



# BOARD BRIEFS

Your Voice for Real Estate In Lebanon County

1300 Florence Street, Lebanon, PA 17042

February 2009

## FROM THE PRESIDENT...JOE WENTZEL



I would like to thank everyone who has sent “well wishes” and “good thoughts” to me as we begin a new chapter at our association.

Let us work together in 2009 to make it a successful and memorable year. I can’t stress enough how difficult it is to keep an organization like this running smoothly. Hours upon hours of volunteer time is spent among all the committees within this association. So, you will hear me plead many times, “Do yourself a favor and volunteer”.

I hope everyone had a chance to read 2009 P.A.R. President Greg Herb’s article in this month’s “The Pennsylvania Realtor”. Greg’s theme this year is “Working together toward tomorrow”. He stresses that working together strengthens our organizations and ultimately our members benefit by how well we all work together.

This year will bring many challenges for all of us in this industry and as an organization we must face these challenges head on and rise above them. What better way to make that task easier than by working together, getting involved and bringing a fresh perspective to our organization.

Working together also enhances our image with the public and our clients and helps improve our professional image. And that is what we should all strive for, that is a win/win for everyone.

Be advised that PAR has made changes to the “Consumer Notice”. The new form provides additional clarification of the roles and responsibilities of licensees. The text and the format have been modified to improve readability. You can continue to use the previous form until June 13, 2009. After that date, by law, the new “consumer notice” must be used.

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### Dates To Remember...

#### February:

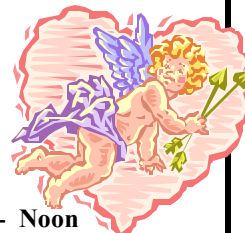
- 2 Affiliate Appreciation Luncheon—Quality Inn
- 6 Finance Friday, Quality Inn 8:30am
- 16 President’s Day  
ASSOCIATION OFFICE CLOSED
- 20 Finance Friday, Quality Inn 8:30am

#### March:

- 2 Winner’s Circle, Luncheon, Quality Inn - Noon
- 8 Daylight Savings Time Begins
- 12 Deadline for MCE Courses on 3/19
- 17 Keystone BOD Meeting—Lebanon Assoc. Office  
St. Patrick’s Day
- 19 2 MCE Courses—Quality Inn
- 20 Spring Begins!
- 25 Ash Wednesday

#### April:

- 6 Luncheon Meeting, Quality Inn - Noon



# FEBRUARY

# IN REAL ESTATE NEWS...

## House Overhauls Hope Program

The U.S. House will vote on a bill to overhaul the Hope for Homeowners program, which by many accounts, has been a flop so far.

Congress approved the program in July with the hope that it would aid 400,000 home owners. So far the program has attracted only 451 applicants and just 25 loans have closed.

"HOPE for Homeowners, was designed to help families refinance into safer, more affordable mortgages, in many cases helping those families avoid a devastating foreclosure," says NAR President Charles McMillan. "Despite being well-intentioned, the HOPE for Homeowners program has had limited success. Lenders have found the program difficult to participate in because of many of the program's constraints."

The proposed revision to the program, which NAR supports, will lower participation standards, cut costs for consumers and reduce the cost of implementation for lenders.

The proposed reform will also provide a safe harbor for mortgage servicers that modify loans and make permanent the increase in deposit insurance to 250,000.

*Source: Reuters News (2/04/09)*

## Senate OKs \$15,000 Bonus for Home Buyers

Housing could get a big boost from the latest addition to the mammoth stimulus bill working its way through Congress.

[Senate legislators unanimously approved a proposal Wednesday](#) that would allow a tax credit for home buyers of 10 percent of the value of new or existing residences, up to a \$15,000 limit. Current law provides for a \$7,500 tax break but only for first-time homebuyers.

"It is time to fix housing first," said Sen. Johnny Isakson, R-G.

Isakson's office said the proposal would cost the government an estimated \$19 billion. In all, the stimulus is now topping an estimated \$920 billion.

In an op-ed that appears in Thursday's Washington Post, President Barack Obama painted a dire picture if Congress fails to move quickly to pass the stimulus bill.

"This recession might linger for years. Our economy will lose 5 million more jobs. Unemployment will approach double digits. Our nation will sink deeper into a crisis that, at some point, we may not be able to reverse," Obama wrote in the op-ed titled, "The Action Americans Need."

*Source: The Associated Press, David Espo (02/05/09)*

## Ten Events That Shook the Real Estate World

*By Austin J. Jaffe, Ph.D., Pennsylvania State University*

It was the top story throughout the country: the poor performance of real estate markets, especially residential housing markets, which have been in crisis in most parts of the country beginning in mid-2006. At the time, few observers, including yours truly, recognized the seriousness of the pending decline. Surely things would "return to normal" in a few months. Property value declines continued through 2007 as the credit crunch grew in intensity. Activities accelerated with additional declines throughout 2008, a year few of us will soon forget.

Well, there is some good news. Pennsylvania is not like the formerly hot markets (e.g., Nevada, California, Florida, Arizona) PA is not even like its western neighbors (e.g., Michigan, Ohio). While PA's population tends to be unevenly distributed across the Commonwealth, few urban areas are in as serious trouble as in those above.

Here is a brief listing and summary of the major events affecting real estate during this period:

**#10:** The term "subprime mortgages" became part of our vocabulary. With continuing increases in housing prices and the availability of cheap mortgage credit, more and more households entered into homeownership. With this tenure, however, came greater exposure to financial risk through a variety of mortgage instruments. These included adjustable-rate mortgages with aggressive resets, interest-only mortgages and mortgages with 40- and 50-year amortizations. Many of the borrowers who used these instruments were riskier than traditional mortgage applicants and were classified as "subprime" or "Alt-A" borrowers. In an expanding housing market with continuously rising prices, the financial risk was not treated very seriously: refinancing or flipping would be preferred options to covering the contractual obligation. However, by late 2006, house prices began to fall and talk of a "housing bubble" appeared to be gaining credibility.

**In PA:** Considerably lower incidence of subprime mortgage borrowing/lending existed than in most states; part of the "PA Story" is the relatively low amount of housing speculation.

**#9:** Foreclosure filings rose significantly during 2007. Typical foreclosure rates in housing markets were a few fractions of 1 percent of the national market. However, with slowing and often declining house prices, the strategy of refinancing to bail out borrowers as they approached resetting of their ARM rates on their subprime loan proved deadly. (Some homeowners never expected to pay the new mortgage payment since it was 50, 75 or even 100 percent of their monthly income!) By early 2007, there were more than 3,000 foreclosure proceedings filed per month throughout the U.S. The use of foreclosures was regarded as a last resort remedy by lenders, since it is costly to file this legal procedure to recover their interests.

**In PA:** Foreclosures are up more than 127% from '07-'08, yet PA ranks 32nd amongst 50 states and DC at about 1/3 the national average. I would expect foreclosures to be problematic

in only a few counties in PA.

**#8:** Financial problems led to bankruptcies. Onnit Mortgage, ResMae Mortgage and New Century Financial, all large residential lenders, failed in early 2007. These institutions were heavily involved in subprime lending (New Century was the second-leading subprime lender after Countrywide Financial, a bank whose trouble came a few months later.) With weakening conditions in residential housing and credit markets, financial troubles multiplied for these aggressive lenders.

**In PA:** I'm not an expert on banks, but if the financial system does not settle down, mortgage lending in PA will definitely be affected. Smaller, state-chartered banks claim they have plenty of funding since they have not been mortgage market players.

**#7:** Mergers and acquisitions grew in the mortgage market. Countrywide Financial showed signs of distress and was acquired by Bank of America in early 2008. Bear Stearns was acquired by JP Morgan in March 2008 with controversial federal government assistance. Lehman Brothers filed for bankruptcy on September 15. Few observers predicted that any of these major institutions would fail. Countrywide grew rapidly into a financial giant with subprime lending. Bear Stearns' stock price plummeted so quickly few knew what had happened (JP Morgan purchased for only \$10 per share using Treasury financing). Lehman Brothers was not rescued but instead let go into bankruptcy. This foreshadowed future rounds: troubles at Fannie Mae and Freddie Mac and AIG (see #5 below), Merrill Lynch sold to Bank of America and Washington Mutual sold to JP Morgan in September. Citigroup tried to acquire Wachovia Bank but the deal fell apart.

**In PA:** Does anyone have new data? My guess is that PA will produce fewer bank failures than other states.

**#6:** Mortgage and mortgage-backed security (MBS) write-downs hit Wall Street. Every major player (except one) wrote off major losses from mortgage and MBS transactions. In the third quarter of 2007, these included UBS (\$10 billion), Morgan Stanley (\$9.4 billion), Merrill Lynch (\$8.4 billion) and many others from \$1-3 billion. These were viewed as shocking losses, especially as a percentage of their portfolios. Yet during the next quarter, the losses were considerably larger. Citigroup announced a \$18.1 billion loss, Merrill Lynch wrote off \$15 billion more, UBS lost \$13.7 billion more, AIG announced \$11.1 billion, Bank of America lost \$5.3 billion, and so on. In the first quarter of 2008, the bleeding continued: Citigroup announced \$13.9 billion more, Merrill Lynch had \$6.5 in additional bad loans, HSBC added \$5 billion more and so on. What was shocking was that these were billion-dollar losses by every firm throughout the industry. The only investment bank to avoid the losses was Goldman Sachs, which sold its holdings early in 2006.

*(Continued on page 7)*

**The Home Inspector Inc.** **David E. Glick**  
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**THE AFFORDABLE HOUSING COUNCIL OF LEBANON COUNTY**

39 N. 12th St. Lebanon, PA 17046  
February 11, 18 & March 4, 11, 18 (Wed. Evenings)  
6:00 p.m. – 9:00 p.m.

Attendance is limited, so registration is required by contacting the Lebanon County Redevelopment Authority at:  
(717) 273-9326.

After completing all sessions, each participant receives a letter of completion. This may entitle you to special opportunities with reduced fees and rates with most council member financial institutions for certain mortgage products.

**Get the JBT mortgage advantage:**

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- ✓ You have the option of local loan servicing
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|              |              |
|--------------|--------------|
| Quentin Road | 717-279-7720 |
| Jonestown    | 717-865-2112 |
| Ebenezer     | 717-274-5421 |
| Lebanon      | 717-273-0405 |
| Newmanstown  | 610-589-1234 |
| Cleona       | 717-279-7655 |
| Grantville   | 717-469-0623 |
| Palmyra      | 717-641-0032 |

Jonestown Bank & Trust Co. 



# EDUCATION...

## Finance Fridays!

Date: Feb.20, 2009

Quality Inn, Lebanon 8:30am—Free Breakfast  
(unless a no show)

Topics: 2/20: Reverse Mortgages, Installment Agreement of Sale, & Short Sales

Reservation Forms on Website—Must Reserve Seat by Tues. 2/17/09

This is the last of four very successful sessions!!

Pennsylvania REALTORS® PRI Institute & the Lebanon County Association of REALTORS® present two MCE classes:

*'Pricing in a Competitive Market' and 'Introduction to Short Sales'.*

Thursday, March 19, 2009

\$50/session Advanced Registration, \$75 walk-in Quality Inn, Lebanon, PA

(Approved for 3.5 hrs. of CE, Reg. Forms on LCAR website)

## HIGH SCHOOL SCHOLARSHIPS...

High School Seniors at Lebanon Co. high schools who are planning to continue their education at a post secondary two or four year college, are invited to apply for one of three \$500 scholarships sponsored by the Lebanon County Association of REALTORS®. Students are asked to write a 500 word essay on "Why You Should Use A Realtor® To Buy or Sell Your Home".

Rules and application for these scholarships have been provided to the Guidance Office of every high school in the County, and have also been posted on the Association News page of our website at [www.lebanon-realtors.com](http://www.lebanon-realtors.com). Deadline for applications is Friday, March 23, 2007. The winners will be announced in April.

## REAL ESTATE LAW

*Approved for 2 broker credits and 30 hours of PA Real Estate Continuing Education Credit for the 2008-2010 cycle.*

**Register:** Phone: 717-364-3205 Fax: 717-364-3206  
(MEMBERS ONLY:) **Register online at [www.ghar.info](http://www.ghar.info)**

**Dates:** February 23 & 25, 2009 March 2, 4, 9, 11, 16, 18, 23, 25, 2009

**Place:** GHAR Office; 424 N. Enola Drive, Suite 1, Enola, PA 17025

**Time:** Monday & Wednesday 5:30 p.m. — 8:30 p.m.

**Cost:** \$330.00, textbook included

**Instructors:** Jim Goldsmith, Esq. and Brett Woodburn, Esq.



## PROFESSIONAL HOME INSPECTION

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  - National Society of Home Inspectors
- National Association of Certified Home Inspectors
  - Lebanon County Association of Realtors
- Pennsylvania D.E.P. Radon certification #2527



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# AFFILIATE MEMBER APPRECIATION DAYS...

The Lebanon County Association of REALTORS® designates every February as Affiliate Member Appreciation month, and at our February 2, 2009 luncheon meeting, Affiliate Members were presented a small token of our appreciation for all the work and support they give us through out each and every year. If you have an opportunity, please thank an Affiliate Member, and patronize their place of business when you can! Here is a current list of all participating Affiliate Members:

| <b>MEMBER NAME</b>  | <b>COMPANY</b>                        | <b>BUSINESS PHONE</b> | <b>BUSINESS FAX</b> |
|---------------------|---------------------------------------|-----------------------|---------------------|
| Roy Meyer           | ACA Mortgage Company, LLC             | (717) 272-6221        | (717) 754-0356      |
| Herb R. Ingram      | AmeriSpec Home Inspection Services    | (717) 397-7047        | (717) 735-3109      |
| Anita Ziegler       | Anita Ziegler Appraisals              | (717) 838-3567        | (717) 838-3302      |
| John E Feather, Jr  | Annville Land Transfer                | (717) 867-1200        | (717) 867-5074      |
| Joselle Confair     | Appraisal Associates of PA            | (570) 379-2407        | (570) 379-2055      |
| Suzanne Johnson     | Cedar Abstract Title Company          | (717) 273-0111        | (717) 273-8944      |
| Douglas A Hummer    | Commerce Bank                         | (717) 805-0951        | (717) 975-0581      |
| Bill Noll           | Countrywide Home Loans                | (717) 533-4014 x-222  | (717) 533-5431      |
| Jim DaGrosa         | DaGrosa Appraisal Company             | (610) 678-0210        | (610) 678-6148      |
| Daniel Lapp         | Daniels Floor Care                    | (717) 933-1607        | (717) 933-5783      |
| Kris Mease          | Edge Abstract of Pennsylvania         | (717) 228-0870        | (717) 228-0879      |
| Ralph Rhode         | First Energy / Met-Ed                 | (717) 270-4402        | (717) 270-4477      |
|                     | First Horizon Home Loans              | (717) 519-1170        | (717) 519-1156      |
| Guy Wentsler        | First National Bank of Fredericksburg | (717) 865-2123        | (717) 865-0395      |
| Michael Fortna      | Fortna Auctioneers                    | (717) 867-4451        | (717) 867-5265      |
| Craig Gates         | Fulton Mortgage Company               | (717) 274-6981        | (717) 274-6596      |
| Tom Albright        | GMAC Mortgage Corp                    | (717) 272-5565        | (717) 272-4509      |
| Tonya Blouch        | Henry & Beaver, LLP                   | (717) 274-3644        | (717) 274-6782      |
| David Glick         | Home Inspector, The                   | (717) 865-0222        | (717) 865-9315      |
| Chuck Berthoud      | Housemaster                           | (717) 533-5955        | (717) 533-4955      |
| James Beard         | James Beard Appraisals                | (717) 838-9636        | (717) 838-0427      |
| Cindy Radnovich     | Jonestown Bank & Trust Company        | (717) 279-7655        | (717) 279-8012      |
| Melissa H Kennedy   | Kennedy Appraisals                    | (717) 932-0845        | (717) 932-0846      |
| Betsy Bowman        | Lebanon Co Redev Authority            | (717) 273-9326        | (717) 273-9936      |
| Frank Kocher        | Lebanon County Builders Association   | (717) 272-6252        | (717) 272-1681      |
| Clare Yingst        | Lebanon Daily News                    | (717) 272-5611        | (717) 274-1608      |
| Tina Gerhart        | Lebanon Federal Credit Union          | (717) 272-2210 x101   | (717) 272-7014      |
| William Harmon      | Lebanon Federal Credit Union          | (717) 272-2210 x101   | (717) 272-7014      |
| Wendi Donmoyer      | Lebanon Land Transfer                 | (717) 274-8085        | (717) 274-7592      |
| Sue Forney          | Lebanon Title Company                 | (717) 273-2360        | (717) 273-1535      |
| Tina Gring          | Maxim Home Mortgage, LLC              | (610) 670-4565        | (610) 927-1385      |
| Debra Brennan       | Members 1st FCU                       | (717) 795-5177        | (717) 795-6023      |
| Beth Haines         | MidAtlantic Farm Credit               | (800) 477-9947        | (717) 393-4472      |
| Cindy Sholly        | MNET Mortgage                         | (717) 892-1914        | (866) 364-8856      |
| Gene Olshefsky      | National City Mortgage                | (800) 530-9115        | (610) 488-9396      |
| Kathy Kulbitsky     | Northwest Savings Bank                | (717) 272-7639        | (717) 272-4946      |
| Traci Deck          | Northwest Savings Bank                | (717) 838-5418        | (717) 838-1938      |
| Geoffrey Manderwicz | Northwest Savings Bank                | (717) 866-2929        | (717) 866-4515      |
| Christian Zellers   | Northwest Savings Bank                | (717) 274-2543        | (717) 270-2809      |
| Karen A. Lund       | Northwest Savings Bank                | (717) 949-2829        | (717) 949-8108      |
| Steven J Rupy       | Priority Appraisals                   | (717) 533-1925        | (866) 449-0378      |
| David Mull          | Professional Home Inspection, LLC     | (717) 808-4668        | (717) 569-3608      |
| Richard Ziegler     | R E Ziegler Inspection Services       | (717) 273-9848        | (717) 273-9964      |
| Tony Fitzgibbons    | Real Estate Transfer Company          | (717) 279-8313        | (717) 272-0918      |
| Lee Reddinger       | Reddinger's Appraisal Service         | (717) 949-3388        | (717) 949-2243      |
| Jennifer Rogoz      | Sisco Appraisal, Inc.                 | (717) 673-3423        | (717) 279-6304      |
| Helene Dougherty    | Sovereign Bank                        | (717) 533-0989        | (717) 533-0561      |
| Peter A. Jones      | Suntrust Mortgage, Inc.               | (717) 533-2924        | (717) 533-2865      |
| Clyde L Patches     | Tri-Valley Contractors                | (717) 277-7674        | (717) 277-7670      |
| Craig Seibler       | UGI Utilities, Inc                    | (717) 270-2526        | (717) 270-2850      |
| Barbara Mark        | YES Financial, LLC                    | (717) 273-2114        | (717) 273-2732      |

## LEBANON COUNTY SOLD STATISTICS...

January 1 - Jan 31, 2009

|                          | <u># Active</u> | <u>\$ Volume</u>     | <u># Sold</u> | <u>Sold Avg</u>   | <u>ADOM</u> |
|--------------------------|-----------------|----------------------|---------------|-------------------|-------------|
| <b>Residential/Farms</b> | <b>867</b>      | <b>\$192,155,853</b> | <b>65</b>     | <b>\$ 145,290</b> | <b>103</b>  |
| Annville-Cleona          | 43              | \$ 11,504,799        | 2             | \$ 143,450        | 57          |
| Cornwall-Lebanon         | 285             | \$ 72,587,718        | 13            | \$ 190,831        | 96          |
| Eastern Lebanon          | 136             | \$ 28,228,965        | 6             | \$ 205,231        | 24          |
| Lebanon City             | 143             | \$ 15,693,500        | 20            | \$ 68,660         | 145         |
| Northern Lebanon         | 121             | \$ 30,252,503        | 12            | \$ 152,616        | 134         |
| Palmyra                  | 139             | \$ 33,888,368        | 12            | \$ 186,682        | 55          |
| <b>Multi-Family</b>      | <b>49</b>       | <b>\$ 10,432,500</b> | <b>1</b>      | <b>\$ 62,500</b>  | <b>121</b>  |
| <b>Lots</b>              | <b>186</b>      | <b>\$ 29,605,345</b> | <b>1</b>      | <b>\$ 90,250</b>  | <b>107</b>  |
| <b>C/I/B Sale</b>        | <b>50</b>       | <b>\$ 35,335,405</b> | <b>1</b>      | <b>\$ 25,000</b>  | <b>0</b>    |
| <b>C/I/B Lease</b>       | <b>5</b>        | <b>\$ 140,632</b>    | <b>0</b>      | <b>\$ 0</b>       | <b>0</b>    |
| <b>County Total</b>      | <b>1,157</b>    | <b>\$267,669,735</b> | <b>68</b>     | <b>\$ 141,494</b> | <b>101</b>  |

These figures are based on data supplied by the Keystone Multi-List, Inc.

Neither the Lebanon County Association of REALTORS® nor the MLS guarantees its accuracy.

Data maintained by the MLS may not reflect all real estate activity in the market area of Lebanon County.



## LEBANON COUNTY SOLD STATISTICS...

January 1 - Jan 31, 2008

|                          | <u># Active</u> | <u>\$ Volume</u>     | <u># Sold</u> | <u>Sold Avg</u>   | <u>ADOM</u> |
|--------------------------|-----------------|----------------------|---------------|-------------------|-------------|
| <b>Residential/Farms</b> | <b>842</b>      | <b>\$177,554,952</b> | <b>58</b>     | <b>\$ 148,077</b> | <b>98</b>   |
| Annville-Cleona          | 38              | \$ 11,300,097        | 2             | \$ 155,500        | 297         |
| Cornwall-Lebanon         | 249             | \$ 57,050,462        | 15            | \$ 147,263        | 120         |
| Eastern Lebanon          | 94              | \$ 23,157,545        | 5             | \$ 232,160        | 73          |
| Lebanon City             | 183             | \$ 16,637,903        | 18            | \$ 73,522         | 86          |
| Northern Lebanon         | 147             | \$ 32,633,362        | 7             | \$ 204,298        | 112         |
| Palmyra                  | 131             | \$ 36,775,583        | 11            | \$ 195,840        | 55          |
| <b>Multi-Family</b>      | <b>58</b>       | <b>\$ 8,986,860</b>  | <b>8</b>      | <b>\$ 157,388</b> | <b>113</b>  |
| <b>Lots</b>              | <b>233</b>      | <b>\$ 38,237,950</b> | <b>3</b>      | <b>\$ 139,333</b> | <b>366</b>  |
| <b>C/I/B Sale</b>        | <b>52</b>       | <b>\$ 33,411,149</b> | <b>1</b>      | <b>\$ 135,000</b> | <b>105</b>  |
| <b>C/I/B Lease</b>       | <b>4</b>        | <b>\$ 87,899</b>     | <b>0</b>      | <b>\$ 0</b>       | <b>0</b>    |
| <b>County Total</b>      | <b>1,189</b>    | <b>\$258,278,810</b> | <b>70</b>     | <b>\$ 148,580</b> |             |

These figures are based on data supplied by the Keystone Multi-List, Inc.

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**Ten Events That Shook the Real Estate World** (cont'd from pg.3)

**In PA:** There will continue to be fallout from this Wall St. turmoil. Weak financial markets are taking their toll on financial industries in PA.

**#5:** Fannie Mae and Freddie Mac became illiquid and nationalized on September 7. AIG, the giant international insurance company, was bailed out with a government loan of \$85 billion on September 17. The cost of the Fannie/Freddie acquisition was estimated to be \$200 billion and as this goes to press, the cost of supporting AIG continues to rise, now perhaps as much as \$150 billion. Fannie Mae and Freddie Mac were the government-supported enterprises (GSEs) which made the secondary mortgage market. In this role, they had enormous holdings and influence on mortgage finance in the US. AIG's business extended to about 130 countries in a variety of ways, including writing credit default swaps, an instrument used to insure firms' corporate bonds between institutions.

**In PA:** Mortgage lenders are limited (as elsewhere) with the freezing of credit and mortgage markets. The experience of liquidity 'sloshing about' including mortgage credit, is definitely over for some time. No more easy credit and loose lending standards for years to come.

**#4:** "Underwater" took on a new meaning. With growing property values, equity down payments and systematic equity build-up through amortization of typically fixed rate mortgages, borrowers rarely, if ever, owed more than the property was worth. No more: the era of "underwater homeowners" was upon us. By 2008, it was estimated that 12-20 percent of homeowners owed more money than their houses' market value. This level was about 7.5 million homeowners but may go as high as 15 million, experts say. However, the early signals existed but were widely neglected: in 2006, 30 percent of new mortgages had no down payments. As soon as prices began to fall, many homeowners were "drowning."

**In PA:** Since property values have not dropped very much in most PA cities, negative equity is a relatively rare experience. Nonetheless, where negative equity conditions occur, watch for defaults and foreclosures, just like anywhere else. PA numbers will be smaller, but the pain will be just as tough for those involved.

**#3:** The federal government took an active and historic role in the mortgage markets. Not since the 1930s was the financial system so affected. Working with the Federal Reserve Bank, the Treasury Department developed a wide range of new tools for making credit available to banks and other institutions, often for the first time. In addition, the Hope for Homeowners program was created by and housed at FHA, to rescue homeowners facing foreclosure. Begun October 1, it is expected to save as many as 400,000 households from foreclosure. The results were slow to come in and delinquencies

and foreclosures continued to rise. The number of foreclosures is now expected to reach 2.5 to 3 million households, so even if the \$300 billion Hope program reaches all 400,000 households, it will only help a fraction of those in trouble. A larger and increasingly controversial rescue package was passed on October 3 for \$700 billion and included the option of purchasing mortgages and assistance for Fannie and Freddie. With an additional \$150 billion, the federal government's commitment was more than \$1 trillion to this financial crisis, not counting the earlier bailouts!

**In PA:** Weakening economy will exasperate problems in mortgage markets: just announced 6.7% unemployment rates. Mortgage lending in PA will return, but at a slower pace.

**#2:** The nation continued to witness declining house prices. Once thought to be impossible, at least over an extended period of time, there was no doubt that house prices have fallen throughout the country, including now in Pennsylvania. In some markets, the price declines were as much as 40 percent from their peak prices. In other cities, prices had fallen about 10-15 percent. With an increasing supply of houses due to foreclosures, prices continued to fall in most cities. However, aggressive pricing of foreclosed properties has led to a slight uptick in sales activities. For example, it is reported that number of sales is up significantly in Los Angeles as buyers venture into the market at rock-bottom prices. Yet forward contracts as well as the leading indices suggest future price declines in 2009. The bottom did not appear to be forthcoming ... yet.

**In PA:** Since housing markets tend to lag national figures, expect greater losses than in previous periods. However, PA changes will never be as significant as in many other states.

**#1:** Finally, welcome to 2009: the "year of the thaw." CNN is cautiously predicting that by mid-2009, the recession will be coming to a close and while the ride has been truly bumpy, it is not nearly like a depression in a variety of ways. Unemployment in the 1930s reached nearly 25 percent, GDP fell significantly more than 10 percent and stock and house prices fell as much as 90 percent. No doubt, those who have been laid off feel the crunch and unemployment rates are expected to continue to rise. Shareholders in many well-known firms cited above have been wiped out. Housing markets have slowed significantly, even in stronger markets including parts of Pennsylvania, causing reductions in transactions and at lower prices throughout the industry. A new year is upon us and there are hopes and prospects of a recovering economy. These events have truly shook our world but the future continues to look bright.

**In PA:** If the general economy continues to decline, "all bets are off" however, I expect the second half of '09 to be much better for PA housing markets. We are fortunate that while a thawing in PA is welcome, it is not as desperately needed as in many other states. In conclusion, '08 is likely to be the most difficult year in real estate since the '30's and it appears the recovery begins in '09. However much depends on politics, the economy, and housing inventory. Reminder: local markets aren't identical to national ones, but are often positively correlated.

**Lebanon County Association of REALTORS® ? Phone: 717-272-6126 ? Fax: 717-270-5668**  
**Email: [mary@lebanon-realtors.com](mailto:mary@lebanon-realtors.com) or [laura@lebanon-realtors.com](mailto:laura@lebanon-realtors.com)**

# COUNTY OF LEBANON - TAX RATES

## PREPARED BY LEBANON COUNTY COMMISSIONERS OFFICE

|                   |        | REAL ESTATE - MILLS |        |        | PER CAPITA |         | LST/OCCUPATION |         |
|-------------------|--------|---------------------|--------|--------|------------|---------|----------------|---------|
|                   | COUNTY | MUNICIPAL           | SCHOOL | TOTAL  | MUNICIPAL  | SCHOOL  | MUNICIPAL      | SCHOOL  |
| City of Lebanon   | 20.0   | 17.0                | 113.51 | 150.51 | --         | \$10.00 | \$52.00        | \$10.00 |
| <b>BOROUGHES</b>  |        |                     |        |        |            |         |                |         |
| Cleona            | 20.0   | 18.8                | 88.96  | 127.76 | \$5.00     | --      | 52.00          | --      |
| Cornwall          | 20.0   | 6.0                 | 91.08  | 117.08 | --         | 10.00   | --             | --      |
| Jonestown         | 20.0   | 10.0                | 79.5   | 109.5  | 5.00       | 10.00   | --             | --      |
| Mt. Gretna        | 20.0   | 15.97               | 91.08  | 127.05 | --         | 10.00   | --             | --      |
| Myerstown         | 20.0   | 15.5                | 91.65  | 127.15 | 5.00       | 10.00   | 52.00          | --      |
| Palmyra           | 20.0   | 17.5 **             | 88.25  | 125.75 | 5.00       | 10.00   | 52.00          | --      |
| Richland          | 20.0   | 8.5                 | 91.65  | 120.15 | 5.00       | 10.00   | 52.00          | --      |
| <b>TOWNSHIPS</b>  |        |                     |        |        |            |         |                |         |
| Annville          | 20.0   | 20.0                | 88.96  | 128.96 | --         | --      | --             | --      |
| Bethel            | 20.0   | 3.3                 | 79.5   | 102.8  | 5.00       | 10.00   | \$10.00        | --      |
| Cold Spring       | 20.0   | --                  | 79.5   | 99.5   | --         | 10.00   | --             | --      |
| East Hanover      | 20.0   | 1.5                 | 79.5   | 101.0  | --         | 10.00   | --             | --      |
| Heidelberg        | 20.0   | 4.8                 | 91.65  | 116.45 | 5.00       | 10.00   | --             | --      |
| Jackson           | 20.0   | 1.5                 | 91.65  | 113.15 | 5.00       | 10.00   | --             | --      |
| Millcreek         | 20.0   | 5.0                 | 91.65  | 116.65 | 5.00       | 10.00   | 52.00          | --      |
| North Annville    | 20.0   | --                  | 88.96  | 108.96 | --         | --      | --             | --      |
| North Cornwall    | 20.0   | 8.0                 | 91.08  | 119.08 | 5.00       | 10.00   | 52.00          | --      |
| North Lebanon     | 20.0   | 8.0                 | 91.08  | 119.08 | 5.00       | 10.00   | 52.00          | --      |
| North Londonderry | 20.0   | 9.0                 | 88.25  | 117.25 | --         | 10.00   | 52.00          | --      |
| South Annville    | 20.0   | 6.0                 | 88.96  | 114.96 | --         | --      | --             | --      |
| South Lebanon     | 20.0   | 8.5 *               | 91.08  | 119.58 | --         | 10.00   | 52.00          | --      |
| South Londonderry | 20.0   | 9.0                 | 88.25  | 117.25 | --         | 10.00   | 52.00          | --      |
| Swatara           | 20.0   | 2.0                 | 79.5   | 101.50 | 5.00       | 10.00   | --             | --      |
| Union             | 20.0   | 2.0                 | 79.5   | 101.5  | 5.00       | 10.00   | 52.00          | --      |
| West Cornwall     | 20.0   | 3.5                 | 91.08  | 114.58 | --         | 10.00   | --             | --      |
| West Lebanon      | 20.0   | 17.5                | 113.5  | 151.0  | --         | 10.00   | 52.00          | \$10.00 |

January 1, 2009 to June 30, 2009

Assessment Ratio

# ASK THE ATTORNEY...

## POA's and Attorneys-In Fact

Power of Attorney (POA) refers to the authority conferred upon a person to lawfully act on behalf of another. The person who has been conferred this power is referred to as an attorney-in-fact. We think about preparing a POA when we consider our failing health, while preparing wills, or when considering the management of personal affairs.

Frequently, REALTORS® come in contact with attorneys-in-fact and POAs when listing the property of an older person. Someone who has moved to a managed healthcare facility may not have the physical or mental ability to list and sell a home.

A POA can only be signed by a competent adult (one who has the mental ability to understand generally the nature and value of assets owned, and the persons who should benefit from gifts or after-death bequests). There are legal definitions of competency in Pennsylvania and occasionally physicians are called upon to offer expert testimony as to competency at the time the POA was signed. While we presume that the principal was competent when completing the POA forms, we must remember that it would be inappropriate to suggest getting a POA for someone now incompetent. For a person already incompetent, the family of the incompetent will have to seek a court adjudication of incompetency and the appointment of a guardian who will then have the legal authority to list and sell property.

POA forms are generally not recorded with the Recorder of Deeds unless and until a transaction involving an attorney-in-fact takes place. So, if someone approaches you and tells you they are an

attorney-in-fact for an incompetent, don't expect to see any evidence of this at the courthouse.

You do need to review the POA forms to assure that the attorney-in-fact is indeed named in that capacity. You will need to read the form to assure that it grants the attorney-in-fact the authority to list and sell real estate. We generally think of "durable" POAs that confer the broadest of all authority on the attorney-in-fact. This is not always the case and sometimes you will run across limited forms that confer limited authority, or even authority limited to a specific period of time.

How will you know that the POA form is a valid document that meets Pennsylvania law? As a listing agent, you may want to confirm that fact with the lawyer who prepared it. If there is already a buyer involved at the time you receive the sellers POA, a copy should be given to the buyer so that it can be reviewed by the buyer's legal counsel. An original will have to be produced no later than settlement and will have to be recorded with the deed that will be signed by the attorney-in-fact. Brokers should also make an effort to have some understanding of what constitutes a valid POA form in Pennsylvania so that they can help answer questions of their salespersons. And brokers, don't hesitate to have forms reviewed by your legal counsel as soon as possible after you learn that the seller's affairs are being handled by an attorney-in-fact.

The Pennsylvania Licensing and Registration Act requires that you have the authority of all owners when listing property. In the case of an incompetent, you will need the permission of the attorney-in-fact, or the guardian of the estate of the incompetent who will be required to sign a listing agreement. Taking a listing without the signature of an appropriate representative of the incompetent can lead to trouble before the Real Estate Commission.

Keep in mind that Pennsylvania law does not exempt incompetents who are represented by attorneys-in-fact from completing a Seller's Property Disclosure Form. Obviously, an incompetent is unable to complete a form so it will have to be done and signed by the attorney-in-fact. The attorney-in-fact should indicate in writing on the disclosure form that his or her knowledge of the subject property is limited. In many cases the attorney-in-fact will be a child who once lived in the property and may have some special knowledge. He or she would be able to provide greater information than an attorney-in-fact who never lived there. If an attorney-in-fact is completing the disclosure form for a property that has been managed by a real estate company, information from the company could be used to better complete the disclosure form.

The use of POAs and attorneys-in-fact is common. Having a better understanding will assure that the proper forms are in place, that you can list the property without fear of violating law, and that settlement will occur as intended. Assuming that everything is in order without verifying the legality of forms, or their existence, is a sure fire way to broach disaster.

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## MORTGAGE COMPANY OR BANK?

## WHY NOT BOTH?



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Mortgage Loan Officer  
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Craig Gates  
Mortgage Loan Officer  
717.274.6981

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# MEMBER CORNER...



*Happy  
Birthday To...*

## *February*

- 4 Helene Dougherty, Sovereign Bank
- 4 Traci Deck, Northwest Savings Bank, Palmyra
- 5 Betsy Bowman, Lebanon Co. Redevelopment Auth.
- 5 Bonita Koller, Century 21 Krall Real Estate
- 5 Irene Pickett, Century 21 Krall Real Estate
- 9 Fred Schaeffer, Mt Gretna Realty
- 10 Steve Yocklovich, Re/Max of Lebanon County
- 11 Don Griffith, Griffith Group Realty
- 11 Monica Kapp, Help-U-Sell of Lebanon
- 11 Daniel Lapp, Daniels Floor Care, LLC
- 11 John Tice, Jack Gaughen Hershey
- 14 Kimberly Gassert, Prudential HSG
- 15 Eddie Rowe, Custom Real Estate
- 18 Daniel Pellman, Prudential Gacono Real Estate
- 18 Catherine Kreider, Prudential HSG
- 21 Arlene Zellers, Prudential Gacono Real Estate
- 22 Cindy Sholly, MNET Mortgage
- 23 Wes Dellinger, Brownstone Real Estate
- 23 Roger Myers, Suburban Realty
- 23 Logan Matthew, Custom Real Estate
- 24 Roman Yudenko, Griffith Group Realty
- 25 Roy Shirk, Suburban Realty
- 26 Jeff Carpenter, Re/Max Cornerstone
- 26 Bethany Light, Suburban Realty



## *Newsletter Committee*

- |                  |                                     |
|------------------|-------------------------------------|
| * Brenda Miller  | Re/Max Cornerstone<br>273-5501      |
| * Debbie Carroll | Century 21 Krall<br>273-1631        |
| Craig Gates      | Fulton Mortgage Company<br>274-6981 |
| Kris Mease       | Edge Abstract of PA<br>228-0870     |
| Brenda Wurges    | Re/Max Cornerstone<br>273-5501      |

If you have any ideas or articles for the "Board Briefs", please call any committee Member or the Association Office at 272-6126. You may also fax items to 270-5668, or e-mail them to Julie Osborne at [secretary@lebanon-realtors.com](mailto:secretary@lebanon-realtors.com)

## COMINGS & GOINGS...

**REALTOR® Member Escrows:**  
Thomas Hess, Integrity First

**REALTOR® Member Transfers:**  
Roni Funk, Lighthouse Realty Group

**New Affiliate Members:**  
Jerry Berman, Jerry L. Berman Appraisals, Inc.

## **GUESS WHO?**

Guess who this is; fax correct answer to Julie at the Association office, and be entered in a drawing to win a gift certificate for a free car wash !



**MOST PEOPLE WOULD BE SURPRISED TO KNOW THAT I...**  
Don't like Elvis, but played trumpet in an Elvis tribute band.

**WHEN I WAS A CHILD I WANTED TO BE A ... WHEN I GREW UP:** A Garbage Truck Driver

**MY FAVORITE JUNK FOOD & DRINK/COCKTAIL Is...**  
Chocolate Cake w/ Peanut Butter Icing—Yingling Lager, Rum & Coke, Brandy, Whiskey

**MY IDEAL VACATION WOULD BE...** All Inclusive Resort on a Tropical Island

**MY FAVORITE MOVIE(S)...**Original 'King Kong', Old Monster Movies

**MY HOBBIES & INTERESTS:** Pool, Music, Sports Cars— I have a '63 Corvette Convertible

**IF I WERE STRANDED ON AN ISLAND, THE 3 ALBUMS/CD'S I COULDN'T LIVE WITHOUT WOULD BE:** Beatles: Sgt. Pepper's Lonely Hearts Club Band, Pink Floyd: Meddle, Grateful Dead: American Beauty (hard to pick only 3)

**MY MOST EMBARRASSING MOMENT WAS:** Never had one.

**MY BIGGEST PET PEAVE IS .....:** Clients who are late without a good excuse.

**MY IDEA OF A PERFECT DAY IS .....:** Wake up to bright sunshine, no appointments, take a drive in my corvette, picking a direction with no special place in mind.

# Thank you Affiliate Members!



Affiliate Attendees at the Feb. luncheon: Dave Glick, Jamie Roth, Wendy Donmoyer, Kathy Kulbitsky, Andrea Cooke, Jason Leach, Ann Decker, David Mull, Cindy Sholly, Kelly Woefling, Tina Gring, Betsy Bowman, Craig Gates, Brenda Herring-Ferrebee, Kris Mease, Peter Jones (attended but absent from photo)

## OUR DEEPEST SYMPATHY...

- ✧ To **Peggy Seibert**, Penn Realty, and her family after the death of her mother, Lucille Jeanette Collins, on Feb. 5, 2009.
- ✧ To **Virginia Centini**, Help-U-Sell, and her family after the death of her father-in-law, Joseph V. Centini, on Feb. 5, 2009.
- ✧ To **Frank Kocher**, LCBA, and his family after the death of his mother, Betty Kocher, on Feb. 9, 2009.

*Our thoughts & prayers are with you at this time of sorrow.*



## GET WELL WISHES

**Caroline Rissinger** is in need of get well wishes right now to help battle her illness. Caroline worked at C21 Krall and was a member of LCAR up until her retirement. She is also the aunt of Carol Cortright. Please send your best to Caroline.

PO Box 67  
Bethel, PA 19507



## Member Profile **Mike Holland** Prudential Homesale Services Group

### WHAT I DID BEFORE REAL ESTATE:

Accounting, Software Consultant

### YEAR STARTED :

2002

### I CHOSE A CAREER IN REAL ESTATE BECAUSE:

My wife and sister encouraged me to get my license as something to do in my spare time!

### CAREER HIGHLIGHTS, AWARDS, RECOGNITIONS, OR ACHIEVEMENTS :

Two 'Manager of the Year' awards, but honestly, I'm more excited and proud when my agents get recognition.

### MY BIGGEST CHALLENGE AS A REALTOR® IS:

Dealing with 'no' (people with negative attitudes)

### BIGGEST MISCONCEPTION ABOUT THE INDUSTRY:

That it's a bad market in Central PA.

### IF I WEREN'T A REALTOR, I'D BE:

Better at Golf!

### MY MOST EMBARRASSING REALTOR® MOMENT WAS:

My customer and myself were greeted by a seller wearing a see-through negligee at a showing. She couldn't understand why we didn't want to see the house.

### MY "DREAM" HOME WOULD BE :

A townhome in our area and another in the Bahamas.

### BEST ADVICE I COULD GIVE TO OTHERS:

Find someone hardworking & honest and do everything they do; Set aggressive goals & focus on them, not the obstacles along the way; Protect your attitude; Give to others without expecting anything in return.

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# FEBRUARY 2009



| Sun | Mon  | Tue | Wed  | Thu   | Fri   | Sat  |
|-----|--|-----|--|---|---|--|
| 1   | 2<br>Affiliate Appreciation Luncheon<br>  | 3   | 4  | 5<br>Art Auction Meeting<br>        | 6<br>Finance Friday<br>            | 7  |
| 8   | 9<br>Program Meeting<br>                | 10  | 11   | 12  | 13  | 14<br>Valentine's Day<br> |
| 15  | 16<br>President's Day Office Closed<br> | 17  | 18<br>Public Relations Mtg. 9am<br>MLS Training 1pm<br> | 19<br>Newsletter Meeting 10am<br> | 20<br>Finance Friday 8:30 am<br> | 21   |
| 22  | 23   | 24  | 25<br>LCAR BOD Mtg. -Exec. Comm. 8:45, Board 9:15am<br> | 26  | 27  | 28   |

## SAVE THE DATE:

**Golf Outing: Early June, exact date TBA**

**Triple Play: Dec. 7-10th, 2009**

**Art Auction: October 9, 2009**

**Christmas Party: Dec 11, 2009**

## **LCAR MISSION STATEMENT:**

The Lebanon County Association of REALTORS® (LCAR) actively serves its' members needs by providing programs, products, and services to enhance ethical and successful business conduct; and, through collective action, advocating private property rights.