

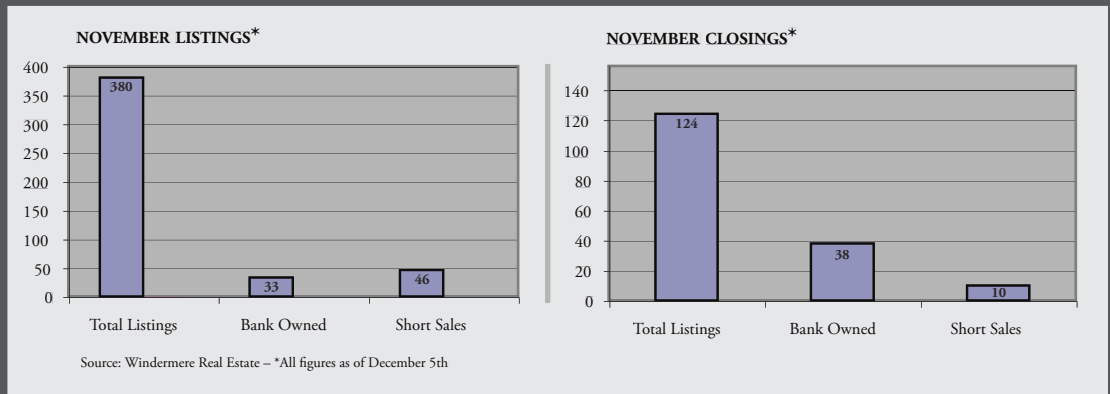
Windermere Report.com

HOPE FOR HOMEOWNERS:

Program Provides Relief to Troubled Homeowners

REAL ESTATE TRENDS:

Washington County Prices Show Signs of Stabilizing



HOPE FOR HOMEOWNERS:

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The HOPE for Homeowners (H4H) program assists borrowers at risk of default or foreclosure to refinance their mortgages to affordable, 30-year fixed-rate, FHA loans. Under the program, lenders take losses on existing debt obligations and new loans are set at 96.5 percent of current appraised values.

Eligibility requirements:

- The existing mortgage was originated on or before January 1, 2008;
- Existing mortgage payment(s) as of March 1, 2008, exceeds 31 percent of the borrower's gross monthly income;
- The homeowner did not intentionally default, does not have an ownership interest in other residential real estate and has not been convicted of fraud in the last 10 years under federal and state law;
- The homeowner did not provide materially false information (e.g., lied about income) to obtain the mortgage that is being refinanced into the H4H mortgage;
- They must have made a minimum of six full payments on their existing first mortgage and did not intentionally miss mortgage payments; and
- They do not own a second home.

H4H mortgages require borrowers to share the future equity in their homes with the government in return for loan modifications. Upon sale of H4H mortgaged properties, sale proceeds will pay off the H4H mortgage, as well as the shared equity and shared appreciation mortgages. The shared equity ranges from 100 percent from year one to 50 percent after year five, paid to FHA.

The H4H program will conclude on September 30, 2011. Homeowners in need should act now by calling the HOPE NOW Alliance at 1-888-995-HOPE.

Home Buyer Tax Credit

First time homebuyers who purchase a principle residence between April 9, 2008, and July 1, 2009, are eligible to receive up to a \$7,500 tax credit. The tax credit is not completely free money. It has payback provisions that make it similar to an interest free loan.

Two years after the credit is claimed, repayment must begin so the credit is paid back in full within 15 years. If the home is resold before the credit is repaid, the seller must immediately pay the outstanding balance. But if the home is sold at a loss, then nothing is owed. For more information, visit www.hud.gov.

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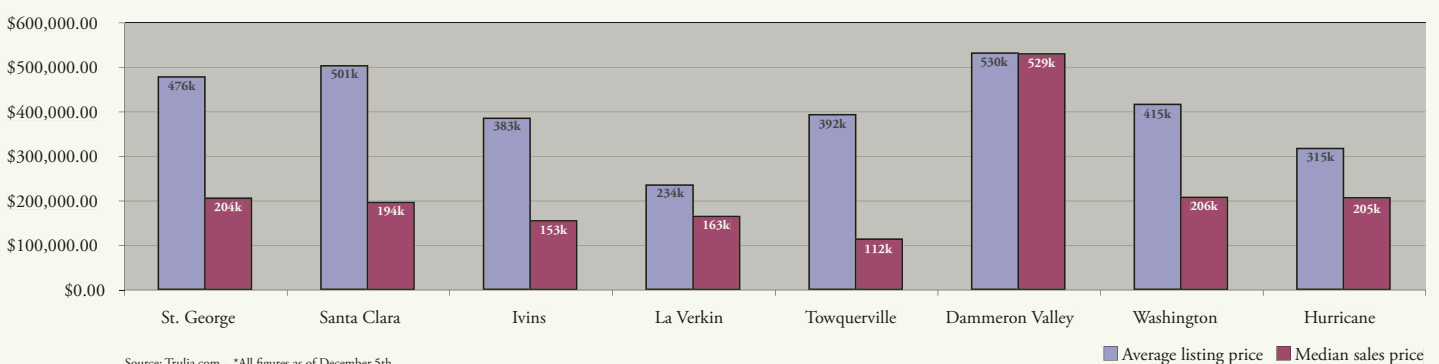
Trends for Washington County communities are showing a rapid reduction in listing prices, but median sales prices appear to be stabilizing across all communities. The most populous communities show a grouping of median sales prices hovering around \$200,000 for single-family, townhomes and condos as of November 19 (see chart below). Dammeron Valley, with its larger horse properties, is the biggest variant in the trend.

The recurring question about when the market will reach its the price bottom

continues to be the hot topic of discussion. However, it is apparent that home affordability has returned to Washington County. The portion of the market experiencing the largest price pressure is the \$350,000-plus price point. And the oversupply of homes in this segment will not likely be resolved any time soon.

Clearly, great buys abound. Mortgage rates are being held in check by the Federal Reserve's recent actions, but will soon end as market pressures continue to push for increased rates.

Washington County 2008 YTD Avg. Listing Price vs. Median Sales Price: By City



Source: Trulia.com - *All figures as of December 5th