

Rapid City Real Estate Update

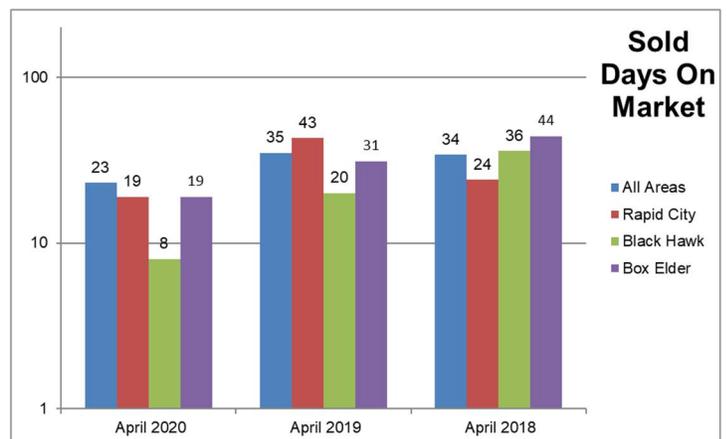
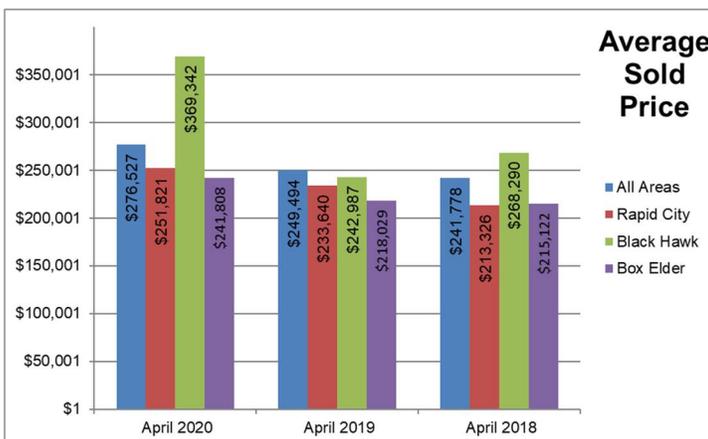
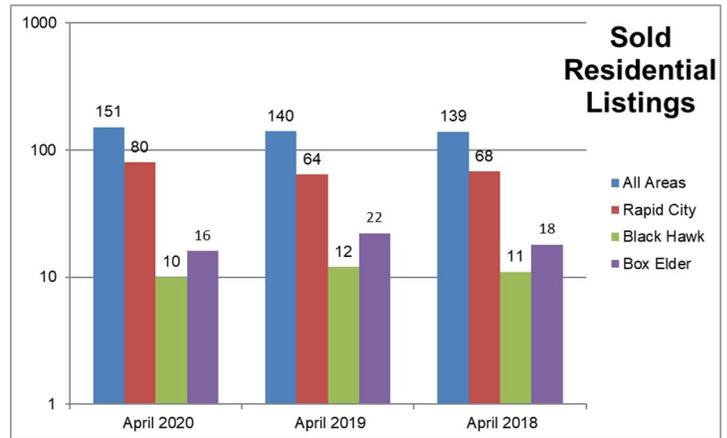
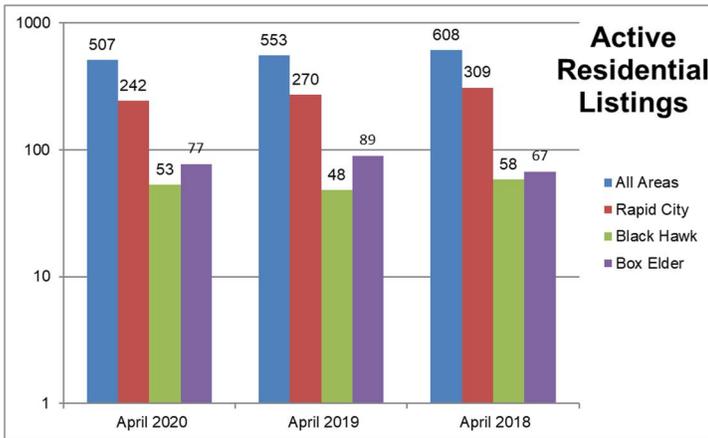


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Rapid City & Area Market Conditions For April 2020



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Four Ways To Raise Your Credit Score By This Fall

It's pretty much a given that any particular mortgage program will require a minimum credit score. Depending upon the type of loan and the amount of down payment, credit score minimums can vary. For instance, an FHA loan asks for a minimum down payment of 3.5%. FHA guidelines require a minimum credit score of 580. With a down payment of 10% or more, FHA score requirements fall all the way down to 500.

Most conventional loans on the other hand, those underwritten to standards set by Fannie Mae or Freddie Mac, ask for a minimum score of 620. If you're just starting out to establish your credit history or have a credit history but has a few blemishes on it, it's possible your existing scores are too low at the present time for a loan you're looking for. But there are some things you can do right away to nudge those scores back up. Even for someone with a score near 700, these tips can help as well.

One, and this certainly makes sense, is to make your payments on time to existing creditors. While that's all too obvious there's a difference between making a payment on or before the due date compared to making the payment more than 30 days past the due date. Let's say an account has a due date on the 5th but you don't get paid until the 15th. If you pay it on the 15th it won't be counted as late as it relates to credit scores. Just make sure you make the payment within a 30 day period. Important note: pay attention to any late penalties that might appear if you make your payment beyond the required due date.

Second, keep balances around one-third of credit lines. Many might at first think that carrying a zero balance is better for scores than actually having a balance due. That's not the case. Scores can improve with a balance along with making timely

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Should You Ask For A Forbearance?



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Whether you've lost your job, are worried you might be about to, or are finding your finances crunched by the coronavirus pandemic, you may be thinking about asking for a forbearance on your mortgage. But should you? Will it really help put you in a better financial position?

We're breaking down the details.

What is a forbearance?

"Forbearance is a temporary postponement of mortgage payments," said Investopedia. "It is a form of repayment relief granted by the lender or creditor in lieu of forcing a property into foreclosure."

The key words here are "temporary" and "postponement." Forbearance is a way to delay your mortgage payments for a period of time with the knowledge and permission of your lender. That way, you can skip a number of payments without putting your home at risk like you would if you just stopped paying; eventually, your home would go into foreclosure.

The CARES Act, otherwise known as the coronavirus relief package, has stipulated that "mortgage borrowers with federally backed loans can seek forbearance for up to six months," said Forbes. You can also ask for an additional extension for up to six months if needed. "You must contact your loan servicer to request this forbearance," said the Consumer Finance Protection Bureau. "You do not need to submit additional documentation to qualify other than your claim to have a pandemic-related financial hardship."

Here are a few more things to consider.

Those skipped payments aren't freebies. Some homeowners have been disappointed to find out that forbearance doesn't mean forgiveness. You're not excused from making those payments; you're just not making them NOW.

"One of the most important things to remember, and the source of a lot of confusion, is that forbearance is not forgiveness," said Karan Kaul, a research associate in the Housing Finance Policy Center at the Urban Institute, on CNBC. "It's just putting a pause on your mortgage payments for a few months. And depending on the loan servicer, interest can continue to accrue during the forbearance period, which may increase the overall cost of the mortgage."

In addition, homeowners are "still going to be paying interest on the balance of their loan, there are taxes and insurance that are not into escrow, that will have to be paid out," said Jennifer Micklos, with Movement Mortgage out of Clermont, NY on WFTV.

Those skipped payments will likely be due sooner than you think

There has been some talk about mortgage payments being tacked on to the end of the loan term, which would be more of a mortgage holiday for those who are having a hard time paying. But, by and large, this is not what lenders are offering.

"When Morgan Davis, a furloughed clothing designer, called Wells Fargo to ask for help with her FHA loan about two weeks ago, she was offered to suspend three payments without penalty – three months of forbearance," said Forbes. "But at the end of those three months, all my mortgage payments would be due at once," Davis said. "I told [the bank representative] that didn't sound very helpful. I explained I had only called to see if there was a way for me to hold onto more of my cash while I wasn't getting paid."

Flagstar Bank's forbearance program has similar stipulations, although they initially offer a six-month suspension period. The forbearance letter they are sending out to customers states, that "A forbearance plan is a temporary solution, and the suspension of your payments during the Forbearance Period will make your loans past due."

Borrowers are expected to bring their loan current at the end of the six months by "paying all past due amounts (including those not paid during the Forbearance Period)," setting up a repayment plan that "adds a portion of your past due amounts to your regular monthly payment until your account is current;" or applying for a "more permanent loss mitigation solution." You won't be reported as late

"Lenders are not to report forbore payments to the credit bureaus, which means that borrowers who request forbearance will not see their credit scores suffer," said Forbes. "However, if they do not contact their loan servicer to start a forbearance plan and miss a payment, the lender is to report that lapse to the credit bureaus."

Additionally, "Loan servicers are barred from adding any fees, penalties or interest charges beyond the amounts scheduled or would be calculated if the borrower made timely payments," said CNBC.

You might not be able to get through to your lender. CNBC reported that homeowners have spent hours on the phone waiting for help from their lender, so be patient if you're making that call. Or, check out your bank or lender's website to see if they have added forbearance information. You might find what you need and be able to submit your request without having to speak to someone.

Courtesy of Realty Times



Buying A Home? Don't Forget To Ask These Questions!

Buying a home comes with a lot of responsibilities and liabilities. When you buy a home, you are stuck with it until after you sell it successfully. Because of this, you must take extra precaution and try to ask as many important questions as possible before you close a deal with the seller or broker. Below are the questions you shouldn't forget to ask when buying a home.

Can You Have a Copy of the Home's Sales History?

It is important to know about how many times the home has changed hands over the years as well as for much the home sold for each time. This will let you know about your prospective property's value fluctuations which can help you sell the home and negotiate fairly in the future.

What is the Cost of Monthly and Annual Utility and Maintenance?

No one wants a home that racks up utility bills as though the owners are made of money. The water, power, and gas bills should be disclosed as well as annual maintenance cost for you to gauge if you can truly afford the home.

How Much is the Property Tax?

Although the home's value is the primary determinant of the property tax, knowing how much the current owners are paying is a good way to determine future expenses on the property.

Does the House Have an Unusual History or Has It Been Involved in Any Crime?

Any history of suicide, murder, or death should be disclosed by the broker or seller. Unusual history like appearing in a magazine, commercial, or movie should be disclosed as well. A home appearing in

public media may mean a future privacy breach and a negative history can make a home difficult to sell in the future.

When was the Roof Last Fixed or Replaced?

A roof replacement can cost upwards of \$10,000. The future homeowner should know when a huge expense like this may be due.

Does the Area Around the Property Come with Parking Restrictions?

Whether or not the home has a garage, it is possible that future visitors may need to park outside of the property. When this happens, the last thing you want is for your guests' vehicles to get towed away.

Are There On-Going Warranties for the Kitchen Appliances, Garage Door, the HVAC System, and More? Replacing any of the above can easily cost thousands of dollars. Having the warranties can save a lot of money down the road.

Are There Renovations or Additions Made by Past and Current Owners?

Upgrades can cost a lot. It is best to know which contractors worked in the house before and what they did more so if planning future additions or renovations. Are There Any Issues with Sewage or Broken Pipes? Although you can hire a home inspector, it is best to know these issues beforehand more so that the cost of repairs for issues like this can be equivalent to a sizable amount.

Are There Past or Current Pest Infestations?

Getting rid of rodent or insect infestation can incur a lot of time and money. Something like this needs to be disclosed rather than find out when it is too late.

Courtesy of Realty Times

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payments. But if there's no balance, there are no payments being made. Timely payments account for 35% of the total score while proper balances make up 30%. You can tell right away that concentrating on these two alone will have the greatest impact and sooner rather than later. For those with sterling credit, this category will carry the biggest punch.

Third, pay close attention to how many credit accounts you have. When first starting out with credit accounts, there will be credit inquiries made by the creditors you're applying with. Most mortgage programs ask there be at least three credit accounts appearing on a credit report. Once you've reached these numbers, sit tight. Don't apply for additional credit, at least not right away. A few initial inquiries for credit won't hurt your scores but multiple requests over an extended period of time will.

Next, and this is for those with damaged credit, seek out a secured credit card. There are credit card companies that cater to those with bad credit. Getting approved for one of these cards allows you to start rebuilding credit by paying on time and keeping balances in check. A secured card is one where the applicant submits a fee to the issuer as a security deposit. For example, a secured card with a \$500 limit might ask for a security deposit of \$500. Over time, the credit limit can increase with timely payments. The accounts report to credit bureaus just like other accounts do. With timely payments, your scores will begin to rise to levels that work for most mortgage programs.

Make timely payments, keep balances around one-third of credit lines, keep credit inquiries to a minimum and for those needing to rebuild scores, seek out a secured card. Sometimes people who have poor credit don't know where or how to start rebuilding. These four tips will jump start that process.

Courtesy of Realty Times

April Real Estate Roundup

Freddie Mac's results of its Primary Mortgage Market Survey® shows that "Mortgage rates have stabilized over the last few weeks as the market searches for direction in the fog of economic data. While financial markets initially rallied on the news of Federal Reserve support and are improving due to the Senate's passage of a new small business stimulus, we continue to see a deep economic contraction amidst uncertainty about the recovery formation."

- 30-year fixed-rate mortgage (FRM) averaged 3.33 percent with an average 0.7 points for the week ending April 23, 2020, down from last month when it averaged 3.5 percent. A year ago, at this time, the 30-year FRM averaged 4.20 percent.
- 15-year FRM this week averaged 2.86 percent with an average 0.7 points, down from last month when it also averaged 2.92 percent. A year ago, at this time, the 15-year FRM averaged 3.64 percent.
- 5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 3.28 percent this week with an average 0.3 points, down from last month when it averaged 3.34 percent. A year ago, at this time, the 5-year ARM averaged 3.77 percent.

Courtesy of Realty Times



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3 Tips For Cleaning Out Your Garage

Many of us homeowners have something to hide. It is a disaster we spend our lives hiding from. It is something we often go through great lengths to prevent our guests from seeing. If you haven't guessed it by now, it is the garage; we all have garages. Now, if you have a nice, neat and tidy garage then this article is not for you, but if you are like the rest of us, meaning the garage area of your house is a disaster, then go ahead and continue reading. It's time to step up and finish that project that has been hanging over your head for years, and we're providing you with three tips that can help to clean out the garage.

1. Storage Space

For many, the garage turns into a "throw it anywhere" place, and this problem usually occurs due to a lack of storage space. Step one to start the tidying process is to make space. Whether that means adding shelving units to your garage or utilizing color-coded bins, the important part is that everything has a space. Having a storage spot for everything makes organizing less stressful. Next time you will need to store a random object you will know exactly where it goes.

2. Organize and Prioritize

After you have cleared space in your garage to store all of your items, the next step is to organize and prioritize. Everything will need its own spot or the system will fail. Carefully go through and organize a section for each the different item categories you use. How you organize the categories is entirely up to you, just be sure it is a system that makes sense to you. Consider moving items you use frequently to easily accessible shelving units and bumping the Christmas bins toward the back, for instance. Also consider taking a good hard look at items you haven't used in years. Is that dusty, unused wedding gift something you really need to hold on to? Or can you perhaps donate it or sell it online instead? This process can be challenging for many people as they must face the facts that not everything is worth keeping, but it'll work wonders on decluttering.

3. Sell, donate, trash

If that previous step leaves you with a mountain of items to offload, it might be time to hold a garage sale. After all, one man's trash can often be another man's treasure. After the garage sale, consider donating whatever items are left, or checking if a local thrift shop may be interested in buying anything from you. Of course, it goes without saying that anything that is broken, too rusty, or simply too old might be best left for the trash.

Courtesy of Realty Times