

For Consideration:

SELLERS – Know every 'looker' is a valuable prospect. Explore the existing supply of homes that will compete with you. Hit the market at the right price up front and do everything possible to get into showing condition. If your home is not in very good condition, you will be competing on price alone against bank owned properties. There are buyers looking for homes in great condition and they will pay a fair price. Call me if you would like to see the supply and demand for your property.

BUYERS – When you see what you want, Buy it! Don't wait for the "perfect" property or the "perfect" time or the "perfect" deal. Know that most sellers aren't desperate. You won't know where "the bottom" was until we're on the way back up!

BUILDERS – Be smart, be cautious, but don't walk away. Work closely with me to understand what buyers are looking for and expect, then position yourself to react quickly for the rebound when inventory will be short...maybe not too far off.

INVESTORS – Demand and rents for residential rentals will remain strong. We'll search hard for financing alternatives and help you invest today. "Be fearful when others are greedy and greedy when others are fearful" (Warren Buffet).

Home sales are driven by change in people's lives, and change goes on regardless of economic conditions and what's in the news. Over 1,500 homes were sold in this area in 2008, and 2009 will likely see that level again. It is truly a great time to buy, with affordable inventory, low interest rates and an environment that should create stable home prices in the future.

BY THE NUMBERS

Average Cheyenne Single Family Home Prices

1980.....	\$ 54,273
1990.....	\$ 89,980
2000.....	\$109,469
2008.....	\$174,767

Homes on the Market

Feb. 25, 2008.....	834
Feb. 23, 2009.....	754

First-time home buyers can receive a Tax Credit of up to \$8,000 if they purchase a home between January 1, 2009 and December 1, 2009 (article, page 3)

"Real Estate can not be lost or stolen. Nor can it be carried away. Managed with reasonable care, it is about the safest investment in the world." ~ Franklin Delano Roosevelt

Forest Health please join us for a free presentation

Les Koch has been the Forest Health Specialist with the Wyoming State Forestry Division since June 1999. He determines the ecological, social, and political factors that comprise Forest Health or the ability of a forest to sustain itself ecologically and provide the diverse values, products, and services desired by the public. Koch integrates Forest Health principles into Fire Management, Stewardship, Rural Forestry Assistance, Community Forestry, and State-trust land Forest Management programs to reveal the positive implications that Forest Health ideals can deliver within these specific disciplines. Koch conducts intensive 1-million-acre annual aerial reconnaissance surveys to address forest health issues that affect the sustainability of forest ecosystems. He is a Certified Arborist with the International Society of Arboriculture and holds a Commercial Pesticide Applicator License with the Wyoming Department of Agriculture. Koch has been the Chair for the Forest Health and Invasive Species Committee for the Council of Western State Foresters the past year and is a member of the USDA Forest Service's State and Private Forestry Western Competitive Grant Evaluation Team. Prior to working for the Wyoming State Forestry Division, Koch was the Community Forester for five years for the City of Idaho Falls, Idaho. He holds a M.S. degree in Forest Resources from the University of Idaho.

Koch's presentation on March 27th at Wyoming Bank and Trust will detail Wyoming's primary forest agents-of-change with special emphasis on mountain pine beetle. Mountain pine beetle is the principal mortality agent of lodgepole pine, ponderosa pine, and limber pine trees growing in Wyoming's rural and community areas. Mountain pine beetle is now impacting community forests due to the transport of infested firewood from rural areas into community areas. Koch will explain why mountain pine beetle and other bark beetles are changing the structure and composition of our rural and community forests and what steps landowners and land managers can take to minimize these impacts.

Friday, March 27, 2009
11:30 AM - 1:00 PM

Wyoming Bank & Trust
Community Room
5827 Yellowstone Road

CONTENT:

Short Sale Puzzle pg 2

How We See It..... pg 2-3

A Great Place to Be. pg 2-3

First-Time Buyers..... pg 3

For Consideration pg 4

By the Numbers..... pg 4

See more online at
www.cheyennehomes.com/

A Simplified Overview of the Short Sale Puzzle

No two short sales are alike so it's no wonder there are so many questions surrounding the process.

What is a short sale? A short sale is defined as a transaction where the debt (mortgages, etc.) owed against the property combined with any closing costs necessary to consummate the sale, exceed the purchase price of the property. The seller will ask the existing lender(s) if they would agree to accept less money than what is due for a FULL release so that the closing can occur.

Some short sale considerations:

A lender will not consider a short sale unless the homeowner is already behind on the mortgage payments. Most short sales require the seller to make the initial request to their respective lenders. Usually, the request is required in writing and the lender will provide the seller with a checklist of items that they will need to provide such as appraisals, financial records, copy of the purchase/sale contract and an estimated closing statement.

The estimated closing statement must reflect all the charges and be as accurate as possible. It is not always easy to get a lender to say that they will accept the net sale proceeds. Often the lender's demand will say that they will accept no less than a specific dollar amount and it is usually what is on the estimated closing statement.

There is absolutely no guarantee that the lender will or can agree to the short sale. From a seller's perspective, this can mean a lot of work and preparation only to have the sale fall apart at the last second (literally). On the other hand buyers may incur costs for appraisal and inspections, etc. only to be disappointed the lender doesn't approve of the sale.

The process for short sale approval can take as much as 45 days or more to complete. Many times the lender will not accept any deviation from the initial approval estimates. Once a closing date is set it must be met! To get approval for an extension is a long process.

A request to a lender for a short sale does not automatically stop any foreclosure proceedings. That is a separate legal matter that the Seller and their agent needs to deal with to avoid important time periods and deadlines passing.

Sellers need to know that even if a short sale is approved and the debt is released, it still may have a negative impact on their credit and tax liability.

Great communication is the key to making this process work in everyone's best interest.

2009: How We See It...

AFFORDABILITY	PMI's Affordability Index measures how affordable homes are relative to a baseline set in 1995. A score of over 100 indicates that homes have become more affordable. With average sales prices under the FHA lending limit signifying excellent affordability.
MARKET SUPPLY	While overall supply is down, it varies greatly between location and price range. Supply will be tight in some ranges, supporting higher prices. Supply will be higher in others, making it more challenging for Sellers.
INTEREST RATES	Rates may stay low for most of the year and many consumers will refinance their homes, but will do so to lower their payments, not to pull equity out. Interest rates may not be this low again in our lifetimes.
FINANCIAL	The days of easy money, stated income loans, and 100% financing are gone...not likely to return. Government loans and programs require buyers to have good credit, verifiable income and the ability to put some money down. If you bring those things to the table, there are great loan programs, low interest rates and homes to buy.
FORECLOSURES	We've been isolated from the big numbers but the trend isn't over. After a brief moratorium from Fannie Mae, foreclosure activity will again pick up this spring. The good news is that there is a strong market for these properties and they usually sell quickly.
DESIGN	Old becomes new, big becomes small. People are buying and building somewhat smaller homes with energy efficient features, but with luxury touches and style. Space for toys and hobbies as well as larger laundry rooms and storage areas are popular. Open design is still the way to go. "Gathering" kitchens are the buzz!

first-time home buyer tax credit: 7 THINGS TO KNOW

The 2009 stimulus bill favors first-time buyers and buyers who have not owned a home in the last 3 years.

- 1. Eight Grand:** The tax credit included in the legislation is unlike any credit offered in the past. This credit is equivalent to 10 percent of the purchase price of the home capped at \$8,000.
- 2. First-time buyers defined:** For the purpose of the bill, a first-time home-buyer is someone who hasn't owned a principal residence for three years before buying a house.
- 3. 2009:** Home purchase must be on or after January 1, 2009 and before December 1, 2009.
- 4. Income limits:** The tax credit is subject to income limitations. Single buyers need a modified adjusted gross income of \$75,000 or less to qualify for the full credit, that's \$150,000 for married couples. Those earning more than these thresholds may be eligible for reduced credits.
- 5. Refundable:** because the tax credit is "refundable," qualified buyers can take advantage of it even if they don't have much tax liability.
- 6. Recapture:** Buyers have to own the home for at least three years in order to capitalize on the credit. If they sell the home prior to the three year period they will have to repay the credit.
- 7. Buyers may use WCDA first-time home-buyer mortgage money if they qualify to do so.**

CHEYENNE, WYOMING

a great place to be in a tough national market

Nationally, the last quarter of 2008 was one of the toughest in memory for real estate. Locally, the news was much better, and 2009 holds some promise for improvement in the Laramie County/Cheyenne real estate market. PMI Mortgage Insurance Co. (PMI) just released their Winter 2009 U.S. Market Risk Index for 381 Metropolitan Statistical Areas (MSAs). PMI's Risk Index is an estimate of the probability that house prices in an MSA will be lower in two years than they are today. The index utilizes a wide range of economic and housing measurements to determine these probabilities. This map plots all 381 MSAs and shows the probabilities that the areas will lose value.

As shown in the light blue, Cheyenne falls in the "Minimal Chance" risk classification, with a 0-10% likelihood that homes will be worth less in two years than today. Cheyenne was highlighted in the Best Performing MSA's both on comparison by PMI risk score and Comparison by Affordability score. Most of the areas with the highest probability (70-100%) of further price risk remain in the so-called "sand states" of Florida, California, Nevada and Arizona. You can view the entire appendix available on the publications page of the media center at www.pmigroup.com

We're in much better shape than the rest of the nation. Four notable factors have the most influence: Appreciation, employment, affordability, and inventory are in better shape in Cheyenne than in much of the country.

