

September, 2012



Dear Friends and Clients,

Can't believe we're into fall! I feel like I've hardly had any time for summer...!

In this newsletter, Don shares about his recent experience doing FEMA inspections in New Orleans after hurricane Isaac, but more importantly, his visit back to Pascagoula, Mississippi, to visit families who were deeply affected by Katrina 6 years ago.

But first, here's the latest updates on what's been happening to our real estate market over the last couple of months of summer – and a potential warning to homeowners who may be either thinking of doing a loan mod (with a principal reduction) or a short sale on either an investment property or their personal residence.

H.R. 3648 expires December 31...so what?



This *temporary* law (the Mortgage Debt Relief Act of 2007) was meant to provide relief to homeowners who were foreclosed upon, or more commonly today, choose to do a short sale. **The issue?**

Any time debt is forgiven, the IRS considers that debt forgiveness *as income (and thus taxed)*. So unless Congress extends the deadline, many homeowners in 2013 (in just 3+ months!) could unknowingly be faced with a huge tax bill if they choose to do a short sale (or worse yet, be forced into a foreclosure). And whether it's a short sale or foreclosure, they'll be 1099'd by their lender.



But on to better news – it appears our Ventura County real estate market is slowly healing itself.

Home sales are up, foreclosures are down, and more specifically, I'm now seeing that in some segments **average sold prices are higher than the average list prices.**



For those interested in all my monthly statistics for homes sold, price trends and the like, you can see the latest on our website at DonNelsonTeam.com

Above all, **thank you** for remembering Don and me when you meet someone thinking about buying or selling! We never take for granted the power of a referral from a trusted friend or family member!

Leslie Nelson

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Hi friends and clients,

When disaster strikes across a broad swath of the United States, FEMA needs hundreds of inspectors to immediately deploy to assess damage to the homes. Katrina was a wake-up call for politicians and they've responded by setting up rapid response teams to handle those issues.



I'm one of those inspectors who's "on call". I spent 3 weeks last year in New York and New Jersey working hurricane Irene and just got back from New Orleans dealing with hurricane Isaac.



For me, these deployments are a kind of perverse "vacation" – work that's so different from my "day" job. We work 7 days a week, sunrise to sun down (and later!), with lots of frustrations but ultimately, fun to look back on.

Kids are always curious! They tag along and I've enjoyed putting the younger ones to "work" – how? Since I need to measure the size of each home with a measuring wheel, I would enlist a "wheel man" or a "wheel girl". The kids take it seriously, very focused, and the parents enjoy watching them measure.

But a main reason I wanted to go on this Isaac deployment was to see if I could hook up with people Leslie and I worked with in Pascagoula, Mississippi, after Katrina. Many men (and women) from churches in Ventura volunteered time taking one week work trips, focusing on widows, single moms and families with special needs. Their homes were destroyed and needed all new drywall, kitchens, etc.

So with a few hours free one afternoon I drove from New Orleans to Pascagoula. Unannounced, I just showed up and was so pleased to see many of them again! Each has a harrowing Katrina story to tell...



Bobby and Linda had their roof blown off and as over 4' of storm surge slowly came up, watching as it went over the hoods of their cars and starting into their home...how high would it go? Fortunately, the surge stopped and because their home is raised about 3 feet it became "high ground" for area homes. I had the privilege of helping a volunteer contractor from Ohio replace that roof on one of my trips.



Thelma is a beautiful woman whose home was closer to the gulf and suffered extensive damage. Many volunteers made multiple trips down to the gulf and slowly hung new drywall, did plumbing and electrical work and ultimately got her home back to the beautiful home it once was.

You can't tell from this quick shot, but we had a great time laughing and reminiscing about the volunteer teams she got to know from 6 years ago.



Julia is a woman with a 32 year old mentally disabled daughter. I didn't know if her husband Charles was home, and when I asked, she said he'd passed away in 2007. Life can be really tough sometimes. But in this photo, I'm holding a photo taken just after Katrina of Charles and a volunteer contractor who organized the work groups for their home. So that's how I spent my summer vacation! Don