

White Rose Newsletter

News to Help You Build Your Business

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Assumptions Lead To Impatience

In the days when an ice cream sundae cost much less, a 10 year old boy entered a hotel coffee shop and sat at a table. A waitress put a glass of water in front of him. "How much is an ice cream sundae?" he asked. "50 cents," replied the waitress. The little boy pulled his hand out and studied the coins in it.



"How much is a dish of plain ice cream?" he inquired. People were now waiting for a table and the waitress said impatiently, "35 cents." The boy again counted the coins. "I'll have plain ice cream," he said.



The waitress brought the ice cream, put the bill on the table and left. The boy finished the ice cream, paid the cashier and departed.

When the waitress came back, she began wiping down the table and then swallowed hard at what she saw. There, placed neatly beside the empty dish, were 15 cents – her tip.

As I read this, it reminds me to be less impatient. After all, I may be the one who's in the wrong.

Fitch: Housing market getting ready to grow By Ben Lane

Citing recent "encouraging economic and housing data," analysts from Fitch Ratings expect an accelerated upturn in housing in the remainder of 2014.

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In Fitch's The Chalk Line report for Summer 2014, Fitch analysts Robert Curran, Monica Delarosa and Robert Rulla write that the projected growth in housing will last throughout 2015 and lead to a much stronger year than 2014 is proving to be. "Demographics, attractive affordability/housing valuations, and a slow, steady easing in credit standards should sustain and ultimately accelerate the upturn," the analysts write. "The latest economic and housing macro statistics are generally encouraging."

The analysts say that 2014's performance is fighting an uphill battle after an unexpectedly strong winter put a significant dent in the housing market in the first few months of the year. "The spring selling season was underwhelming enough that this, along with more guarded expectations for the next few months, will lead to more modest growth for

macro housing statistics before the year is through,” said Robert Curran, Fitch’s managing director and lead homebuilding analyst.

Fitch is now projecting single-family home starts to improve 9.5% to 677,000 in 2014. It is also projecting new home sales to advance about 8% to 465,000 and existing home volume to decline 5% to 4.835 million, “largely due to fewer distressed homes for sale,” the analysts write.

According to a recent report from the National Association of Realtors, existing home sales are at the highest pace since October 2013, but remain 2.3% below the 5.16 million-unit level a year ago. The NAR report projects that existing home sales will reach beyond the 4.835 million suggested by Fitch’s analysts. According the NAR report, total existing home sales, which are completed transactions that include single-family homes, townhomes, condominiums and co-ops, climbed 2.6% from May 2014 to a seasonally adjusted annual rate of 5.04 million.

Fitch’s analysts predict that the despite the modest forecast, 2015 is going to be a big year for housing. “Growing strength in the economy, employment and demographics should positively influence housing next year.” “Total housing starts are projected to expand 16% to 1.185 million as single-family starts advance 21% and multifamily volume gain 6.7%. New home sales should improve more than 20%, while existing home sales rise 5%.”

From a macro prospective, Fitch’s analysts are predicting an economic improvement for the country as a whole. “Housing metrics should increase in 2014 due to moderate economic growth during the last three quarters of the year (prompted by improved household net worth, industrial production and consumer spending), and consequently some acceleration in job growth (as unemployment rates decrease to 6.2% for 2014 from an average of 7.4% in 2013), despite somewhat higher interest rates, as well as more measured home price inflation,” the analysts write.

They are predicating a gross domestic product increase of 5% from 2014 to 2015, driven by increases in construction spending and housing. Fitch’s analysts expect single-family housing starts to increase by 21% in 2015 over 2014’s total. New and existing home sales are expected to increase significantly as well.

“Demographics should be more of a positive catalyst,” the analysts write. “More of those younger adults who have been living at home should find jobs and these 25–35-year-olds should provide some incremental elevation to the rental and starter home markets.” They caution that there are challenges to the projected growth. “Demand will continue to be affected by narrowing of affordability, diminished but persistent and widespread negative equity, challenging mortgage-qualification standards and lot shortages,” the analysts write. “As Fitch has noted in the past, the recovery will likely remain fitful.”

But for now, the indicators are pointing towards a fruitful next 18 months

Everyone has a gift, but some never open the package” – Anonymous



Optimize Credit Card Debt

Want to make your credit card company happy? Just max out your card's limit, pay interest at a rate of 18% to 25%, and make only the minimum payment each month.

The minimum monthly payment is set by each card issuer, but it's typically about 2% to 3% of the outstanding balance. Card companies want you to pay only the minimum, so that most of your payment is interest, not principal. If you have a \$5,000 balance, make 3% payments, and plan to pay it off in 5 years, you would pay an EXTRA \$2,359.

Does that mean you should pay off your card each month? Not exactly. You also need to maintain a credit card utilization score so that your credit rating stays high. That means regularly USING about 10% to 20% of your credit balance, then paying off all but a small balance. Leave about 5% on your card.

People who keep their utilization percentage low on average have higher scores than those who constantly max out their credit cards.

CoreLogic: Foreclosure inventory tumbles 35% By Brena Swanson

The national foreclosure inventory is down 35% from a year ago, with approximately 648,000 homes in some stage of foreclosure, compared to 1 million a year ago, **CoreLogic's** latest June National Foreclosure Report found.

The foreclosure inventory made up 1.7% of all homes with a mortgage, down from 2.5% in June 2013 and 3.9% from May 2014, marking 32 months of consecutive year-over-year declines.

But the market still has a way to go.

"While 32 straight months of year-over-year decline in the foreclosure rate is cause for celebration, the total number of homes still in the foreclosure process remains almost four times as high as the average in the early 2000s," said Mark Fleming, chief economist for CoreLogic.

"Additionally, there is concern over whether or not we can maintain this pace of improvement as the foreclosure inventory becomes more concentrated in judicial states with lengthier, more complex processes and timelines," Fleming said.

In June, there were 49,000 completed foreclosures nationally, falling from 54,000 in June 2013, a year-over-year decline of 9.9%.

Month-over-month, completed foreclosures climbed by 2.7% from 48,000 in May.

Since the financial crisis began in September 2008, there have been approximately 5.1 million completed foreclosures across the country.



“The national inventory of foreclosed homes fell for the 32nd straight month to just under 650,000 in June. Most of the U.S. has reduced its shadow inventory to pre-recession levels, but the Northeast, Florida and the Pacific Northwest remain elevated,” said Anand Nallathambi, president and CEO of CoreLogic. “The great news here is that the basic underpinnings of the housing market are strengthening, but there is still work to do.”

The Wise Man’s Gift

Once upon a time, a small village had fallen upon hard times. Only twenty five people were left in town, all older residents whose children had moved away.

In the mountains near the town lived an old wise man. It occurred to the villagers to ask the wise man if he could offer any advice that might save the town. The wise man simply said, "I have no advice to give. The only thing I can tell you is that the Messiah is one of you."

In the months that followed, the old villagers began to treat each other with extraordinary respect on the off chance that that one among them might be the Messiah.

And on the even greater off chance that each person might be the Messiah themselves, they also began to treat themselves with extraordinary respect.

As time went by, people visiting the village noticed the aura of respect and gentle kindness that surrounded the villages. Hardly knowing why, more people began to come back to the town. They began to bring their families, and more friends. Within a few years, the small village had once again become a thriving town, thanks to the wise man’s gift.

CFPB Proposal Would Create Yelp-like System for Financial Services

The Consumer Financial Protection Bureau (CFPB) has proposed a new policy that would allow consumers to publicly voice their complaints about consumer financial products and services. When consumers submit a complaint to the CFPB, they would have the option to share their account of what happened in the CFPB’s public-facing Consumer Complaint Database. The bureau believes that publishing consumer narratives would provide important context to the complaint, help the public detect specific trends in the market, aid consumer decision-making and drive improved consumer service. The CFPB unveiled the proposed policy during a field hearing July 17 in Texas. The CFPB is accepting comments regarding the proposed



August Quiz Question

Q: *Can you name four days that start with the letter 'T'*

Everyone who texts, emails or calls in the correct answer to Paul by the last day of this month will be entered into a drawing for a \$50 gift certificate to the restaurant of your choice. 717.269.4957 or Paul@wrsettlements.com

July Quiz Question:

Q: *What is a flink?*

A: *A flink is a group of 12 or more cows. A herd is a group of animals numbering more than 1. So a flink is a herd of cows numbering 12 or more.*

Congratulations to Morgan Shears, M&T Bank

policy within 30 days after date of publication in the Federal Register. Instructions on where to send comments is included in the proposal. “The consumer experience shared in the narrative is the heart and soul of the complaint,” said CFPB Director Richard Cordray. “By publicly voicing their complaint, consumers can stand up for themselves and others who have experienced the same problem. There is power in their stories, and that power can be put in service to strengthen the foundation for consumers, responsible providers, and our economy as a whole.” Resolving consumer complaints is the seventh pillar of ALTA’s “Title Insurance and Settlement Company Best Practices,” which says a process for receiving and addressing consumer complaints helps ensure reported instances of poor service or non-compliance do not go undiscovered. Click here to watch a webinar ALTA hosted on how to enhance consumer care and resolving customer complaints. This is important as the CFPB is focused on enhancing the consumer experience and expects companies to have a process in place to handle and resolve complaints. The CFPB issued a bulletin in June 2013 regarding responsible business conduct and provides insight into the Bureau’s mission and

*Live out of your
imagination, not
your history. ~
Stephen R. Covey*

further supports the importance of resolving consumer complaints. The bulletin encourages “activity that has concrete and substantial benefits for consumers and contributes significantly to the success of the Bureau’s mission.” The CFPB began accepting complaints in July 2011. It currently accepts complaints on many consumer financial products, including credit cards, mortgages, bank accounts, private student loans, vehicle and other

consumer loans, credit reporting, money transfers, debt collection and payday loans. When consumers submit a complaint to the Bureau, they fill in information such as who they are, who the complaint is against, and when it occurred. They are also given a text box to describe what happened and can attach documents to the complaint. The Bureau forwards the complaint to the company, allows the company to respond, gives the consumer a tracking number, and keeps the consumer updated on its status. To date, the Bureau has handled more than 400,000 complaints. To protect consumers’ private information, the CFPB said consumers must check a consent box when submitting a complaint. Complaints also will be scrubbed of information such as names, telephone numbers, account numbers, Social Security numbers and other direct identifiers. According to the CFPB’s announcement, companies will be given the opportunity to post a written response that would appear next to the consumer’s complaint. In most cases, this response would appear at the same time as the consumer’s narrative so that reviewers can see both sides concurrently. This response would also be scrubbed of personal information. The Dodd-Frank Wall Street Reform and Consumer Protection Act, which created the CFPB, established the handling of consumer complaints as an integral part of the CFPB’s work. The CFPB has released a snapshot overview of complaints handled since the Bureau opened on July 21, 2011 that includes aggregate data and analysis.



Excellence Takes Focus

A martial arts student approached his teacher. "I'd like to improve my knowledge of the martial arts. In addition to learning from you, I'd like to study with another teacher in order to learn another style. What do you recommend?"

"The hunter who chases two rabbits," answered the master, "catches neither one."

CFPB, FTC File 9 Lawsuits Against Deceptive Foreclosure Firms

The **Consumer Financial Protection Bureau**, the **Federal Trade Commission** and 15 states are filings 9 lawsuits against companies and individuals that collected more than \$25 million in illegal advance fees with false promises to prevent foreclosures. The CFPB is filing 3 lawsuits, while the FTC is filing 6 lawsuits.

This giant sweep against foreclosure relief scammers is an effort to seek compensation for victims, civil fines, and injunctions against the scammers.

In addition, the states are taking 32 actions.

"We are taking on schemes that prey on consumers who are struggling to pay their mortgages or facing foreclosure," said CFPB Director Richard Cordray.

"These companies pocketed illegal fees — taking millions of hard-earned dollars from distressed consumers, and then left those consumers worse off than they began. These practices are not only illegal, they are reprehensible," Cordray added.

There were three lawsuits filed:

1. The first lawsuit names **Clausen & Cobb Management Company** and owners Alfred Clausen and Joshua Cobb, as well as Stephen Siringoringo and his **Siringoringo Law Firm**.
2. The second lawsuit is against **The Mortgage Law Group**, the **Consumer First Legal Group**, and attorneys Thomas Macey, Jeffrey Aleman, Jason Searns, and Harold Stafford.
3. The third lawsuit is against the **Hoffman Law Group**, its operators, Michael Harper, Benn Wilcox, and attorney Marc Hoffman, and its affiliated companies, **Nationwide Management Solutions**, **Legal Intake Solutions**, **File Intake Solutions**, and **BM Marketing Group**.

The three groups are charged for allegedly violating Regulation O, formerly known as the Mortgage Assistance Relief Services Rule, which generally bans mortgage assistance relief service providers from requesting or receiving payment from consumers for mortgage modifications before a consumer has signed a mortgage modification agreement from their lender.



Some of the defendants are also charged for violating the Dodd-Frank Wall Street Reform and Consumer Protection Act, which generally prohibits deceptive practices in the consumer financial market.

Walk Or Run? It Might Not Matter

Walking and running are two of the simplest ways to exercise. Aside from a good pair of shoes, you don't need any training or fancy equipment, just some space and time. But which is better for you?



In some senses, according to a study reported in USA Today, they're equally beneficial, depending on how much time you're willing to invest. Two scientists studied data from over 33,000 runners and 15,000 walkers, monitoring blood pressure, cholesterol, blood sugar, and other vital health indicators over six years. They found that, although walking requires more time than running an equal distance, the health effects come out the same as long as the amount of energy expended is equivalent. Running does burn more calories in less time, but a long, brisk walk can be just as healthy—and easier on your knees.



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