

Kauai Real Estate News and Views ~



McCartney Properties

May 2011

They're At It Again.....

I'm sure the originators of this bill started with the best intentions, however, an upcoming ruling could put more pressure on the struggling real estate industry and drag out our recovery.

As part of the financial overhaul legislation passed last year, the so-called Dodd-Frank Act, there is a provision that states mortgage lenders must keep a 5% share of each loan they originate that is packaged for securitization (the logic being if they had "skin in the game", they would be less likely to make risky loans). There are some loans that will be exempt from this rule. Which loans are exempt is now being clarified. One of the proposals on the table states that if the loan has a 20 percent down payment it will be exempt - in effect penalizing those loans that originate with less by charging higher fees and interest rates.

How many of us could have qualified to purchase our





homes if this rule was in effect? According to the National Association of Realtors research, **60 percent** of recent home buyers made less than a 20 percent down payment, and it would take **14 years** for a typical person to save up a 20 percent down payment to buy a **median-priced** home.

As usual, we are swinging the pendulum of common sense from one extreme to the other.

Read more about this important decision and contact your legislators at www.realtor.org

More Hawaii Legislation....

Act 48 Passes -

Close to 24,000 foreclosure actions have been initiated in Hawaii over the past two years, according to real estate research firm RealtyTrac. Last year, 12,425 foreclosure cases equated to one for every 41 residences in the state, which was the 11th-highest rate nationally.

May 5th, Governor Abercrombie signed into law Senate Bill 651, which overhauls state law on non-judicial foreclosures.

Some of the highlights of the bill are:

Calling all Veterans!

There is a **FREE** educational seminar coming up in June that will give you all the information you need to take advantage of your VA loan benefits. For instance, did you know that:

- 1) VA loans provide 100% financing (up to \$625,000)
- 2) No appraisal is required if you refinance your existing VA loan

**** Homeowners have 30 days after receiving DCCA's notice to elect dispute resolution, which is optional.**

**** If homeowner elects to participate in dispute resolution, lender must participate.**

**** Dispute resolution session shall be no more than three hours but may be extended by one additional three-hour session at the facilitator's discretion.**

**** If parties reach an agreement, foreclosure is terminated.**

Unfortunately, if parties do not reach an agreement, the foreclosure proceeds but at least borrowers are getting an actual sit down with a bank representative to make their case.

To learn more, click [here](#).

3) You can use your VA loan more than once

I attended this seminar last year and learned so much. If you're a vet, plan to attend.

Saturday, June 18th

10 am - noon

Kauai Beach Resort, Lihue

May Cabusas, 808-550-2000

for more info or to register.

www.VALoansHawaii.com

Bless This House -

A quick plug for a Kauai business you may need. If you are planning a blessing for your new home or business, a wedding or vow renewal, check out this website:

www.auntaina.com.

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