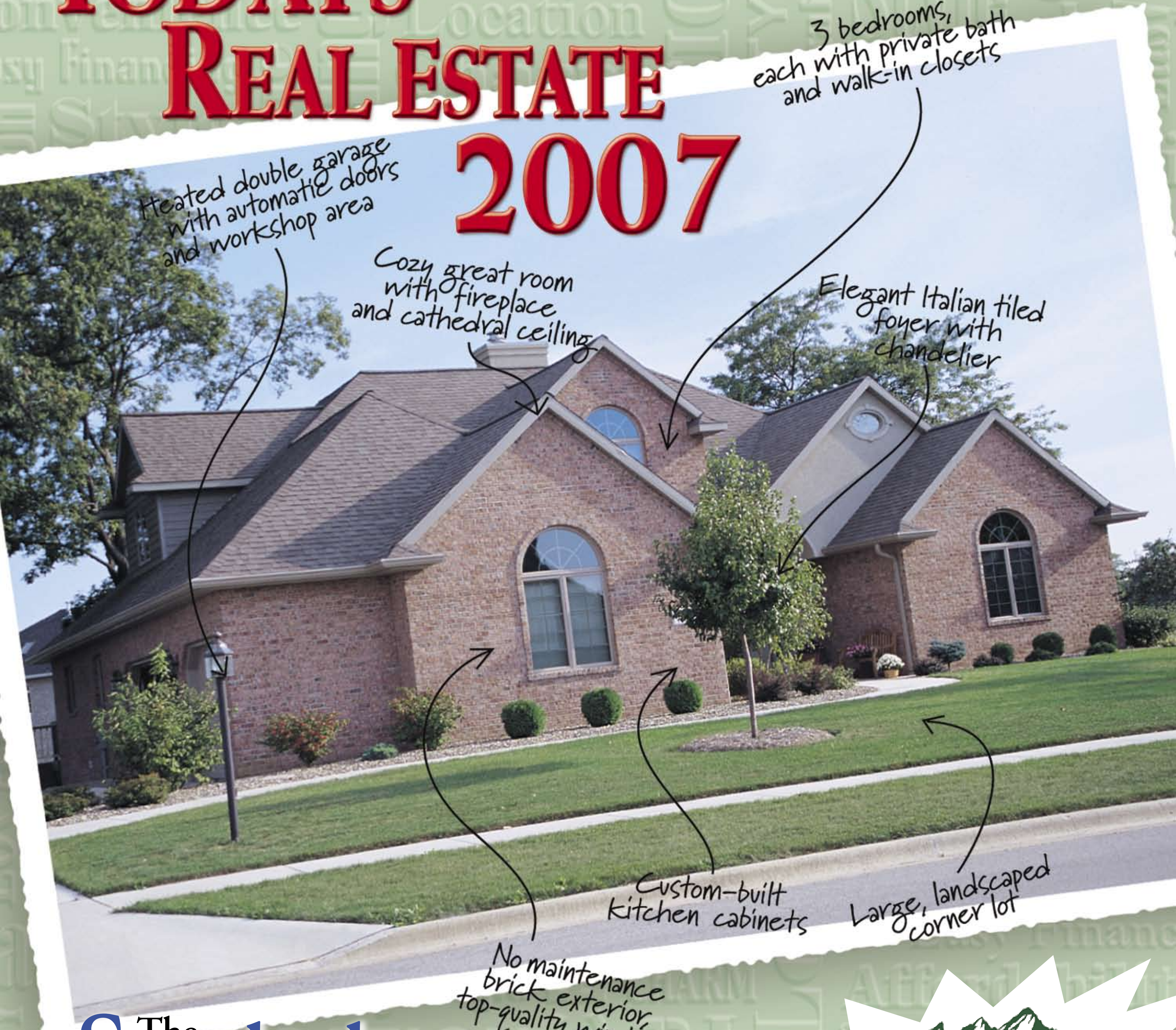
TODAYS REAL ESTATE 2007



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WEBER / NORTH DAVIS ASSOCIATION of REALTORS®

How REALTORS® Work

Written by *Ryan Archibald, Public Relations Committe, Weber Committee/North Davis Association of REALTORS®*

Many of today's home buyers and sellers have certain misconceptions and fears about using a Realtor to help them buy or sell a home. My experience has been that once a potential buyer or seller understands how a Realtor works for them, they are no longer afraid. This article is intended to help you to understand how the real estate industry and Realtors work by explaining what Realtors do, what it costs, and the contracts that are involved.

How Realtors Work for Buyers

If you've ever wondered how a Realtor can help you to buy a new home, here is how we work.

First, a Realtor focuses your home buying efforts on homes that have the correct features, location, and price for you! Your Realtor and Lender will confirm which price range is comfortable for your family by combining your monthly financial capabilities with your down payment (or proceeds from the sale of your current home if applicable). Once a comfortable price range has been established, your Realtor goes to work finding the homes that most closely meet your needs within the given price range. Realtors can allow you to view the prices, photos, locations, and features of the houses you are considering before you physically go to the home.

Once you've selected 5-6 homes that you are excited about, your Realtor makes appointments to open the homes you have selected. The appointments are organized evaluations of the home's assets compared against your needs. Have a list of your criteria in hand during the tour and rate how closely the property matches them. Generally, you'll find the right home for your family in that first group of 5-6 homes. Occasionally, your agent will need to show you another 3-4 available homes to get the one that feels right to you. If the "right" property is not yet available in the marketplace, your Realtor will set up an electronic watchdog that looks daily for new properties that meet your needs.

Now that you've found the home you want to buy, your Realtor prepares all of the necessary legal documents needed to offer to buy the home. You'll need your Realtor's expertise in negotiating the best possible balance of price and terms for your purchase. Realtors are experienced negotiators and use their knowledge of market conditions and seller behavior to protect your interests until an agreement has been reached.

Within your agreement to buy your new property, there will be many deadlines and requirements that must be met for the transaction to be completed. Your Realtor will be responsible to manage these deadlines and help you complete each responsibility by the appointed time.

Now that you've seen what a Realtor can do to help you buy your new home, you might be wondering, "What does it cost me for this valuable service?" In most cases the answer is, "Nothing." How can that be? The answer is simple. Sellers of real estate pay for the buyer's Realtor services. You see, real estate brokerages cooperate with one another to sell a property. The seller contracts with a brokerage to sell the property for a certain wage. A portion of that agreed upon wage will be paid to the Buyer's Agent's brokerage.

Utah laws require Realtors to have written agency agreements with the Buyer's they work with. Ask your Realtor to explain why these agency agreements are required and how they protect you as a buyer.

This is how your Buyer's Agent works. Realtor service is free to you as a buyer so hire a Realtor today and give your home search the direction it needs.

How Realtors Work for a Seller

Using a Realtor to market your home has proven time and time again to be the safest and most profitable way to sell your home. National Association of Realtors (NAR) statistics note that Realtor assisted sales average a 16% higher sales price over those who forgo Realtor services. When you understand how your Realtor works for you, you'll see why.

First, your Realtor will sign an agreement with you called an "Exclusive Right to Sell Listing Agreement". This agreement allows your Realtor to act as your Agent in marketing and negotiating contracts for the sale of your property. Essentially, you are hiring your Listing Realtor to protect your interests in the sale of your property and help you to negotiate the best possible price and terms. This agreement will also note the wages that will be used by the Listing Brokerage and shared by the Buyer's Agent Brokerage to market your home.

Once you've agreed to market your property with a Realtor, they will go to work for you. Initially, your Realtor helps you to determine the correct listed price for your property and your situation. They'll use data on recently sold homes of comparable area, features, and size to help you. To a lesser degree, homes that are currently available in the market and those that are "Under Contract" are also used to help determine the price. If your situation demands a quick sale, be sure to price the home accordingly.

Next, your Realtor will create a customized marketing plan for your unique property. Generally, marketing plans should include listing in the MLS, marketing to other Realtors, and marketing to the Public. Don't assume that all Realtors have equally powerful marketing plans! Interview the Realtors you are considering and choose the one that offers you the most powerful package of Realtor and public marketing. You won't regret it.

As a seller, you are obviously concerned about security and convenience while your home is being shown to potential buyers. Your Realtor will provide secure access to other Realtors with their buyers through password protected electronic keysafes. These keysafes record all showings and allow your agent to follow up on each visit. The electronic boxes also control the time of day that your home can be shown. Ask your Realtor for additional information. Licensed Realtors live by a strict code of ethics regarding the presence of Buyers in a home. Though valuables should be out of sight, it is the duty of the Realtor to monitor the Buyer while in the home.

When the Realtor's marketing plan is effective, you'll receive offers for the purchase of your home. A Realtor has great negotiating skills and will work to protect your interests as you negotiate with a potential buyer. Ultimately, the goal is an agreement that is good for both the buyer and seller.

Finally, once you've reached an agreement with a Buyer, your Realtor's work is just beginning. There are many requirements and deadlines that must be met as dictated in your contract. Your Realtor will balance all of these activities and monitor the buyer's preparedness until the closing.

Now that you've gained understanding of "How Realtor's Work", hire a Realtor to serve you when you buy or sell your next property.

To find an agent you're interested in working with, visit the Weber/North Davis Area Realtors website at www.WeberNorthDavisRealtors.com, click on "Realtors Enter Here", then click "Member Directory" from the left hand menu or use the "Find a Realtor" button on www.realtor.com today.

Why Rent When You Can Buy?

Mike Ostermiller, J.D., CEO Weber/North Davis Association of REALTORS®

Are you unsure about becoming a Homeowner? Thinking that you can't afford to buy a home? Are you worried about whether home buying is a good investment? Buying a first home can be an intimidating process. But the first step is making those first decisions:

- I want to own my own home
- I can afford to own my own home
- Owning my own home makes sense for me financially and emotionally

If you are still struggling with those first decisions, here are some facts that might help you make that first step towards becoming a homeowner.

You can't afford NOT to buy a home! Over the last ten years, the cost of rental housing in the U.S. has increased an average of 3 percent per year. That means that an apartment or home renting for $1,000 per month will cost more than $1,300 a month in ten years. If you rent the same home for ten years, the total amount you would pay for rent will equal $137,567. Tax advantages of owning a home result in savings

Year	Monthly Rent	Total Annual Rent
(Average increase 3% per year)		
1	$1,000.00	$12,000
2	$1,030.00	$12,360
3	$1,061.00	$12,731
4	$1,093.00	$13,113
5	$1,126.00	$13,506
6	$1,159.00	$13,911
7	$1,194.00	$14,329
8	$1,230.00	$14,758
9	$1,267.00	$15,201
10	$1,305.00	$15,657
Total rent paid over ten years $137,567		

None of that $137,567 is returned to you, either through savings or as an investment. Homeownership, on the other hand, has tax advantages over renting a home, and those advantages can help you save money.

Unlike your monthly rent, part of your monthly mortgage payment "comes back to you" in tax savings. Here's an example: You purchase a home that costs $210,000. Your down payment is $10,000 (plus closing costs – expenses incurred to actually process the transaction). You finance the balance You actually save **$390 a** month by owning your own home. On a yearly basis, the savings is even more dramatic:

Monthly Mortgage & Tax Payments	
Mortgage	$1,264
Property tax (@1.25% tax rate*)	$230
Total Monthly Payment	$1,494
Tax savings per month (assuming a 30% tax bracket)	
Mortgage interest tax deduction	$322
Tax deduction for property tax	$68
Total Monthly Tax Savings	$390
Total Monthly Cost After Tax Savings	$1,104
*property tax rates vary by city and county	

with a 30 year fixed rate mortgage at 6.5 percent interest. Your monthly payments (not including utilities, maintenance, insurance, etc.) are:

Total Annual Costs	Homeowner	Renter
Annual mortgage/rental payment	$15,168	$12,000
Real estate taxes	2,760	0
Mortgage interest tax deduction	-3,864	0
Tax deduction for property tax	-816	0
Mortgage principal accumulation	-2,232	0
Appreciation*	-9,450	0
Total Annual Cost	$1,566	$12,000

**Based on 4.5% (average national annual appreciation rate). In fact, property values went up last year an average of approximately 17% in Davis County and 10% in Weber County.*

Homeownership is a Good Investment For the majority of Americans, their home is their largest financial asset and a major player in their investment portfolio. It's a good thing, too, since stock market value has declined since 1998, while home price appreciation has increased. Home ownership

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Going It Alone?

Mary Hurlburt, CRS, GRI, PMN
President, Weber/No. Davis Association of REALTORS®

Considering selling your home "By Owner"?

First look closely at some possible consequences. Each can result in a "no sale" at great cost in time and money.

First, consider the personal safety of your family. A "By Owner" sign in the yard can be an open invitation to strangers. When you answer the door, how can you know the intentions of the person who enthusiastically says, "I'd like to see your home!"?

Another scenario involves the " Buyer" who wants to quickly sign a contract to buy at full price. You're thrilled. You pull out the contract, and both sign it. Now you're obligated to a total stranger, even though you have no idea whether the individual has the financial ability to complete the sale. What's more, it may be 30 or 60 days before you find out.

Two sub-plots can occur with this "Buyer". First, the purchaser may not have the down payment required or may not qualify for a loan. Second, having agreed to buy at full price, the appraisal may not justify the agreed-upon price. In either case, the loan will not be approved and you will lose the sale.

Finally, you will find it quite difficult to compete with a professional REALTOR®. They are the ones who sell the vast majority of all homes. REALTORS® are excellent negotiators and most often represent the interests of the Buyer for your property. Be sure you have the same REALTOR® expertise working for you. Before selling your home, contact a REALTOR®. Be informed and you will avoid most selling pit falls by just asking your REALTOR®! When you see the REALTOR "R" on their card, you will know you're working with a professional who does business by the Code of Ethics, is highly trained and is committed to protecting you when you sell or buy a home .

Mortgage Fraud Recognizing the Signs

Michael Ostermiller, J.D.
CEO Weber/North Davis Association of REALTORS®

Financial crimes are one of the fastest growing areas of criminal activity in the United States and one of the fastest growing areas of financial crimes is mortgage fraud.

Mortgage fraud includes a whole category of illegal business dealings. The different schemes that may be used include, but certainly not limited to: property flipping, equity skimming, application fraud, credit or income misrepresentation or asset and down payment misrepresentation.

Mortgage fraud is accomplished through the use of false documents, identity theft and straw buyers. A REALTOR® can help protect you to distinguish between legal and illegal mortgage practices. Some common examples of mortgage fraud as described by the FBI include:
Property Flipping – Property is purchased, falsely

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has consistently provided a steady return on investment; one's own home is a much less volatile asset than stocks, bonds or mutual funds.

As an example, let's look again at that $210,000 home. Unlike your rental unit, your home should appreciate over time.

"Appreciating" Returns		
Year	Home Value	Yearly Appreciation
1	$210,000	$9,450
2	$219,450	$9,875
3	$229,325	$10,320
4	$239,645	$10,784
5	$250,429	$11,269
6	$261,698	$11,776
7	$273,475	$12,306
8	$285,781	$12,860
9	$298,641	$13,439
10	$312,080	$14,044
Total Appreciation After Ten Years		**$116,124**

Assuming a very conservative appreciation rate of 4.5 percent*, your home will be worth $219,450 in the second year of ownership, $229,325 in the third year of your owning it, etc. After ten years, your $210,000 home will be worth $312,080. Not only do you earn a rate of return on your original purchase price, but you also get a return on any subsequent appreciation.

*Average national price appreciation from 1970 to 2005 was 6.7%

Homeownership Builds Wealth for Households

The Federal Reserve Board estimates that homeowners have a net worth almost 36 times more than that of renters. In 2004, the median net worth for homeowners was $184,400 compared to $4000 for renters. How do you build up your net worth? Through those "appreciating returns" on your home.

We've already seen how your $210,000 home is worth $312,080 in ten years. In addition, you are paying down the principal on your mortgage. Remember that $200,000 you borrowed at 6.5 percent over 30 years – that debt amount is decreasing every month and every year.

After the first year, you now only owe $197,765 on a home that is worth $219,450. You have "netted" a $9,450 increase in the value of your home, plus $2,235 a year that previously you owed as part of your mortgage debt. As your debt decreases and the home value increases, you accumulate wealth from the value of your home. In addition, over this ten-year period, you will have a significantly lower after-tax payment for housing. Each year as your home appreciates and you continue to pay down your mortgage debt, you increase your own net worth.

Year	Home Price	Mortgage Debt	Net Worth
1	$210,000	$200,000	$10,000
2	$219,450	$197,765	$21,685
3	$229,325	$195,379	$33,946
4	$239,645	$192,834	$46,810
5	$250,429	$190,119	$60,310
6	$261,698	$187,222	$74,476
7	$273,475	$184,131	$89,344
8	$285,781	$180,832	$104,948
9	$298,641	$177,313	$121,328
10	$312,080	$173,559	$138,521

Homeownership – It's NOT Just About Money

The "numbers tell the story" should ease your mind about the financial aspects of becoming a homeowner. But there are other, less monetary, benefits to homeownership. Several research studies indicate homeownership adds to the value of communities, decreases crime, has positive effects on children, and even contributes to increased voter participation rates.

Homeownership: The American Dream

More than two thirds of American households own their own home. In Utah, more than 74% of households own their own home. They know the benefits of homeownership from the accumulation of home equity, tax incentives, and the pride of owning a place of their own. They also had to take that first step of deciding "I'm ready to be a homeowner." REALTORS® assisted many of those more than 71 million homeowners in both their decision to buy and their first home purchase. REALTORS® are real estate professionals who are members of the NATIONAL ASSOCIATION OF REALTORS® who abide by the Association's strict Code of Ethics and Standards of Practice. They can help guide you to first-time homebuyer programs in your area, as well as assist you in searching for and buying your home.

Buying A Second Home with Revenue in Mind

By – Nancy Seraphin
Sales and Marketing Director
Wolf Creek Resort
(801) 745-3737
nseraphin@wolfcreekresort.com

There is a wide ranging list of reasons people purchase a second home, among them being use as a recreational getaway mixed with the possibility of using it as vacation rental property.

The possibility of rental income is, indeed, appealing. Homebuyers should not, however, enter the vacation-home market expecting big returns through renting. In most cases, unless there is a very limited supply and very high demand, buyers should anticipate making only enough money to pay annual property taxes and homeowner dues. In order to meet mortgage requirements, a property would need 95 percent occupancy year-round, and that's just not realistic.

However, by asking a few of the right questions, an owner can get a pretty good idea of potential revenues.

It's not wrong, for example, to ask an REALTOR® agent to show a two- or three-year history of the property. Among other things, it will show whether the home is in a growing or shrinking market. It's important to know that during a growth period, as new properties come on the market, owners may experience a drop in revenues due to an increase in availability. It could stay this way until demand increases.

It also helps to know the total number of rental nights over the past year. This can be compared with the number of rental units, which can give buyers a pretty good idea of how many nights they can expect to sublet their property.

Owners need to be sensitive, though, to the fact that if they choose to use their property during peak rental periods, like Christmas, President's weekend and Easter, it's very likely their revenues will go down. To avoid this they need to spend those times at home and visit their second home during non-peak times.

I've found it pays to hire a professional company to manage a property. And, when searching for a company, owners should ask for examples of how the company markets its properties, what Web sites it is linked to, ask for examples of print ads, and ask in what publications they've appeared, and ask how long the company has been in business.

The income split between company and owner is usually 50-50. It may offer a 60-40 split, but then come back and require the owner pay for housekeeping, where on a 50-50 split the management company offers to pay for housekeeping. A good guideline, though, is a 50-50 split.

t's also helpful to know if the management company provides owner services. Will it, for example, stock food at the owners request and shovel the driveway and provide some of the other services owners aren't able to do?

If the home is part of real estate planning, remember, in order to treat the property as an investment the buyer can only use it two weeks or less during the year. Most of our owners use their second homes for a month or more. In this case they can deduct the mortgage interest.

It is very important, for example, for owners to pay particular attention to the decor. If a home is located in a mountain setting then the decor should carry a rustic, mountain motif, with a comfortable couch in front of a fireplace. Similarly, if the home is on a beach there should be seashells and pictures of fish and comfortable couches to relax in while looking out over the water.

It is important owners not skimp on the accessories. Often it's the little things that people like, such has having lots of family photos around. The photos should have people enjoying whatever the prevalent recreational activity is. In my area it's skiing and boating. If the home is on the ocean then it might be surfing and playing on the beach.

I press hard for owners to have a guest book. It's a subtle thing, but it's the little things like this that people like. They like to see that other interesting people from other parts of the country have come to stay. It simply adds a little flair to the home.

For those looking to buy a condominium, it's important to have a 'lock-off room." In

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a two-bedroom unit, for example, owners can use the main area as a one-bedroom unit and rent the second out as simply a hotel room.

We have a new product coming on line this year that has the potential of five different rental configurations. It simply increases the flexibility owners have. This is especially important in areas with a big conference market. Most resort areas try to lure big business groups. Sometimes people find is awkward staying in the same house as other coworkers. Having a lock-off hotel room can give an individual privacy, yet allow the individual to be with the group.

Typically, all that's needed in a lock-off room is a dorm-type refrigerator, a king-size bed, a kitchenette and preferably a fireplace. The lock-off room can also give the owners a little privacy when they invite guests to stay or when older children come to visit.

What I've found is that in the more developed resorts, most people, roughly 70 percent, do not have vehicles because the transportation systems are so good. In our case, we're still building our transportation system in the Ogden Valley.

Obviously, the better the transportation system the more convenient it is for guests to get around. With respect to activities in the area, it is important to have a good concierge or activity desk available. Visitors want to know all the things there are to do, and to have someone offer suggestions and give directions, and to schedule things like lessons and tee times.

Owners also need to be what I call "Tupperware savvy." Owners need a secure place where they can store their personal items, like in a closet or an area in the garage they can lock. The only foods they need to supply are salt and pepper, maybe some spices and coffee filters. Any perishable foods the guests leave will be thrown out. Everything else the owner can pack into Tupperware and then pull it out from storage during visits.

In this day and age of high-tech playthings, it helps to have TV games available such as Play Stations and X Boxes for kids and adults. I would also suggest having board games and lots of good books and magazines that are linked to the particular area. In the Ogden Valley it would be skiing, golfing, boating and mountain biking magazines.

If the home is in a mountain setting, a hot tub can boost revenues considerably. If it's beach property, then something like an outdoor shower is appealing. Having a garage or underground parking area with easy access to the kitchen is preferable.

Easy, reliable access to the property is essential, have a keypad or a time-dated slide card similar to those used for hotel rooms to open the garage. Otherwise, renters will typically drive off with the opener in their rental car. It ends up costing the renter and being an inconvenience to the owner.

Answers to the question of where to buy, the thing to remember is that real estate typically appreciates more in a resort area than in the traditional real estate markets.

In MORE established resort communities, the level of occupancy may be higher, but the cost of the property is likely to be much higher. In newer resort areas, occupancy may be lower but the expenses are also much lower, and the potential for appreciation is higher.

The trend these days is that vacationers lean more towards less crowded, rural resort areas. In an article in February issue of "Urban Land Magazines," titled "Redefining Resorts," author Jeff Mongan wrote: "As urbanization increases across the globe, travelers are seeking lower-density resorts to get a break from the pressures of everyday life."

When guests truly enjoy their stay, they will return to that very property year after year after year. They actually get a certain attachment to the property. Work with an experienced REALTOR® to buy your second home or resort investment property, they'll guide you in making a wise, and enjoyable purchase. Start searching with a REALTOR® in your favorite recreation area today!

A Recent Report by the Mortgage Asset Research Institute

Derek Miller, Director
Utah Division of Real Estate

A recent report by the Mortgage Asset Research Institute (MARI) ranks Utah as the number one hotspot in the country for mortgage fraud, an embarrassing distinction for our great state. The number of fraudulent loans reported by MARI is simply unacceptable. That is the bad news. The good news is that the we – government agencies, private industries and concerned citizens – are moving in the right direction to fix the problem.

The different types of mortgage fraud schemes are wide and varied. In Utah the most common schemes can be categorized as:

- ***Application Fraud (misrepresentation of employment, income, owner occupancy, etc.)***
- ***Straw Buyers (using a different identity and/or credit score to buy a home)***
- ***Equity Skimming (artificially inflating the value of a home, getting a loan at the false value, and taking out the cash difference)***

Successfully combating mortgage fraud in our state requires concerted effort on four fronts: administrative, criminal, real estate industries, and consumers. Administratively, mortgages are regulated by two state agencies: the Department of Financial Institutions oversees banks and credit unions while the Division of Real Estate oversees mortgage brokers. These agencies can audit, investigate and take administrative action. Regulatory resources must be focused where the most amount of fraud is occurring, beginning with application fraud and moving down the list. Agencies must take swift action against bad actors. New laws recently passed by Legislature and signed by the Governor provide the tools and resources needed to accomplish this mission.

In addition to administrative sanctions, criminal penalties are critical to reducing mortgage fraud in our state. While administrative action can result in license revocation and fines, criminal prosecution puts people in jail and that is exactly where many mortgage scam artists belong.

Administrative agencies must work closely with the County Attorneys, the Attorney General's Office and the U.S. Attorney in accomplishing this goal.

The mortgage, appraisal, real estate, builder, and title industries are also important players in the fight against fraud. The support of both the professional associations and the individuals they represent is a key factor in solving the problem. The professionals in these industries must make a personal decision to maintain high ethical and professional standards and not engage in conduct such as "tweaking an appraisal" or "exaggerating a client's income" or "failing to make a disclosure" in an effort to "help someone get into a home". Each professional must recognize that helping a client is no excuse for committing fraud. The reality is that the vast majority of the industry is made up of are honest, hard working professionals. Unfortunately, the repeated illegal acts of a few 'bad apples' is having a spoiling effect on the rest of the industry and the market. We need the help of all honest professionals in reporting fraudulent activity.

The most important 'front' in this fight against fraud is the consumer. Educating yourself on the process of buying a home is the key. Don't ever sign anything you don't understand. Don't let someone else use your identity or credit score to purchase a home. Don't provide false income, employment, or inaccurate information in order to buy a home. The truth is that purchasing a home you cannot afford can quickly turn the American Dream into a foreclosure nightmare. What you can do to protect yourself is keep copies of everything you provide to the lender and real estate professional, ask questions about anything you do not understand, realize that when you close on a loan you are responsible for repayment, remember the adage about things that "sound too good to be true", and lastly use only professionals that are licensed in-good-standing with the state and who you know and trust.

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$200,000 may be appraised for $400,000 or higher in this type of scheme.

Silent Second – The buyer of a property borrows the down payment from the seller through the issuance of a non-disclosed second mortgage. The primary lender believes the borrower has invested his own money in the down payment, when in fact, it is borrowed. The second mortgage is usually not recorded to further conceal its status from the primary lender.

Nominee Loans/Stray Buyers – The identity of the borrower is concealed through the use of a nominee who allows the borrower to use the nominee's name and credit history to apply for a loan.

Fictitious/Stolen Identity – A fictitious/stolen identity may be used on the loan application. The applicant may be involved in an identity theft scheme: the applicant's name, personal identifying information and credit history are used without the true person's knowledge.

Inflated Appraisals – An appraiser acts in collusion with a borrower and provides a misleading appraisal report to the lender. The report inaccurately states an inflated property value.

Equity Skimming – An investor may use a straw buyer, false income documents, and false credit reports to obtain a mortgage loan in the straw buyer's name. Subsequent to closing, the straw buyer signs the property over to the investor in a quit claim deed which relinquishes all rights to the property and provides no guaranty to title. The investor does not make any mortgage payments and rents the property until foreclosure takes place several months later.

As is demonstrated in each of the foregoing descriptions, a key element of the problem

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Why The Need For Title Insurance?

By Donna W. Thompson

U.S. Title of Utah

In today's market, housing prices are increasing at a surprising rate, new home construction is at an all time high and foreclosure properties are popping up in every neighborhood. Buyers and sellers should understand the real benefits of title insurance, and why it is a part of every sale and purchase, or refinance transaction.

Title Insurance is just as important as other types of home insurance. When you purchase a home, you're not just purchasing the actual building or land, you are purchasing the title to the property - the right for you to occupy and use the land. That title may be limited by rights and claims of other parties, which may limit your use and enjoyment of the property and possibly even cause financial loss. Title Insurance protects you from these kinds of hazards.

An extensive search of the county records is done by the title company when a title policy is to be issued. A thorough examination is made of all documents recorded against the property and a title commitment is issued showing all "material objections" affecting the title. Through the closing process, these objections should be cleared. It's a title company's job to discuss any "material objections" that will not be cleared from the property and will remain as an exception to title on your policy.

When you buy a home, the seller is responsible to provide you with an Owner's Policy of Title Insurance. This policy insures you, the buyer, against hidden title hazards for as long as you own the property. Some of these hidden hazards include forged signatures on deeds, unknown heirs of a previous owner, mistakes in the public records, outstanding mortgages, unpaid property taxes, easements for access or utilities and more. The title policy offers financial protection against these

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What Do Those Letters Mean?

By Ben Skonnard, GRI, 2007 Chair, Public Relations Committee, Weber/North Davis Association of REALTORS®

You often see designation letters behind a REALTOR'S® name on their business card. Although the public doesn't know what they mean, they do know it means something. These letters represent designations that are earned by completing advanced training and education. Here are the definitions of the more common designations…

CRS® Certified Residential Specialist®. A very designation! It's awarded to experienced REALTORS® who complete advanced training in listing and selling, and meet rigorous production requirements.

GRI Graduate REALTOR® Institute. The State of Utah requires 90 hours of pre-licensing classroom instruction to qualify for the real estate exam. REALTORS® who want to deepen their understanding of real estate transactions are required to take and additional 90 hours of advanced training to earn this designation.

ABR Accredited Buyer Representative. Real estate professionals with this designations focus on all aspects of buyer representation. They have completed advanced training, passed the test and provided documentation of buyer agency experience.

e-PRO® is a revolutionary training program presented entirely online to certify real estate agents and brokers as Internet Professionals. The NATIONAL ASSOCIATION OF REALTORS® is the first major trade group to offer certification for online professionalism.

CCIM Certified Commercial Investment Member®. Another designation widely recongnized for its prestige. CCIMs are recognized experts in commercial real estate brokerage, leasing, valuation and investment analysis. CCIMs are backed by a respected education program, as well as superior technology products and business resources.

CRB Certified Real Estate Brokerage Manager. This designation is recognized industry-wide as the measure of success in brokerage and real estate business management. The designation is awarded by the Council of Real Estate Brokerage Managers to REALTORS® who have completed the Council's advanced educational and professional requirements.

CPM, Certified Property Manager® CPM® members have the competitive edge in every area of real estate management from residential to commercial to industrial. The CPM® designation requires rigorous education and training to earn.

So the next time you see any of these designations on your Realtor® business card, you may not remember what it means but you'll know it took a lot of st**udy and experience to earn.**

Sell Homes Faster With A Lower Rate

by Paul Tippets, REALTOR®

Offer home buyers lower payments without slashing the price

Paying points to reduce the interest rate on your own personal mortgage is nothing new. But anxious home sellers might want to consider another viable option to offer home buyers. Most Lenders -- mainly those affiliated with Contractors or who work directly through real estate agents are expanding their temporary buy down programs. So instead of cutting the price by more than $10,000, for example, a seller might be able to seal the deal by paying the bank less than half that much!

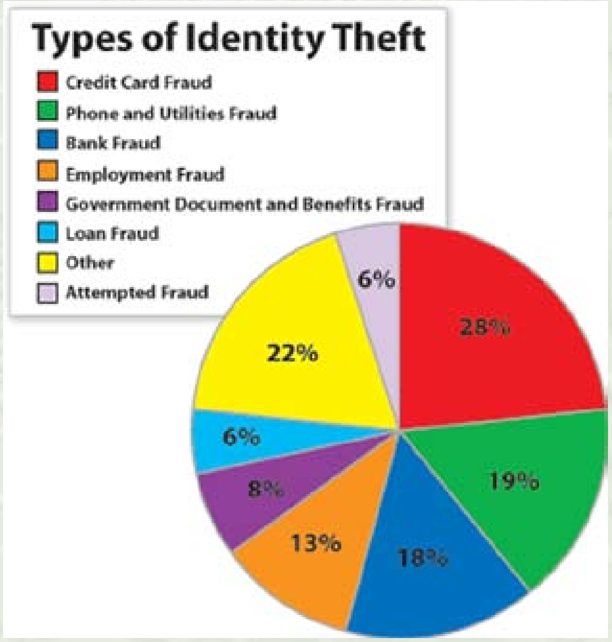
With a typical 2/1 buy down, the buyer gets a rate two percentage points below the going rate for the first year of the loan and one point lower in the second. Then the loan reverts back to the going rate that was in effect at the time of settlement. There are many variations when working with Lenders such as the 3/2/1, and a 1/0. The cost of the 2/1 version is typically a bit more than two percentage points, or $4,380 on a $200,000 loan. In the first year, the buyer would pay $225 less each month -- and in the second year, $109 less – This option would help the buyer financially far more than if the seller had cut the price by $4,000. This average is assuming a $250,000 purchase with 20% down and a 6% interest rate.

Sellers are able to create a win-win situation. Paying the buy down for a buyer will enable the buyer to have a far less monthly commitment, and the seller will be able to see a full price offer instead of reducing the sales price to entice more buyers. The strategy may enable buyers, especially those who anticipate rising income to afford your house. For those who qualify to make the higher mortgage payment, the monthly savings could pay for other items like furniture or landscaping. Sellers get more too. To match the first-year monthly payment without the buy down in our example, you'd have to cut the sales price by $50,000, which in our market is not feasible.

By using a REALTOR® and a knowledgeable mortgage lender, you'll be able to negotiate a better price and more attractive terms on your next real estate sale.

Signs from Page 7

is the imbalance of information. One side, normally the borrower or someone working with the buyer, conceals information from or affirmatively misleads the lender. Anytime an agent suspects this may be the case, further investigation is warranted to rule out any involvement by the agent or their unwitting client in a fraudulent transaction. There are several clues which may alert the agent that there may be a problem.



One of the most important documents in detecting fraud is the original real estate purchase contract and any addenda to that agreement. It is the document which the REALTOR® is most likely to be involved in preparing. Thus, care must be exercised in preserving its accuracy.

Things to be sure of:

- The property is clearly identified
- All parties to the transaction are identified and have executed the agreement
- The signatures are legible or properly identified
- All riders and addendums are attached
- There are no blanks or inconsistent information in the purchase and sale agreement
- It accurately reflects the consideration to be paid by the buyer for the property

Other possible red flags:

- Significant sales price adjustments that are not supported by comparable market data possibly accompanied by request that list price in MLS be altered to reflect appraised value.
- Required use of a particular appraiser
- Down payment assistance programs that charge excessive fees or that attempt to place restrictions on how their participation is reported in contract documentation, including the HUD I
- Large seller contributions, possibly in the form of provisions for large decorator or improvement allowances
- Mortgage brokers who refer pre-qualified buyers to agents
- Statement that the buyer will occupy the property is questionable. For example, the ++ buyer is retaining old property or there is unrealistic commute to the buyer employment
- Buyer has very limited credit history and existing history is with high rate consumer finance companies
- Credit history indicates the repayment of a prior obligation did not include any interest payments
- Unrealistic income for occupation
- Recent drastic increase in income due to a raise or a new job
- Sales contract, appraisal and title work disagree with respect to seller's name and appraisal shows property or comps previously sold in past year.

If these warning signs are present in your transaction bring the situation to the attention of your REALTOR®. While fraud isn't involved every time one of these warning signs appear, the few minutes it will take to decide between innocent and fraudulent can save you and your broker time, money and maybe even your license, and reporting fraud will protect the communities in which you do business.

A REALTOR® can also assist you in selecting a quality, reputable mortgage broker to help you with your loan.

Title from Page 8

and other hazards. The underwriter, or title insurer of the title policy will pay to defend against any claims that may result if a hidden hazard emerges. They will also pay to perfect the title or pay valid claims against the title should any be discovered after your purchase is complete. All this protection is given with one policy, one premium and lasts for as long as you own the property.

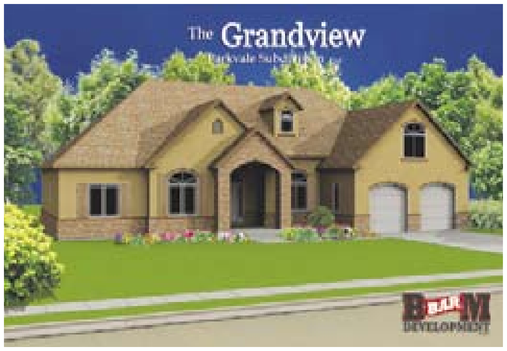
If you borrow money on real estate, either to purchase a new property or to refinance an existing loan, your lender will require that you provide them with a Lender's Policy of Title Insurance. This policy gives the lender a similar type of protection. The lender's policy is a guarantee that the loan they are making is secured as a first mortgage against the property and is not junior to other debts or interests that have priority. In the event any hidden title hazards arise, the title policy will defend the lender's position, and guarantees them they won't lose out on the money they advanced to you as borrower. Again, this premium is paid only once, on each real estate loan you secure, and is collected by the title company when you sign the closing documents.

Because your real estate transactions will most likely be the single largest investments you make in your lifetime, don't you agree the title insurance premium is a small price to pay for the protection you receive?

As a consumer, whether you are a buyer or seller, you have the right to choose the title company you want to handle your portion of any real estate transaction. While you do have the option of "splitting" the closing and sending your side to the title company you choose, it truly is best if both parties close through the same title company. This is where experience really counts. You deserve to work with a company that has a vast amount of experience in the title industry. Experience brings comfort to you at a time when stress levels seem to be at their peak. Experience can resolve issues before they become problems. You deserve peace of mind when you buy, sell or borrow money, so remember, ask your real estate agent or mortgage lender to direct the title insurance and escrow closing services to the title company of your choosing.

Parkvale On The Trail Subdivision

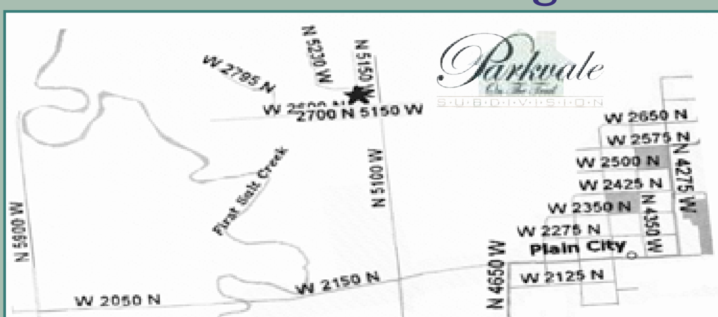
Priced From The Mid $260's



Grandview: 2030 sq. ft.
4 different layouts to choose from. 3 different exterior designs, 3-car garages, 3 bed, 2 full to 2 1/2 baths, covered patios.

Bayview: 2333 sq. ft.
4 different layouts to choose from. 3 different exterior designs, 3-car garages, 3 bed, 2 full to 2 1/2 baths, covered patios+343 sq. ft. bonus room.

Will Have A Riding Arena.



Pick Your Lot
1/3 to 1/2 Acre Lots

Lakeridge: 1,743 sq. ft.
4 different layouts to choose from. 3 different exterior designs, 3-car garages, 3 bed, 2 full to 2 1/2 baths, covered patios, fully landscaped front.

Millcreek: 1,576 sq. ft.
4 different layouts to choose from. 3 different exterior designs, 3-car garages, 3 bed, 2 full to 2 1/2 baths, covered patios.

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Lee Ann Parish
Michelle Rettenberger

OTHER GREAT HOMES!!!

This home has so much charm! Lots of windows with views in every direction. Great room that looks right at Wolf mt., breathtaking. 3 horse stable barn with corral, nice hot-tub for those summer & winter nights. 10 min. from Powder Mt. 20 min. to Snow Basin. Lee Ann Semrow-Parish, 801-721-3208

Simply gorgeous! Bonus game room, 9' ceilings, theatre room, stainless steel appliances. Knotty Alder throughout, storage, covered front porch, custom brick patio, close to city park w/fishing pond and walking trails, A must see! Lee Ann Semrow-Parish, 801-721-3208

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Lee Ann Semrow-Parish, 801-721-3208

This home is in excellent condition. Views of the Valley and mountains, close to schools. Great yard, move in ready. Lee Ann Semrow-Parish, 801-721-3208

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One Level Living In Adult Community

Hidden Gardens in Layton

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7 Lots Available
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THE PINES at Combe Farms in Riverdale

3 Available floor Plans
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Construction starting soon
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A COLONIAL BUILDERS DEVELOPMENT

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Granite and solid surface counter tops
Rock/brick stucco exterior
Tile and wood floors
Timber front entry
2x6 exterior construction
40 year architectural shingles
Low-e glass
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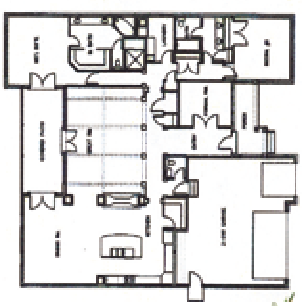

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Gated community pool
Pavilion with changing room
Low maintenance living
Large open areas with
mature vegetation
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