

Cambridge Land Title Agency, Inc. News

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Cambridge Land Title Agency, Inc.

105 East 4th Street, Suite 1200
Cincinnati, Ohio 45202-4015

Telephone 513-381-7149
Facsimile 513-381-4847

cltagen@ritter-randolph.com
www.ritterrandolph.com

Cambridge Land Title Agency, Inc. News
Donna J. Christensen, Editor
dchristensen@ritter-randolph.com

Caution to Mortgage Lenders



A recent Ohio Court of Appeals case provides caution to mortgage lenders who begin the foreclosure process without closely reading the terms of the loan documents. In *Wells Fargo v. Phillabaum*, the court found that Wells Fargo failed to comply with a federal Department of Housing and Urban Development (HUD) regulation, and therefore, improperly began the foreclosure process.

This case involved a portion of the acceleration clause of the Note, which stated that the lender may accelerate payments if the borrower defaults, except as limited by regulations of the Secretary. HUD has a regulation that requires lenders, as a prerequisite to foreclosure, to conduct a face-to-face interview with the borrowers after they fail to make three monthly payments. In this case, Wells Fargo failed to comply with that regulation and began the foreclosure process without conducting a face-to-face interview with the borrower. As a result, the court found that Wells Fargo had improperly proceeded with the foreclosure, and must comply with the regulations before again seeking foreclosure.

This case provides a cautionary tale to all mortgage lenders. When dealing with a borrower in default, it is very important to carefully review the loan documents to ensure that you are in compliance with both state and federal regulations.

Appealing your Property Tax

Due to the fall in housing prices, if you think your home is overvalued and that your tax bill is too high, do your homework before you file an appeal.

Research recent sale prices of homes that are similar to yours in or near your neighborhood by asking a realtor or checking your local county auditor's website. If these options aren't available to you, visit the assessor's office to view your property record and the records of homes that are similar to yours in your neighborhood. If your search shows that you are paying more than your neighbors, this information may help with your appeal.

Local auditors' websites are as follows:

Hamilton County	www.hcauditor.org
Butler County	www.butlercountyauditor.org
Warren County	www.co.warren.oh.us/auditor
Clermont County	www.clermontauditor.org

In reviewing your property record, make sure there are no mistakes in the square footage or number of rooms in your home. Be sure to list any flaws in your property, which may lower the appraised value.

If your county will allow an appraisal to be part of your appeal, it is worth the cost as an impartial appraisal can be the reason you may win your appeal.

Remember if you file for valuation reduction, it is possible that this may be challenged, which might result in no change or an increase to the valuation.

Cash Value v. Replacement Cost

Do you know the difference between actual cash value and replacement cost regarding items covered in your homeowners or renters policy? Actual cash value refers to the amount it would cost to repair or replace an item after deducting for depreciation, deterioration or obsolescence. Replacement cost pays the amount actually spent to repair or replace the property and it's typically available at an additional cost. Some policies, but not all, include replacement cost coverage for personal items.

Fed Interest Rate Forecasts

The Federal Reserve will start informing the public of its expectations for short-term interest rates and the inaugural forecast is set for January 25th. This first announcement will give an interest rate forecast for the fourth quarter of 2012, 2013 and 2014, and will be updated quarterly. These forecasts will also summarize when they expect to start raising short-term rates, which the Fed has held near zero since late 2008.

This move by the Fed is designed to boost consumer confidence and help reduce borrowing costs for businesses and consumers by assuring investors, companies, and consumers that the Fed intends to keep rates near zero for longer than expected. [Source: <http://www.nytimes.com/2012/01/04/business>]

Area Housing Market Improves

The Greater Cincinnati area and some of its outlying counties have been showing a continued improvement in housing permits and remodeling permit applications. This news bodes well for our local economy and will certainly give a much-needed boost to the construction industry. People are realizing that with continued low interest rates, this is a good time to build a home, buy a home, or have their present home updated to boost its value in the coming years. In checking local mortgage interest rates at <http://realestate.yahoo.com/Ohio/Cincinnati/loans/mortgage.html>, as of 1.13.12, the average 30 year fixed rate mortgage interest is 3.985% and the average 15 year fixed rate mortgage interest is 3.287%.

Closing Services

With mortgage rates remaining at record lows, it's a great time to purchase a home or to refinance your existing mortgage. Please ask your lender to permit Cambridge Land Title Agency, Inc. to serve as closing agent. We are an approved title company for a variety of lenders including (but not limited to) Guardian Savings Bank, FSB, The North Side Bank & Trust Company, Greater Cincinnati Credit Union, Warsaw Federal Savings & Loan Association, Cintel Federal Credit Union, and Stock Yards Bank & Trust.

For information regarding our title services, please contact Kyle D. Murray, Esq. at 513-381-7149 or kmurray@ritter-randolph.com. We also invite you to visit www.ritterandrandonph.com for more information about services offered through RITTER & RANDOLPH, LLC and Cambridge Land Title Agency, Inc.

Cambridge Land Title Agency, Inc.
Telephone 513-381-7149 Facsimile 513-381-4847
www.ritterandrancholph.com/clta.html

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