

Experts Are Predicting a Surge in Foreclosures, But I See the Situation Differently

With the continued high unemployment rate and the expiration of Pandemic Unemployment Assistance (PUA), many homeowners are hurting, so it makes sense that we may have a foreclosure crisis in our future.

CoreLogic reported recently that back in June (when the Feds were still sending \$600/week in PUA to Americans) the share of mortgages with payments 90 to 119 days late had already risen to 2.3%, "the highest level in 21 years." A rate that high could result in a foreclosure crisis, the report said. Not only could millions of families potentially lose their home, but that would also create downward pressure on home prices.

But I see the situation differently, and after consulting with **Jazzann Riggs of The Mortgage Network**, here's why I don't expect that flood of foreclosures.

First of all, foreclosure should

REAL ESTATE TODAY



By **JIM SMITH**, Realtor®

only happen when a seller owes more on their home than it is worth. That's because sellers lose all their accumulated equity in a foreclosure, and most people have accumulated a *lot* of equity thanks for the sellers' market we have been experiencing.

Secondly, federally mandated forbearance is in effect, which is unlike the forbearance which delinquent borrowers may have enjoyed in the past. Under the current plan, lenders add extra payments at the end of the loan instead of requiring any kind of catch-up payments. This mandate could be extended, too.

The only people likely to face foreclosure will be those who *recently* took out 100% VA loans or 96.5% FHA loans or conventional loans with only 3% down payment, and for whom there is hardly any equity to lose in a foreclosure action.

Being on forbearance doesn't

affect one's credit rating even though you are not making payments (again, part of the federal mandate), but once you resume payments, you need to make a minimum of three on-time payments to qualify for a Fannie Mae or Freddie Mac loan, which will restrict your ability to sell your home and purchase a replacement home. Some lenders require six months post-forbearance loan payments.

That, too, will slow down any surge in what are known as "distressed listings."

Next Week:

Green Homes & Electric Cars

The **Metro Denver Green Homes Tour** is the first Saturday in October each year, so next Thursday, Oct. 1, I'll devote my column to a preview of this all-virtual tour. You can pre-register for it (it is free this year!) at NewEnergyColorado.com/home-tour.

The only part of the event which will be in-person is the showcase of over 20 electric vehicles in the parking lot of Golden Real Estate that same **Saturday, Oct. 3, 2-5 pm.**

Price Reduced on Golden Home on 0.78-Acre Lot



This beautifully updated home sits on a large corner lot with breathtaking views from the balconies off both bedrooms. Enjoy views of North Table Mountain and the Boulder flatirons. The sellers realize that the best use of this parcel may be redevelopment, such as has happened both north and south of it, since the 0.78-acre lot is large enough for several homes or condos. Meanwhile, this is a lovely home with a gated driveway with lots of space for all your toys! With three sheds, including one that is 20' x 50' with heat and electricity, you have lots of covered storage. Inside the home you will love the gourmet kitchen and fabulous tiled bathrooms. Originally a 1901 farmhouse gutted and rehabbed in 2011, this home has all updated electrical and PEX plumbing throughout. It comes with wine fridge too! More details, picture and video tour are at www.FairmountHome.info. It will be open this **Saturday, 11am to 2pm.**

Golden Real Estate Welcomes New Broker Associate

Tyler Scoble has joined Golden Real Estate as a broker associate. Ty (as he likes to be called) has been a licensed broker for 7 years. Within that time, he has gained extensive experience in the property management business. He also is well versed with fix-and-flip projects.



Ty and his wife live in the 12th Street Historic District of Downtown Golden. They welcomed their first child in March. He got to know us when we donated a Black Lives Matter banner to Golden United. Ty is a co-chair of the **Golden Anti-Racism Collective** and his group led a community effort to hang the banner under the Welcome Arch in downtown Golden.

After much community discussion, the council decided to hang a Golden specific banner that reads "Golden Stands with Black Lives" for sixty days (not all consecutive).

Like his fellow agents at Golden Real Estate, Ty will specialize in residential real estate, but is open to helping renters and landlords. If the right opportunity presents itself, he may open a property management division under our name and license. In a previous management position, Ty oversaw 240 units in 12 buildings in Downtown Denver.

My broker associates and I welcome Ty to the Golden Real Estate team. You can reach him anytime at **720-281-6783.**

This Lakewood Patio Home Is Now Ready to Show

This 3-bedroom, 4-bath home at **9695 W. LaSalle Avenue**, which was listed several weeks ago, is now vacant and ready for showing starting this Friday. It's located in the gated Primrose Above Bear Creek subdivision, west of Old Kipling Street adjacent to the Bear Creek Greenbelt. Take a narrated video tour at www.LakewoodPatioHome.info, then come to our open house this **Sunday, Sept. 27th, noon to 2 p.m.** or call your agent or Jim Smith at **303-525-1851** for a showing. Enjoy care-free and maintenance-free living in this lovely and peaceful gated community. In addition to a main-floor master and laundry, there's a second master and loft upstairs, a home theater and third bedroom in the finished basement. On the website, you'll see pictures of the subdivision's clubhouse and swimming pool, plus the nearby trails and amenities of the greenbelt.



A Reader Asks How to Handle Inspection Objections

Inspection is the first and biggest hurdle in any contract to buy and sell a home. It's an area in which experience by your agent really counts!

Usually the buyer will only ask for serious issues to be addressed by the seller. The seller rarely agrees to all the demands, nor is that expected. A common practice is to fix the easy

items but give the buyer a price reduction or credit toward closing costs in lieu of making the big dollar repairs. When the buyer wants older appliances that are still working replaced, one solution is for the seller to purchase a home warranty covering those and other appliances.

Good luck with your inspections!



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