Opinion: Short sales don’t deserve a bad reputation

By Theresa Souers

It seems that no matter what one reads these days regarding the real estate market, the term “short sale” will have a strong presence in the discussion. A short sale is the term applied when a lender is willing to accept less than what is owed on an existing loan. As a primarily second-home resort area, South Lake Tahoe has seen its own share of distressed sales. During the past year, approximately 18 percent of the homes sold involved short sales, while another 34 percent represented bank-owned sales.

At this time it appears 2012 will continue to follow suit. Yet, despite the fact that short sales have been an ongoing force within the real estate industry, it is not uncommon to hear potential buyers shy away from the idea of purchasing a short sale despite the investment opportunities. Even hopeful sellers, as much as they might want to try to explore the option of a short sale, are overwhelmed with the rumors that come their way.

While short sale sales and purchases may not be for everyone, it is important for buyers and sellers to know that much of what is commonly heard is based upon rumors and myths. To help clear the air, the California Association of Realtors recently put together a list of the top 10 myths surrounding short sales.

Myth No. 1: The homeowner must fall behind on mortgage payments in order to qualify for a short sale. Debunked: Years ago this may have been true, but not in 2012. A financial hardship must exist, such as the adjustable rate mortgage increasing in monthly payments, loss of job or income, health or medical issues, or extraordinary loss in home value (which may be considered a hardship).

Note: Agents should not advise a homeowner to miss a mortgage payment.

Myth No. 2: Banks would rather foreclose on a property than approve a short sale. Debunked: Many still believe this myth to be true, but more accurately, banks would prefer not to foreclose on a property due to the $50,000 to $70,000 it may cost the bank per transaction. Banks lose less money on a short sale than on a foreclosure.

Note: In California, some lenders may pay owners as much as $25,000 to opt for a short sale.

Myth No. 3: Homeowners must be pre-approved by their lender to be eligible for a short sale. Debunked: Absolutely not true. Most lenders will consider short sale offers. However, each lender may have unique and specific processes to follow, from listing the home to the acceptance of a short sale. Bypassing any part of this process may result the sale not closing, so be sure to follow each lenders' processes closely.

Myth No. 4: Short sales never close. Debunked: Obviously not true. In some areas of the United States, nearly 50 percent of all closings are considered to be "distressed" properties, meaning REOs and short sales.

Myth No. 5: Short sales take months (and months) to close. Debunked: The short sale processes must be learned. Once mastered, it may not be uncommon to close a short sale in 30 days. However, certain idiosyncrasies may slow the process and each lender presents their own unique set of specific challenges. No two short sale transactions are identical.

Myth No. 6: Damage to the homeowner’s credit standing is comparable in a short sale and a foreclosure. Debunked: In many cases, credit repercussions and deficiency protections are more damaging with a foreclosure. Short sale transactions can often lead to faster financial recovery for the homeowner and should be carefully considered.

Note: If the homeowner missed no mortgage payments, they may be eligible to finance the purchase of a home immediately following a short sale transaction.

Myth No. 7: Following a short sale, the homeowner will be ineligible to purchase another property for the next five to seven years. Debunked: Not true. Using conventional lending guidelines, some consumers may obtain a Fannie Mae backed mortgage a short 24 months after the close of their short sale.

Myth No. 8: After a short sale transaction, the homeowner will receive a 1099 and be forced to declare the loss as income. Debunked: The owner may indeed receive a 1099, but due to the 2007 Mortgage Forgiveness Debt Relief Act, among other considerations, the homeowner may not owe any taxes on their transaction.

Note: This Act is due to expire at the end of 2012.

Myth No. 9: The lender will sue the homeowner after the close of a short sale (or foreclosure, or deed in lieu of foreclosure) for the deficiency. Debunked: California has certain anti-deficiency protections in place for short sales and foreclosures, depending on the circumstances.

Myth No. 10: As an agent, I don’t need additional training to learn all of the ins and outs of the short sale process. And if I wait long enough, the market will recover so I may not need to deal with short sales at all. Debunked: How long are you willing to wait? Based on the most recent housing reports, home values are still falling. Hopefully, 2012 will see the bottom of the housing market but price recovery may continue to take some time.

Theresa Souers is public relations chair for South Tahoe Association of Realtors.

Opinion: Time to talk about Prop. 13

Publisher's note: ***This editorial is from the March 12, 2012, Sacramento Bee.***

No single politician is going to change Proposition 13, the iconic 1978 initiative that slashed property taxes, anytime soon.

It's easy to understand why. A Field Poll last September showed that 34 years after its passage, voters by a ratio of more than 2-to-1, 63 percent to 29 percent, support Proposition 13. However, support narrows when the question is limited to altering commercial property taxes.

Starting today, a handful of political leaders and advocates are reopening a conversation about aspects of the system of assessing property taxes on businesses. That's an important step.

This coming November, Gov. Jerry Brown will ask Californians to approve a ballot measure to raise income and sales taxes by about $5 billion a year for five years. That initiative would help the state close the budget deficit.

But to fix California's system of financing government, thoughtful people must devise a fair restructuring of the state and local tax system. Proposition 13 ought to be part of that discussion.

Read the whole story

Opinion: Is GOP becoming the war party?

By Pat Buchanan

Denouncing Republican "bluster" about war with Iran, President Obama went on the offensive Tuesday:

"Those who are … beating the drums of war should explain clearly to the American people what they think the costs and benefits would be."

The president had in mind such remarks as those Newt Gingrich delivered to the Israeli lobby AIPAC that same day: "The red line is now … because the Iranians are deepening their commitment to nuclear weapons" — an assertion the Joint Chiefs and U.S. intelligence agencies say is blatantly false.

Pat Buchanan

They insist: Iran has not made the decision to build a bomb.

Perhaps the president was referring to Mitt Romney's pledge to that same cheering throng to "station multiple carriers and warships at Iran's door" and deny Tehran even "the capacity to make a bomb."

But if "the capacity to make a bomb" means knowledge of how to build one and an ability to enrich uranium to bomb-grade, should they decide to do so, Iran already has that.

Does Mitt want war now?

Perhaps the president had in mind John McCain's call for U.S. air strikes on Syria, an act of war rejected even by GOP Speaker John Boehner as "premature," since the "situation in Syria is pretty complicated."

Have the Republican uber-hawks learned nothing from the war for which they beat the drums 10 years ago?

Then they told us Saddam Hussein was implicated in 9/11, that he had chemical weapons, that if we didn't invade his country we could expect anthrax attacks by Iraqi crop-dusters up and down our East Coast.

Those who asked for proof Saddam was a mortal threat were dismissed by Condi Rice: "There will always be some uncertainty about how quickly Saddam can acquire nuclear weapons. But we don't want the smoking gun to be a mushroom cloud."

The price of our heeding that bluster? Some 4,500 American dead, 35,000 wounded, $1 trillion sunk, 100,000 Iraqi dead, half a million widows and orphans.

The fruits of our victory? A Shia-dominated Iraq descending into sectarian and civil war.

The GOP's political reward for marching us up to Baghdad?

Loss of both houses of Congress in 2006 and the White House in 2008, when the antiwar Obama crushed the war hawk McCain.

Today's GOP front-runners – Newt, Mitt and Rick Santorum – all clearly believe that a warlike stance toward Iran will appeal to the evangelical base and to Jewish voters who went for Obama by 57 points in 2008.

But they are rolling the dice with a war-weary America.

Ron Paul, whose youth vote the party needs and who receives the largest number of contributions from the military, has split with them on Iran.

The president, says Paul, is "closer to my position than the other candidates, because what the other Republicans are saying is reckless."

Most Republicans seem to be lining up with Newt, Mitt and Rick on a more hawkish stance. Senate Minority Leader Mitch McConnell wants Congress to vote the president a blank check for war now. And the president is aware of and alarmed by the Republican stampede to war:

"The notion that the way to solve every one of these problems is to deploy our military – that hasn't been true in the past and it won't be true now. … Sometimes, it's necessary, but we don't do it casually. … We think it through. We don't play politics with it."

When rash decisions are made about war, said the president, mistakes are made, and “typically it’s not the folks who are popping off who pay the price.”

What to do about Iran – and whom to trust to deal with Iran – seems fated to be the foreign policy issue of 2012.

And the battle lines are drawn.

Bibi Netanyahu, the Israeli lobby and its allies in Congress will be demanding ever harsher sanctions and military action before November. For they assume, rightly, that the president does not want war and, if he wins, there will be no war with Iran.

The Republicans will portray Obama as dithering, vacillating and weak, no true friend of Israel, though the U.S. military and intelligence community are behind Obama in his belief that a war now on Iran would be unnecessary, unwise and potentially calamitous.

Nervous Democrats, facing Sheldon Adelson super PAC ads in the Jewish communities of every swing state, all accusing Obama of “throwing Israel under the bus,” will be pressuring the president to get tougher.

And Obama surely knows that an October confrontation with Iran, with war a possibility, or a reality, will mean the nation rallies around him and he wins a second term.

Will Iranian intransigence provide him a casus belli? Or will Iran negotiate seriously and agree to more intrusive inspections to prove its nuclear program is not aimed at a bomb?

Whether there is a U.S. war on Iran seems up to the ayatollah now. Will he play into the hands of Israeli and American hawks who are salivating over a war with his regime and his country?

Pat Buchanan is a founding editor of The American Conservative magazine, and the author of many books including “State of

Emergency: The Third World Invasion and Conquest of America".

Opinion: Sacramento steps up for Reno-Tahoe Olympic bid

By Ailene Voison, Sacramento Bee

Last Tuesday, of course, was a very eventful evening in Sacramento. Here They Stayed. Yes, they did.

The City Council approved the tentative financing plan for a sports and entertainment complex – a new home for the Kings – by a 7-2 vote. Mayor Kevin Johnson scored the biggest victory of his political career. The post-vote news conference transitioned into a pep rally, complete with singing and chanting and inspirational speeches.

But David Stern wasn't the only one closely monitoring the proceedings from a distance. There is a potentially huge and ongoing sidebar to this story. Or let me put it like this: Does anyone around here care about curling? Figure skating? Hockey? The Olympics?

Within hours of the arena proposal's passage, Sacramento publicly emerged as a significant player in the Reno-Tahoe bid for the 2022 Winter Olympics. Speaking at a journalists convention Wednesday in Lake Tahoe, Nevada Lt. Gov. Brian Krolicki, chairman of the Reno-Tahoe Winter Games Coalition, identified Sacramento as an important partner in the Olympic bid and a possible site for figure skating, hockey or other events.

"That (council vote) was a terribly important development for us," Krolicki said from his cellphone Friday. "As we do an assessment of all the assets and venues available, having that sports and entertainment complex would be a very useful tool. We need at least eight sheets of ice, and right now, we don't have that. Your airport is a very critical piece, as well."

Read the whole story.

Opinion: Raising money necessary to save state park in Tahoe

To the community,

On March 12, Washoe Meadows Community is hosting a fund raiser at Lake Tahoe Pizza Company to help with our ongoing legal battle to protect Washoe Meadows State Park from golf course development.

In January, 2012, the State Parks Commission once again approved the downgrade in classification of a portion of Washoe Meadows State Park in order to make way for golf course development within the park. Washoe Meadows Community was forced to file a second lawsuit to challenge this decision.

Come join us from 4-9pm for pizza and meet members of our leadership team to get updates on our ongoing efforts to save the park.

There will be music by Tahoe Cool Water and a cash only silent auction. Fifteen percent of all pizza sales will go to the

Washoe Meadows Community effort to save the park.

Thanks,

Lynne Paulson, Washoe Meadows Community

Opinion: Important to recognize what trees do

By Daniel Berlant

Trees are an essential part of California's climate and are vital to improving the state's air quality and conserving water. To help educate Californians on the value that trees provide to building successful, healthy cities and neighborhoods, California is celebrating March 7-14 as California Arbor Week.

CalFire is partnering with California ReLeaf to encourage cities, nature groups, schools, and youth organizations to celebrate California Arbor Week by planting trees in their communities. California ReLeaf is an alliance of community-based groups, individuals, businesses, and government agencies working to protect the environment by planting and caring for trees and the state's urban and community forests.

"Trees offer so many more benefits than what we see," said CalFire Deputy Director Bill Snyder. "Their importance to the environment, climate, economy and the overall well-being of California is critical."

Research shows that trees clear pollution from the air, catch significant amounts of rainwater, add to property values, cut energy use, increase commercial activity, reduce stress, improve neighborhood safety and enhance recreation opportunities.

“Trees make California’s cities and towns better. It’s that simple,” said Joe Liszewski, executive director for California ReLeaf. “Everyone can do their part to plant and care for trees, ensuring that they are a resource long into the future.”

The goals of Arbor Week include educating Californians about trees, encouraging tree planting, teaching elementary school children the environmental, social, and economic benefits of trees, and protecting the state’s valuable natural resources.

As part of the department’s mission, CalFire is charged with protecting California’s forests by maintaining the sustainability of the state’s natural resources including both urban and wildland forests. CalFire is encouraging everyone to be a part of California Arbor Week by planting a tree. It’s important that you carefully plan before you plant a tree to ensure that your tree is properly placed to avoid growing into powerlines and buildings. Get more planting tips on the CalFire website.

Daniel Berlant works for CalFire.

Opinion: History repeating itself 100 years later

To the community,

Come the November election, a century ago Woodrow Wilson was elected president. A prime issue in the 1912 campaign was the heavy concentration of wealth in the hands of individuals and the trusts. Wilson believed such a condition was a threat to the republic. Today the republic faces such a threat. Plutocrats are on the rise. The prime issue in the 1912 election is alive one hundred years after Wilson's election.

In Steven Saylor's book "Roma" he wrote, "All the issues Americans deal with today in our polarized republic, the Romans dealt with first. Conservative politicians preached patriotism and religious piety and whipped up xenophobia hysteria …. At the other end of the political spectrum, rabble-rousers … exploited the resentment of the struggling classes. Both sides used lawsuits and sexual scandals to drag down their opponents. Doesn't all this sound familiar?"

Bill Crawford

Yes, it does. We have deep social and economic inequality. Today our poor and middle class are getting poorer and the rich have become super rich. And the bloody shirt of war is being waved by political candidates for the office of chief executive and many members of Congress. They love the red herrings.

Saylor reminds us that, “The American republic has so far lasted only about half as long as did Rome’s. Whether it will end with the rise of an all-powerful executive … remains to be seen. There are certainly forces at work leading us in that direction.”

Well, clearly we’ve been warned. Seems it’s time to heed the message.

Bill Crawford, South Lake Tahoe

Opinion: S. Tahoe won’t survive without community’s support

By Claire Fortier

One of the critical issues continuously expressed by our citizens has been the condition of our town. “Rundown”, “second rate” and “blighted” are words often used in the same sentence as city of South Lake Tahoe. We love where we live, but we hate how we keep it.

That message was loud and clear in the city’s 2011 Citizen Survey we recently received. More than 70 percent of respondents said the appearance of our town was poor. More than 80 percent considered our roads the same way, poor or worse.

Claire Fortier

City Council has pledged to change this problem. On March 6, 2012, the City Council discussed a bond issuance that would allow us to start rebuilding our roads and cleaning up our town. The problem is how to pay for it.

A year ago, when City Council first considered a bond for capital improvement projects, specifically roads, the city's financial situation was bleak, but not dire. In that year, the city made some drastic and painful changes to live within its means. We reduced city staff, renegotiated employee benefits and took the city down to bare bones. We did so to ensure that the city was economically sustainable, not just this year but for years to come.

In the meantime, our sources of income in the last year took just as big of a beating as the businesses and residents of this town. That's because our key sources of revenue are directly linked to the success of our town and its citizens. We collect more transient occupancy tax when the town is hopping. We gain more real estate taxes when house are selling. And we collect more sales tax when people spend their money on the hill.

But now we are at a crossroads. The city has made about all the cuts it can without completely destroying service to its citizens. We cannot afford to borrow money to redo our roads or improve our recreational opportunities without the buy-in from the community.

In order to pay for the reinvestment bonds, the city proposed four sources of revenue:

· Paid parking around our beaches.

· An increase in TOT on our hotels starting in 2014.

· A more equitable business tax.

· An amusement tax on recreational activities and rentals.

The income from those sources, while not enormous, would allow the city to pay for the bond that will generate $5 million a year toward our roads and infrastructure.

Community reaction on several of these topics has been divisive. The parking issue was met with a huge outcry. After a dismal winter, increasing the TOT on our financially strapped hotels simply doesn’t make sense. We are still hoping to achieve a more equitable business tax, which will be decided by voters in June.

But the bottom line is this. We cannot reinvest in the community without your help. In the end, it comes down to what does this town really wants and what are we willing to pay for to get what we want.

Claire Fortier is mayor of South Lake Tahoe.

Opinion: Ski resorts not doing enough to protect

children

By Dick Penniman

For some people, the idea of “safe skiing” is an oxymoron. Isn’t skiing all about pitting your wits and skill against the raw mountain wilderness? Certainly that was true when skiing was first invented. And, it’s still the case for the backcountry, but not at today’s mountain resorts.

Modern mountain resorts are doing everything they can to make themselves into “family resorts;” theme parks where mom and dad can bring the kids and everybody has fun. But resort operators are not telling you about the real dangers, including those that can be easily fixed but aren’t.

Less than 50 percent of the chairlifts in California have safety bars.

Tragically, in December, a young boy was killed when he fell 60 feet from a chairlift at Sugar Bowl near Lake Tahoe. It is difficult to imagine how such a thing happened at a “family” resort.” But looking realistically, one can see that chairlifts are little more than park benches hung from a cable that bounce across steel towers high above the ground at 1,500 feet per minute.

Most of us wouldn’t deliberately put our child alone or with other kids on a park bench built for adults with no restraints whatsoever, and then allow a forklift to hoist it 60 feet in the air to cruise down the street at 1,500 feet per minute. But this is essentially what is allowed at most mountain resorts in California every single day.

As trusting parents, we often put our precious, young children in the hands of the mountain resort ski school assuming the “professionals” will watch out for them and not allow them to ride on the chairlift without an adult. But, this is exactly what can and often does happen because the resorts have no specific mandate to do otherwise. Even the most disciplined child has a hard time sitting still for more than a couple minutes. It’s not a question of “if” a catastrophe will happen; sadly, it’s a question of “when”.

Tips for parents

Given mountain resorts’ approach to chairlift safety, parents must:

• Ensure the resort has chairlifts with restraint bars and a mandatory policy to lower the bars.

• Ask the resort to see its child chairlift safety policy.

• Learn and teach your child how to ride the chair safely. Make sure they know never to ride up without an adult.

• If you put your child in ski school, inform the instructor about your child’s abilities and challenges, including behavior and special needs. And make sure their policy is to always have an adult ride the chair with the child.

• Make sure your child is properly dressed for the weather and wears his or her helmet properly and at all times.

• Visit SnowSport Safety Foundation for an assessment of safety practices at the resort you intend to visit.

Dick Penniman is the chief research officer of the SnowSport Safety Foundation.

Opinion: California students have a point with their protests

By Dan Walters, Sacramento Bee

The thousands of college students who marched on the Capitol on Monday to protest rising fees and decreasing state support had a point: Higher education has taken a disproportionately heavy drubbing in recent years as politicians attempted — and largely failed — to balance the state budget.

The Legislature's budget analyst has calculated that under Gov. Jerry Brown's 2012-13 budget, state general fund spending on the University of California, the state university system and community colleges will have dropped 21 percent in five years, while fee and tuition revenue will have increased by 64 percent.

Several of those politicians uttered sympathetic words as they addressed protesters. But they sidestepped the political trade-offs that cut college funds and avoided any mention of the Brown tax plan they have endorsed.

"We can't do it alone. We need your help," Assembly Speaker John A. Pérez told the students. "You have the right to be mad," Senate President Pro Tem Darrell Steinberg declared, adding that state needs "a revenue measure to put more money into higher education."

But as Steinberg decried "Republican obstructionism," he didn't mention that he opposes the so-called "millionaires' tax" measure for education that most of the protesters prefer, and has endorsed Brown's alternative income and sales tax measure that would not increase college support.

Read the whole story