Update on Housing Finance

Let's talk about "who" your buyers are … and "how" you are going to build your business selling homes to them in today's housing finance arena. It is interesting, despite troubles related to housing over the past several years, an overwhelming majority of Americans still favor homeownership.

According to Daren Blomquist, vice president of RealtyTrac, 18.5 million homeowners — 40% of all homeowners — have at least 20% equity or more, putting them in a prime position to sell. In addition, we show 8.3 million homeowners who are on the equity fence, and should have at least 20% equity in the next 15 months if home prices continue to appreciate at the same rate we've seen over the past 15 months. If 5% of these 8.3 million homeowners list their homes for sale, that's an additional 415,000 homes that will be available for sale in the coming months.

America is facing headwinds as HUD, Fannie Mae, Freddie Mac and the federal government is focused on a wide variety of issues that concern the industry, including over 2 million homes are in jeopardy of foreclosure bulge, tight credit requirements, REO-Rent program and consumer confidence. Various programs have been implemented to stabilize the housing and mortgage industry. Since homeownership overall is changing, the new normalcy in the now renting, purchasing and financing as a niche is still pretty difficult to define.

August 31, 2013: Wall Street - Across the nation, there are approximately 12.2 million homeowners who still owe more than their homes are currently worth. Zillow also finds that the effective negative equity rate — homeowners with less than 20 percent home equity — is at 41.9 percent. Meanwhile, roughly one in seven homeowners owe more than double what their home is worth. The latest Zillow Home Value Forecast predicted home values to rise 4.8% in the next year. If that prediction proves correct, it would take a homeowner who is underwater by 20% approximately four years to obtain positive equity.

DataQuick - With an average monthly price appreciation of 1.33% over the past 16 months since home prices bottomed, we are seeing about 125,000 homeowners lifted out of the seriously underwater position each month. That works out to about 1.5 million who will no longer be seriously underwater over the next year, but we expect home price appreciation to moderate over the next year and so the 1.5 million is an optimistic estimate.

The Zillow Negative Equity Forecast predicts that by the second quarter of 2014, the negative equity rate will fall at least 20.9%, freeing more than 1.96 million additional homeowners nationwide.

Nearly half of the mortgages modified in the Home Affordable Modification Program (HAMP) program, the Obama administrations main program meant to prevent foreclosures, are back in default, according to a report released Wednesday from the Special Inspector General for the Troubled Asset Relief Program. The program was started in 2009 to give struggling homeowners loan modifications and help them avoid foreclosure.

The program has helped about 865,100 homeowners avoid foreclosure through permanent modifications since it began, yet 306,000 have re-defaulted as of the end of April, according to the report. Of those with permanent modifications, about 10 percent have missed one to two monthly payments and “are at risk of continuing the default trend,” according to Reuters.

The administration has gone through multiple rounds of fixes to the program, including expanding the requirements for participation, paying investors more for principal reductions, and extending deadlines.

But the program has been long been plagued by failures. When it was first initiated, officials estimated that it would reach as many as 4 million homeowners, yet closer to just 910,000 have been helped. And more than 1 million borrowers have been bounced out of the program either thanks to re-defaulting after failing to make the first three payments during the trial process, failing to qualify, or for failing to finish a three-month trial. While the Treasury Department gave the program $38.5 billion in funds from the Troubled Asset Relief Program, just $8.6 billion, or 22 percent, of those funds have actually been spent.

So…is America on Sale or for Rent! – September 2013
Home sales cooled in September because of higher interest rates, and the recent government shutdown may put a damper on activity for this month, too.

- NAR: Existing home sales dropped 1.9% in September to a seasonally adjusted annual rate of 5.29 million from 5.39 million in August but were still up 10.7% from last year
- Last month, distressed homes — foreclosures and short sales — accounted for 14% of September sales vs. 24% a year ago
- In September, the supply of homes for sale stood at five months with 2 million existing homes listed for sale NAR says. That means they'd all sell in 5 months if no new supply was added. Realtors generally consider a six- to seven-month supply to be a balanced market.
- The median time on market was 50 days in September, up from 43 days in August but down from 70 days a year earlier.
- The national median existing-home price for all housing types was $199,200 in September, up 11.7% from a year ago
- Over 220,000 homes are being auctioned to investors for the new government “REO-to-Lease” program – A new asset category for real estate.
- Institutional investors have invested at least $5.4 billion for purchase of single-family rentals nationwide during the past 18 months, an average of $20 million on more than 500 homes per month

Homeownership is still the American Dream
It seems that Americans are continuing to dream of homeownership, at least according to a recent survey.

A total of 87% of those surveyed said owning a home is something they dream about. Owning a home is at the heart of most Americans' dreams. And people are saving as much as possible to achieve homeownership. Of those surveyed, 66% believe housing is a good financial investment and 75% see it as a crucial part of raising a family.

Compared to six months ago, nearly two times as many potential first-time homebuyers are optimistic about being able to put money down on a home over the next six months.

Overall, 56% of consumers believe their finances will improve over the next six months, while only 8% believe they will worsen.

First-time home buyers are crucial to the housing market and the overall economy - and to their communities. As families buy their first home, they are investing in their communities and enable other families to move up. That will eventually spur more new construction, generating additional jobs.

Housing Finance
When the housing market imploded in 2007 and took the economy with it, experts said the real estate market would never look the same again. Now, nearly six years after the crash, the dust has finally cleared and we have a true picture of the new housing landscape.

Real estate has had a distinct momentum this year, with demand finally starting to catch up with supply and significantly fewer distressed properties weighing down the system.

Homebuyers can expect a more competitive market in 2014, and should start the mortgage lending process at least three months before they plan to start seriously looking because experts expect the process to take several months under new lending standards. House hunters should be ready to deal right away as inventory is expected to remain at low levels throughout the year.

Home sellers are shifting into the driver's seat with experts expecting bidding wars to break out in certain markets due to the low inventory. While homes will sell quicker this year, they still have to be priced right.

The issue of housing and access to credit are a high priority for today's real estate professionals.

What's new on the American mortgage market?

Here's a rundown of what experts expect from the market:

Hidden Cost of Compliance - The House Financial Services Committee recently estimated that the U.S. financial sector is already spending over 24 million man hours per year complying with Dodd-Frank—that is four million man hours longer than it took to build the entire Panama Canal. Did you know the average cost of originating a mortgage climbed from $2,291 in 2009 to $3,353 in 2013? That's because today, residential mortgage lenders must comply with about 350 different federal, state and local rules to, therefore they have created an internal department of Risk Management and Compliance.

And that's before the slew of new acronyms—QM, QRM and UDAAP under the Dodd-Frank Wall Street Reform and Consumer Protection Act. (Qualified Mortgage, Qualified Residential Mortgage, Unfair, Deceptive or Abusive Acts or Practice)

What is Different Now?

Regulation is hardly new to our industry. RESPA, Truth-in-Lending Act (TILA), Fair Lending, the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), and High Cost Loans—the majority of the issues our industry is dealing with today—have been on the books for decades.

What's different today is the zero-tolerance way that they are being interpreted and enforced. For 30-plus years, lenders have been required to provide a borrower with certain loan disclosures within three days. However, January 2010, the tolerance for error—both in terms of the disclosed fees and the delivery of the good faith estimate (GFE)—no longer exists. It has gotten so extreme that certain errors, which were once consider clerical and minor, have now become incurable.

Violations - In the first two quarters of 2012, repurchase requests from just the two GSEs totaled $18.9 billion.

The definition of QM (Qualified Mortgage) is a defining blueprint for the kinds of loans that our industry will make beginning January 1, 2014. The final rule, which takes up 804 pages, essentially precludes exotic, affordability products, like pay-option ARMs and interest-only mortgages. It stopped short of mandating a certain down payment threshold, and focused instead on the total debt that a QM borrower could carry: 43% back-end debt-to-income ratio.

Loans that fall within these criteria, in addition to other requirements, will be considered QMs and their originators will have a safe harbor from borrower lawsuits and regulatory actions.

Finally, the very definitions of compliance are shifting. New overarching regulations, such as the CFPB's Unfair, Deceptive or Abusive Acts and Practices (UDAAP), will have more subjective standards. The test for compliance no longer will be was this act legal or illegal, but rather was it "fair"?

Mortgage Reform into 2014 - Consumer Finance Protection Bureau - www.Consumerfinance.gov

The Consumer Financial Protection Bureau (CFPB) is a 21st century agency that helps consumer financial markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives.

Two years ago, Congress passed and President Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act, which created this new Consumer Financial Protection Bureau (the CFPB).

This law establishes a single point of accountability to assure that markets for consumer financial products work for American consumers and for responsible providers of those products. On July 21, 2011 the CFPB started this work, and it will be a cop on the beat to enforce the laws on credit cards, mortgages, student loans, prepaid cards, and other kinds of financial products and services.

The consumer bureau's statutory obligations are designed to make markets for consumer financial products and services work in a fair, transparent, and competitive manner.

This means, in part, creating a level playing field where all providers of consumer financial products and services are subject to meaningful oversight to ensure that they play by the rules. It also means creating a level playing field where both parties to the transaction – the customer and the lender – can understand the terms of the deal, where the price and the risk of products are made clear, and where direct comparisons can be made from one product to another.

Mortgage Servicing Guidelines January 10, 2014
Our mortgage rules were designed to eliminate irresponsible practices and foster a thriving, more sustainable marketplace," said CFPB Director Richard Cordray. The mortgage servicing rules establish strong protections for homeowners facing foreclosure.

- The CFPB's servicing rule prohibits servicers from making the "first notice or filing" under state law during the first 120 days a borrower is delinquent. Under the final rule, servicers will be allowed to send certain early delinquency notices required under state law to borrowers that may provide beneficial information about legal aid, counseling, or other resources.
- The new rule provides specific procedures for servicers to follow if they fail to identify and inform a borrower upon an initial review that certain information is missing from the borrower's loss mitigation application.
- The procedures require the servicer to notify the borrower of the information gap and provide a reasonable amount of time for the borrower to supply the missing information.
- The procedures also specify how the regulations' protections from foreclosure and various procedural rights apply to borrowers during the time period for gathering the additional information and once the information is provided.
- Under the final rule, a servicer may, upon reviewing an incomplete loss mitigation application, provide a six-month forbearance to a borrower who is suffering a short-term, temporary hardship
- Servicers must consider and respond to a loan modification request if a borrower applies for one at least 37 days before their foreclosure auction is scheduled.
- A borrower may appeal a denial of a loan modification program so long as the borrower's complete loss mitigation application is received 90 days or more before a scheduled foreclosure sale.
- Even if a borrower is more than 120 days delinquent, if a borrower submits a complete application for a loss mitigation option before a servicer has made the first notice or filing required for a foreclosure process, a servicer may not start the foreclosure process unless (1) the servicer informs the borrower that the borrower is not eligible for any loss mitigation option (and any appeal has been exhausted), (2) a borrower rejects all loss mitigation offers, or (3) a borrower fails to comply with the terms of a loss mitigation option such as a trial modification.
- Servicers may not start foreclosure proceedings if a borrower actively is seeking a loan modification or other alternative to foreclosure.
- Servicers are responsible for promptly instructing foreclosure counsel retained by the servicer not to proceed with filing for foreclosure judgment or order of sale, or to conduct a foreclosure sale, as applicable.

Instead of important consumer protection powers being scattered across the federal government, now a single entity will have the oversight authority to make sure consumer financial markets work for all of us.

What's New for 2014 – Building a Culture of Quality
Although some have called into question the value of homeownership, we continue to believe that owning a home, when responsibly undertaken can produce powerful economic, social and civic benefits. According to the Urban Institute, the overall national homeownership rate is unlikely to fall below 60% at any time before 2030. While the national rate stands at 65% today more than four points off its record high of 69.2% in 2004, nearly two-thirds of American households still own their own homes. Owning a home today will be long term. The National Homebuilders Association predicts that homeowners will stay in their homes 10-13 years before selling.

Addressing Obligations
Key to homeownership strategy is the straightforward notion that mortgage borrowers must understand their obligations and be well positioned to fulfill them. And lenders must underwrite loans based on the borrower's ability to repay.

Ability to Repay and "Qualified Mortgages"
Are we ready for the balancing act to manage the buyer's needs and the lender's need? We will likely see state laws adopting QM-like ability-to-repay rules and ignoring any nuances that may result from the overlay of Qualified Residential Mortgage (QRM) rules. Today your knowledge of compliance is more important than your referral list.

The final rule outlines the minimum requirements for creditors making ability-to-repay determinations. Under the new 2014 mortgage rules, lenders are assumed to provide what the CFPB calls a "qualified mortgage."

By law, the new mortgage rules require that lenders ensure that you are financially able to make your mortgage payments and it's all based on keeping your housing costs reasonable in relation to your income, and other debt obligations.

Under the new "Ability-to-Pay Rule," borrowers cannot exceed a 43% debt to income ratio, which is your total monthly debt divided by your total monthly gross (before tax) income. Private research firms estimate that from 10% to 50% of home buyers who qualify for mortgages under current standards will be shut out of the housing market when the stricter rules take effect on January 10, 2014.

New Terms for 2014

- Cost of Ownership; Cost of Lifestyle
- Affordability, Housing Sustainability
- The Whole Lifecycle of Houses
- Whole Home Performance
- Energy Audits, HERS (Home Energy Rating System)
- Appraisal "Green and Energy Efficient Addendum"

Freddie Mac servicers can offer delinquent borrowers a streamlined loan modification that can provide payment relief more quickly and with less paperwork than a standard modification. This new program is designed to make it easier for struggling borrowers to avoid foreclosure by reducing administrative requirements. Under this program, which will take effect immediately, servicers will be required to offer borrowers who are at least 90 days delinquent and whose loans are owned or guaranteed by Fannie Mae or Freddie Mac the opportunity to modify their mortgage through a Streamlined Modification.

Borrowers will able to enter into the modification agreement without having to provide documentation of their income. This initiative will run from July 1, 2013 to August 1, 2015.

Now mortgage servicers can send eligible borrowers their Streamlined Modification trial period terms as soon as they are ready and borrowers can modify their loans by making the three trial period payments on time.

No borrower documentation is needed. Freddie Mac is focused on adding momentum to the housing recovery by giving distressed borrowers more options to avoid foreclosure.

- Under the Streamlined Modification program, servicers are required to send modification offers to borrowers who are at least 90 days, but no more than 720 days, delinquent on mortgages that are at least 12 months old and meet other eligibility criteria.
- Eligible borrowers are not required to submit documentation for a Streamlined Modification.
- The modification becomes permanent after the borrower demonstrates their ability to pay making on-time payments during the three month trial period.
- The Streamlined Modification offers the same mortgage terms as Freddie Mac's Standard Modification which enables servicers to reduce monthly mortgage payments by adjusting interest rates, extending payment terms to 40 years, and, in certain cases, provide principal forbearance.

HARP – The Home Affordable Refinance Program (HARP) expiration date is extended. The program’s new expiration date is December 31, 2015. The HARP refinance was launched in with just two basic qualification standards:

- The refinanced loan must be backed by Fannie Mae or Freddie Mac, and been endorsed no later than May 31, 2009.
- The refinanced loan must be current, with no late payments in the last six months

As of February 2013, HARP has been used more than 2.3 million times. Today's typical HARP homeowner reduces his monthly mortgage payment by 35%. Refinancing is less about helping the housing market and more about boosting the economy by reducing payments and giving homeowners more money to spend.

Mortgage Release

Mortgage Release™ is a new Fannie Mae deed-in-lieu of foreclosure program that releases struggling homeowners from mortgage debt obligations when they voluntarily transfer ownership of the property to Fannie Mae. It's a viable option for those who are ineligible for a loan modification due to insufficient equity, debt ratio, or mortgage delinquency, or for homeowners who want to leave their property but don’t have the option of a short sale. Mortgage Release presents such borrowers with flexible transition options that allow them to leave on their own terms.

Mortgage Release is part of the Servicing Alignment Initiative, an FHFA directive to establish consistent policies and processes for the servicing of delinquent GSE-owned loans.

“We recognize foreclosure doesn't have any benefits, and that’s why we put together programs like Mortgage Release,” said John Kennedy, director of Fannie Mae's National Servicing Organization. “The program provides homeowners an easy process and the ability to exit their home gracefully.”

Deed-for Lease
You may be eligible to lease your property following a DIL. Additionally, if you have tenants in the property, they may be considered for a continuing lease.

Once the lease consideration process is initiated with your mortgage servicer, your cooperation is critical in order to obtain a lease decision within 10 business days. The lease consideration process is independent of the DIL process and shall be considered initiated when you agree to be referred to a third-party property management firm (property manager).

Mortgage Release Program Benefits Include
More Help – Homeowners avoid the often stressful process of trying to sell their property if it is not feasible. By voluntarily turning over the property to Fannie Mae, they avoid having to get a real estate agent, list and show the property, and find a qualified buyer.

Greater Flexibility – Homeowners are offered three exit options:

- They can choose to move out immediately without waiting for the property to sell
- They can continue to live in the home for up to three months without having to pay rent so they can save cash for their transition out of the home
- Or they can opt to lease the property for up to 12 months at a fair market rent — a practical option for families with children who need to finish the school year or those who need more time to plan their move. – A $75 non-refundable lease application fee. 800-0732-6643.

Other Benefits

- Better Privacy – Unlike foreclosure, which is a matter of public record and often appears in local newspapers, the Mortgage Release program is private and confidential.
- Faster Credit Eligibility – A borrower may be eligible for another Fannie Mae loan (to purchase a home) in as little as two years, contrasted with up to a seven-year wait after a foreclosure.
- Possible Cash for Relocation – Qualifying participants may be eligible to receive up to $3,000 for relocation assistance to help offset moving expenses and to make the transition easier.

Qualifying for the Mortgage Release Program – Borrower Requirements

- The home can be owner-occupied, occupied by a non-owner, a second home, or even vacant. The property cannot be in serious disrepair, have major structural problems, or have environmental hazards or legal concerns.
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- The borrower must have a valid hardship, such as unemployment, reduction in income, divorce or legal separation, long-term illness or disability, death of a household wage earner, victim of a natural disaster, or other circumstances beyond their control. For borrowers who are 90-plus days late on their mortgage and have a credit score lower than 620, no hardship documentation is required.
- For non-delinquent mortgages, the borrower's total debt-to-income ratio must be greater than 55 percent.

Cost of Ownership
Now that median home prices nationwide are at a five-year low, take note: The cost of home ownership might be a lot more than you think.

Understanding the Total Cost of Ownership
Your mortgage payments are only a fraction of what you'll pay once you move into a house. The cost of home ownership might be a lot more than you think. Although buying a home is a big investment, owning one comes with a new set of expenses you may not have had while renting or living with Mom and Dad. These extras can put a strain on your daily finances if you aren't prepared. First-time homebuyers hope that their dream house will last, but people who have owned homes for years will testify that there are trials ahead.

What does the cost of ownership include?

- Down payment
- Closing cost – can be a deal killer
- Mortgage payment
- Annual property taxes on its value
- Hazard insurance - The condition your home is in represents how risky you are to your insurance company and the susceptibility to natural disasters
- Mortgage insurance – Standard guidelines include credit score minimum and appraisal review
- Homeownership association fees
- Annual maintenance cost 1% - 3% annual ($100 is generally a good average amount to set aside each month)
- Utility cost - Rising energy prices hike several key components of the total cost of living for many Americans. Not only does driving become more costly, heating and cooling also become less affordable (insulation)
- Commuting from home to work
- Renovations, revisions, replacements, updates

All home buyers want a move-in condition home and no buyers want to overpay for them. Regardless of the home condition, it is the buyers' perception of value and how it stacks up against competing homes that will determine which home gets their offer.

The future home buyer will focus on qualifying the costs of owning and occupying a particular home versus another. Other key buying factors include performance, modern features, amenities, quality, and monthly utility cost.

Homeowner Insurance Policy

If you own a home you may assume that everything is covered by your homeowners insurance. However, you may be surprised to find out that you are wrong. In many cases people find that certain exclusions in their homeowner's insurance policy that prevent their entire homes from being covered. Roof exclusions are one type of exclusion that may prevent the roof of your home from being covered by homeowner's insurance.

If you are buying a house for the first time and investing in a homeowner's insurance policy, make sure to go over any roof exclusions with your insurance agent. If you currently have a homeowner's insurance policy, read it carefully to find out its policies on roofing. You may be surprised with what you find out.

- Proration coverage based on the age of the roof
- Mold that contributes to roof leaks
- Not cover cedar shake and slate roofs
- Second and third layer of roofing shingles

Federally Subsidized Flood Insurance Expires

How has the flood insurance program changed and what does it mean to me?

On July 6, 2012, a law took effect that made significant reforms to the National Flood Insurance Program (NFIP). Among other things, this law requires FEMA to take immediate steps to eliminate a variety of existing flood insurance subsidies. Under the new law, flood insurance premium rates on many properties in special flood hazard areas will increase. The new rates will reflect the full flood risk of an insured building and some insurance subsidies and discounts will be phased-out and eventually eliminated. Rates on almost all buildings that are, or will be, in special flood hazard areas will be revised over time to reflect full flood risks. Based on various conditions set forth in the law, subsidies and grandfathered rates will be eliminated for most properties in the future. Subsidies will be phased out for the following types of properties: non-primary residences, severe repetitive loss properties, business properties, and properties that have incurred flood-related damages where claims payments exceed the fair market value of the property. Policy rates will also increase based on one or all of the following circumstances:

- After a change of ownership
- After there is a lapse in insurance coverage
- When a new or revised flood insurance rate map is issued
- If there is substantial damage or improvement to a building

Starting Jan. 1, 2013, premium rates for subsidized non-primary residences will begin increasing. Rates will increase 25 percent per year until they reflect the full risk-rate. Later in 2013, there will be premium rate increases for additional categories of subsidized properties, including business properties, substantially damaged or improved properties, severe repetitive loss properties, and any property that has incurred flood-related damages where claim payments exceed the fair market value of the property. Rates for these additional categories of properties will phase in at a rate of 25 percent per year until they reflect full risk rates. Additionally, in late 2013, FEMA will begin to apply full risk rates to policies written for newly purchased property. Beginning in 2014, premium rates for other properties, including non-subsidized properties, will increase as new or revised flood insurance rate maps become effective and full risk rates are phased in for these properties.

I have a question for you?

- Do you buy new construction for $115 a sq. ft. OR?
- Do you buy a newly renovated home for $100 a sq. ft. OR?
- Do you buy a “scratch and dent” home for $50 per sq. ft., repair it at $20 per sq. ft. and move in with equity?

U.S. Census Bureau – How Do We Know? Home Improvements - http://www.census.gov/how/
Life expectancy of most building products for a home is less than 10 years.

Looking Forward – Remodeling
The key challenge is to convince homeowners and homebuyers to make energy efficiency a priority and create a strategic plan for continuous home improvement. Innovative financing in scaling up energy efficiency initiatives will appear in 2014. Improving energy efficient in homes and buildings represents a tremendous opportunity. A recent report claims that energy efficiency retrofits alone could bring $1 trillion worth of energy savings to the U.S. economy over the next 10 years.

- Homeowners are tired of waiting to make improvements—many have chosen to stay put—and better financial positioning has them actively approaching professionals to get work done and enhance long-term livability of the home.
- Loan modifications and refinancing (HARP) will allow homeowners to stay longer in their homes
- Older households are helping to bolster the remodeling market by retrofitting their homes in ways that enable them to age in place
- The baby-bust generation begins to dominate the market over the coming decade. The potential for even stronger growth in homeowner spending will come when the echo boomers start to reach their peak remodeling years near the middle of the next decade

U.S. Energy Information Administration 10/21/13
More than 90 percent of homes in the United States are expected to have higher bills for heating costs this winter season, from Oct. 1 to March 31, in comparison to last, according to the U.S. Energy Information Administration, or EIA.

The Uptick in Housing Inadequacy
Until this past cycle, housing inadequacy—a measure of the physical condition of housing units—had been on the decline in the United States, thanks largely to the success of government housing policies and the increasing affluence of the population. Since the housing market bust, however, this trend has reversed. By 2011, more than 2.4 million owner-occupied homes were classified as inadequate.

Recognition of Energy Cost and Energy Performance – Fannie Mae Green and Energy Efficient Addendum
Green and Energy Efficient Addendum is intended to help analyze values of energy-efficient home features. Adding energy efficient features will add value to the home.

- Appraisers receive new guidelines how to analyze the effects of energy performance on property value
- HERS rating report

- Efficiency measures: insulation, windows, lighting, and HVAC

Financial Wisdom - It is going to be a great year in homeownership!
The recent economic crisis has highlighted how essential it is that individuals and families have the information, education and tools that they need to make good financial decisions in an increasing complex U.S. and global financial system. Indeed, we have learned the financial difficulties of individuals and families can dramatically affect the financial health of local communities and regional markets. The crisis has also illustrated that the financial well-being of individuals and families is fundamental to national financial stability and that a lack of financial literacy is one barrier that can lower standards of living and limit prosperity.

Vision
I believe that private sectors can and should work together to increase financial literacy and improve financial decision making, making sure all individual Americans and their families are aware of and have access to reliable, clear, timely, relevant and effective financial information, tools and resources as they pursue personal financial objective.

Financial Wisdom will address financial literacy and proposed calls to action in four areas deemed crucial to the promotion of financial education as we all work together to achieve our shared vision of financial well-being for all people in Georgia by:

To stay on top of your ever-increasing work, and be able to jump on exciting new opportunities, you need an efficient and cost-effective way to pick up specific skills, develop successful partnerships with the latest, most innovative practices. Today, I am excited to announce that I have developed a platform that fits this bill.

Instead of being transaction focused, my conclusion is that we need to look at our relationships with our buyers and sellers from a holistic approach. No longer can we be solely focused on terms like, purchase price, monthly payments, interest rates and closing costs.

I believe that we need to elevate the discussion to be focused on; “Ability-to-pay, total cost of ownership and cost of lifestyle, plus long term sustainable homeownership”.

So, how do we do this? Well, in simple terms…we give more value! We plan to educate homeowners and homebuyers in advance, so they will be in the best position to make the right real estate decision regarding their housing needs for long term homeownership.

Financial Wisdom will address financial literacy and proposed calls to action in four areas deemed crucial to the promotion of financial education as we all work together to achieve our shared vision of financial well-being for all people in Georgia by:

- Building public awareness of available resources
- Providing effective financial education through many avenues
- Developing tailored, targeted materials and distribution strategies
- Tapping into effective partnerships of financial education providers and counselors
- Creating a network of information sharing opportunities
- Promote targeted messages about financial literacy to consumer and workplace initiatives

I have listed the key points of our meeting and would like to schedule a follow up date to discuss further details in how working together will bring more buyers and sellers to your front door in 2014.

- Introducing Energy Efficiency to real estate professionals and general public
- High Performance Lending Software Program – Cost of ownership over 10 years
- For Home Builders - Home Performance Warranty – An independent 3 Year Guaranty of Performance based on a HERS Rating
- Financial Wisdom – An continuous finance literacy platform for employers as an "added value" benefit for their employees
- Free Mortgage Cent$ Counseling before, during and after closing
- Free "Community Cent$" outreach events for community members
- Free 3 hour CE classes for real estate professionals – relationship building
- Resale – Free "Open House Consumer Training Event", i.e. Cost of Ownership/Affordability/Energy Audits
- Resale – Working with Sellers in "Financial Staging Their Home" with "Dream Home Cash for the Buyer" focused on the FHA 203(k) buy and repair program

Invite Cathy McDaniel to your next Sales Meeting!

Do you need a speaker for your next sales meeting?

Let's have a contest and play **"Dream Home Challenge!"**

Brokers and team leaders, what your agents don't want is a two-hour lecture. You can incorporate games to make your meetings more exciting and interactive. Call Cathy McDaniel today to play "Dream Home Challenge!" It is fun, entertaining and educational!

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