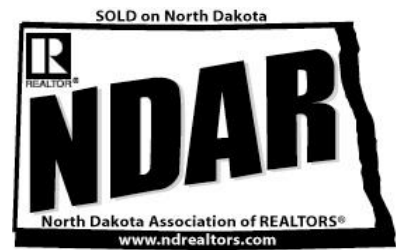


# STATE NEWS



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## STIMULUS PACKAGE UPDATES

### Details on What's in the New Stimulus Package

Here's what's in the American Recovery and Reinvestment Act, signed by President Barack Obama last week, that will help residential and commercial real estate:

- 1) [Home buyer tax credit](#): increased to \$8,000 and repayment requirement eliminated
- 2) [Conforming and FHA loan limits](#): last year's high-cost limits of \$729,750 restored
- 3) [Neighborhood stabilization](#): \$2 billion in new funds authorized
- 4) [Commercial real estate](#): tax credits allocated for business investment, green building, and energy efficiency
- 5) [Rural housing development](#): \$500 million in funds authorized
- 6) [Low-income rental housing](#): Treasury grants authorized
- 7) [Tax-exempt housing bonds](#): tax rules eased
- 8) [Energy efficiency](#): grants and credits authorized
- 9) [Transportation](#): \$47 billion in infrastructure development and rehabilitation funds authorized
- 10) [Broadband](#): \$7 billion authorized to expand and upgrade infrastructure.

Only time will tell if the newly passed economic stimulus package and the components related to the real estate industry will have a positive impact on the housing market.

Become an expert on every element of the plan as it relates to the housing market in general. Have information on your Web site. Blog about it. Talk about it. Call past clients, perspective client, talk to friends and family. Make it a personal mission to talk to as many people as you can about the housing stimulus package and its effect on each and every one of them. Consider it your responsibility as a real estate professional to educate them on the elements, how they could potentially use some of the incentives to their advantage and generally answer any questions they have.

### Stimulus Package Update Provided to NDAR

NDAR was able to have our state's NAR Lobbyist, Dan Blair and our Political Field Rep, Brad Viator, give us an update on the Housing Stimulus Plan and new developments on the Obama Administration's Housing Solution on Thursday, February 26th. They, along with other Policy People within NAR, were able to brief us on the \$8,000 tax credit plus other parts of the package and its impact on housing. The session was done through a WebEx type conference and recorded so we could make it available to all of you. [Click here](#) for the PowerPoint presentation and [click here](#) for the webinar. You will need your NAR username and password.

### Details on What's in the Foreclosure Prevention Plan

The Obama administration last week released its long-awaited plan to stem foreclosures. It's organized into three categories:

1. Help for homeowners making their payments but at risk of default and foreclosure. Homeowners with a Fannie Mae or Freddie Mac loan would be eligible to refinance as long as their mortgage doesn't exceed 105 percent of the home's current market value. Currently the secondary mortgage market companies require owners to have 20 percent equity. Potential impact: 4-5 million households.
2. Help for homeowners already in default and in need of loan modification. For lenders that voluntarily agree to lower a borrower's payment so that it makes up no more than 38 percent of the borrower's income, the government would share the cost of lowering the mortgage burden to 31 percent of income. Incentives to lenders to participate include a \$1,000 payment. Borrowers can receive up to \$1,000 as an incentive to stay current on their new mortgage. Still in the works is a proposed provision that would allow bankruptcy judges to require loan modification (known as a cramdown) as part of a household's

restructuring. That provision requires legislation by Congress. Estimated potential impact: 3-4 million households.

3. Doubled resources to Fannie Mae and Freddie Mac. To encourage investors to buy the secondary market companies' mortgage-backed securities, the government explicitly backstops them to up to \$400 billion, twice the current amount.

The plan does not provide help to investors or to home owners who are in trouble with a second home, nor does it apply to home owners whose mortgage is part of a private-label mortgage security that is not backed by Fannie Mae or Freddie Mac.

"The administration's proposed plan, combined with provisions like the \$8,000 first-time home buyer tax credit in the just-enacted American Recovery and Reinvestment Act, will help minimize foreclosures, shrink housing inventory, stabilize home values, and move the country closer to an economic recovery," [says](#) NAR President Charles McMillan.

## **Fannie Mae, Freddie Mac Plan Big Fee Increases**

Fannie Mae and Freddie Mac are both toughening their credit score and down-payment rules as of April 1.

In response, major lenders are already factoring in the higher fees, which reduces the effectiveness of the stimulus efforts.

Under the new guidelines:

- Buyers with down payments of less than 25 percent will be charged a three-quarter point add-on penalty, no matter how high their credit score;
- Buyers of duplexes, where one unit is owner-occupied and the other is rented, will be charged a 1 percent add-on;
- Refinancers who take cash out will be charged as much as three points if they have a low to moderate equity stake.

Freddie spokesman Brad German says the loan categories and credit risk combinations targeted by these fees "default at four-to-eight times" the rate of other mortgages backed by Freddie. "We have to manage these risks appropriately," he says.

## **Fannie Mae: Don't Cut Short Sale Commissions**

Servicers of Fannie Mae loans are instructed by the secondary mortgage market company not to negotiate commissions on short sales below the amount negotiated by the listing agent, unless the commission exceeds 6 percent, the company [announced](#) Feb. 24. In its announcement, the company acknowledges the intensive work over many months that the sales require, and says that fair compensation for real estate professionals works to the benefit of everyone in the industry. NAR has asked Freddie Mac to follow Fannie's lead. The requirement takes effect March 1. For more info contact [Jeff Lischer](#), 202/383-1117.

## **GRI 3 & 4 Scheduled**

### **GRI 3 "Business Planning and Technology" and GRI 4 Prospecting, Listing and Selling**

Courses are scheduled for April 6-9, 2009 in Fargo at O'Kellys. Each course is 15 hours and may be used for GRI designation and/or CE credit. The tuition for each 15-hour course is \$175. For registration form [click here](#). The courses do not need to be taken in order and the first 30 hours of your pre-licensing count towards 90 hours you need for the designation. These courses are very good quality and can be taken for CE even if you aren't trying to achieve the designation or you already have it. These courses are typically held in the spring each year and the rotation schedule calls for courses in 2010 to be in Bismarck with GRI 1 and 2.

## **Spring Caravan Scheduled**

The Spring Caravan is scheduled for March 26 -27. The two courses being offered are "The Business of Real Estate" and "Priorities, Prospects & Processes" for 3 hrs CE credits for each. The March 26<sup>th</sup> courses will be in Fargo at the Ramada Plaza Suites and the March 27<sup>th</sup> courses will be in Bismarck at the Doublewood Inn. The instructor for both courses is Dwayne Carte. For more information please [click here](#).

## Housing Fair Targeted to Native and New Americans

Tools to guide prospective minority homeowners will be available at a Housing Fair on Monday, March 23, from 1:00 to 8:00 p.m. in the lower-level of the Bismarck Veterans Memorial Public Library, 515 N 5th Street, Bismarck, ND. Workshops lead by local housing professionals will offer information on mortgage products and down payment assistance available. Additional discussion will help provide a better understanding of the home buying process and offer guidance to address financial issues. Homebuyer education certificates can be earned for attending all the workshops. By earning a certification, buyers may be able to reduce closing costs or access down payment grants. For flyer [click here](#).

Participants are welcome to visit with service providers throughout the day, and can attend any or all of the educational workshops without pre-registering for the event. The Housing Fair is free and pre-registration is not required. Although the event is targeted to Native and New Americans households, anyone interested in learning more about the home buying process is welcome to attend. For schedule [click here](#).

The event is co-hosted by the NDHFA and the Coalition of Indian Housing Authorities in North Dakota. For more information, please visit NDHFA's website at [www.ndhfa.org](http://www.ndhfa.org) or contact Jane Martin at (701) 328-8080, (800) 292-8621 or [info@ndhfa.org](mailto:info@ndhfa.org).

## Browse Free Products: 'Right Tools, Right Now'

The NATIONAL ASSOCIATION OF REALTORS® on Monday rolled out its new “[Right Tools, Right Now](#)” program, which aims to help members excel during today’s challenging economic times. The initiative includes an array of publications, education, services, resources, and tools available to members for free, at cost, or at significantly reduced pricing. By removing the financial barrier to NAR’s roster of business-building resources, NAR hopes that all or most of its members will take advantage of these tools and information.

You can see the lineup of March product offerings at [REALTOR.org](http://REALTOR.org). Included this month are: Free downloads of research reports, including the [2008 NAR Profile of Home Buyers & Sellers](#); free downloads of the “[It’s a Great Time to Buy!](#)” brochure; a free March 12 Webinar on [how to navigate Short Sales](#); and free registration for the [Resort & Second-Home Property Specialist symposium in Naples, Fla.](#), March 29-31.

REALTOR.org membership login is required to access most products. New product offerings will be introduced monthly, and specialized content will be created to address timely market topics.

## Update: NAR Continues Pressure on MID Proposal

NAR has sent letters to president [Barack Obama](#) and members of Congress among the actions its taken since the administration released a budget proposal that would curtail the amount of itemized deductions, including the mortgage interest deduction, of households earning \$250,000 or more (\$200,00 for singles). The proposal would weaken home prices and slam the breaks on the housing market before it has a chance to turn around, NAR says. For more info contact [Linda Goold](#), 202/383-1083.

## Reminder: FHA, Conforming Loan Limits Released

HUD published the new loan limits in Mortgagee Letter 2009-07, which is effective for any loan closed in calendar year 2009. The new limits are in effect through December 31. You can find the loan limits in a [searchable form](#) on HUD's Web site. For more info contact [Jerome Nagy](#), 202/383-1233.

## NAR Launches National Radio Show

Real Estate Today, a radio show produced by NAR, premiered on Feb. 14. The show also airs online at [www.RETRadio.com](http://www.RETRadio.com). Visit the site to listen to current or past programs.

## Daylight Savings Time

Can we say spring is officially here? Well it is at least time to 'spring forward.' This Saturday night be certain to set your clocks ahead 1 hour when you go to bed.



## Tax Topics to Grab Home Owners and Buyers

Real Estate Today, the new national radio show for consumers, will look at top tax issues for owners, buyers, and sellers on its next show, airing this weekend.

A tax expert from H&R Block and the top editor of Kiplinger's will discuss the \$8,000 home buyer tax credit, proposed changes to the mortgage interest deduction, the impact of declining housing values on taxes, and new energy efficiency tax breaks.

The show can be heard online at [RETRadio.com](http://RETRadio.com) and airs on satellite radio via America's Talk, XM Channel 158, Saturdays, 5-7 p.m. ET; Talk Radio, XM Channel 165, Saturdays, 1-3 p.m. ET; and Stars, Sirius-XM Channel 102, Saturdays, 6-8 a.m. and Sundays, 9-11 a.m.

In Washington, D.C., Real Estate Today airs on flagship station 630 WMAL on Sundays, 1-3 p.m. ET.

Source: REALTOR® Magazine Online

## Information You Need

The following is information available at [www.ndrealtors.com](http://www.ndrealtors.com) (click to follow links):

- [Equal Opportunity List](#)
- [Landlord Tenant Rights](#)
- [ND REALTOR® Store](#)
- [REALTOR® Logo Usage](#)
- [Technology Resources](#)
- [2009 Convention of the Dakotas](#)

## Mark Your Calendar for...

### Upcoming Education

- ❖ Mar. 16 – FirstHome Certified Agent, Jamestown, ND (watch for more details)
- ❖ Mar. 17 – Code of Ethics, Fargo, ND [click here](#)
- ❖ Mar. 26-27 – Dwayne Carte Courses, Fargo & Bismarck [click here](#)
- ❖ April 6-9 – GRI 3 & 4, Fargo, ND [click here](#)
- ❖ April 21 – Marketing With Microsoft Office, Bismarck, ND [click here](#)

### Meetings & Events

- ❖ Mar. 20-24 – AE Institute, Colorado Springs, CO
- ❖ April 2-3 – Region 8 Retreat, Sioux Falls, SD
- ❖ May 11-16, 2009 – NAR Midyear Governance Meetings, Washington, DC [click here](#)
- ❖ June 3-4 – NDAR Committee and BOD Meetings, Fargo, ND
- ❖ June 18-19 – State AE Meetings, Seattle, WA
- ❖ Aug. 24-25 – NAR Leadership Summit, Chicago, IL
- ❖ Sept. 16-18 – [REALTOR® Convention of the Dakotas](#), Watertown, SD
- ❖ Nov. 11-16 – NAR Convention, San Diego, CA

### NDAR Office Closings

- ❖ April 10 – Good Friday
- ❖ May 25 – Memorial Day

Don't forget to call the Tech Helpline - your go-to technology experts...**866.432.3029** Hours of operation: **M-F: 9am -5 pm Central Time**

