

March 2011

Dear Friends,

Spring Training is here in the Valley and the trees are starting to bud, I hope you're enjoying it. It is Tax Time and if you don't have a tax preparer or financial advisor, now's a good time to check my column on the left. [Ed Smith](#) has been doing my taxes for years and does a great job. Also, please remember the small businesses in our community and let's help them through this tough economy. I've got my favorites on the left column and I have used them all and recommend them highly.

In this Issue:

1) Shortsale vs Foreclosure?

RooPho Realty List Short Sales

2) Maricopa County Property Sales Statistics.

1) There are many people who owe more than their property is worth, it's a huge boat and many of us are in it. **Old Republic Title and RooPho Realty** have teamed up to help people who decide a Short Sale is in their best interest. Most of the reasons for doing a short sale are very specific to your situation. I'd be happy to sit down with you and provide you with information that will make the decision a little easier. **Nick Heth, of Peoples Mortgage** has dealt with many buyer's who now have one or the other on their credit score. Here's what he has to say; *"When people ask me about the credit score hit of a short sale vs a foreclosure, I think they should be more concerned with the effect of when will they be able to buy again? With a short sale it's as little as two (2) years, with a foreclosure the banks are now requiring seven (7) years. Your credit will go down with both but certainly the short sale is going to effect it less. Your credit will recover quicker than even the two years, if you keep your other bills paid on time."*

Also, in many cases, when you foreclose the bank can send you a 1099 IRS form and you may have to pay some income tax on the loss your bank took. *Please check with your tax preparer to see how this will work for you.* Arizona is a "Non-Recourse" state. In summary, that means the bank can not send you the 1099 IRS form. However, that **ONLY** applies if you are on the original loan that you purchased the property with and you have not taken any equity out of the property. **As I am not an Accountant , Tax Preparer or Real Estate Attorney, please verify all of this information with appropriate professionals.**

2) February 2011 - Maricopa County only

Active foreclosures 47,920. *This figure represents properties that are in the 90 day foreclosure period.*

REO's 41,609. *This figure represents properties that have been through the foreclosure process and are now bank owned.*

REO's Pending Sale 11,521. *Bank owned properties under contract.*

Even in this crazy market, there are many people buying and all for different reasons. I have clients that are looking for a winter home, a home for thier college age child, first time home buyers and even people wanting to buy that home of their dreams that only a few years ago was financially out of their reach. I'm proud to say RooPho Realty closed 38 properties last year and we are going to work very hard to continue matching the right people with the right property, including finding the right Buyer for our listings.

Best Regards,

A handwritten signature in black ink, appearing to be the initials 'CL' followed by a flourish.