

Sponsored  
by



See what we can do for you  
Home Loans - Nationwide

**Western  
Mortgage**  
888.930.4223

## Loan Modifications, Short Sales, and Foreclosures

“I can’t make my house payments. What do you think I should do?”

How the Financial Advisor can counsel clients in an informed and strategic manner.

David Van Waldick,  
Principal / Broker  
Western Realty Associates

Orange County, NAPFA  
November 12, 2009



Sponsored  
by



See what we can do for you  
Home Loans - Nationwide

**Western  
Mortgage**  
888.930.4223

## Table of Contents

- I. Housing Market Statistics on California and County Defaults and Foreclosures thru Sept 2009. (Supply)
- II. Bank actions on loan modification requests (when, how, what they offer).
- III. Evaluating the clients loan default situation, need, and personal strategy. (this is the core of the discovery phase).
- IV. Options and choices for the client.
- V. Getting the client back to financial security.
- VI. Recent Market Housing Summary for county
- VII. Sample Client Agreement for Advisory Services offered
- VIII. Sample Loan Modification and/or Short Sale services.
- IX. Personal Bio on presenter

[www.ePrequal.com](http://www.ePrequal.com) - One Minute Home Loan Pre-approvals

Sponsored  
by



See what we can do for you  
Home Loans - Nationwide

**Western  
Mortgage**  
888.930.4223

- California and Orange County Housing Market Highlights

YTD Sept 31, 09	California Statewide			Orange County		
	2009		% chng from 08	2009		% chng from 08
Total Homes	8.5 million		n/a	642,000		n/a
Median Price	\$304.7		-23%	\$456.3		-11.4%
Notice of Defaults	24,588	\$7.5B	+11.4%	7436	\$3.4B	+30.6
Foreclosed Homes	#	\$		#	\$	

- 1/3 to 1/2 of homes in default will go to foreclosure and be lost.
- 2-3 million homes nationwide could be foreclosed on in 2009.
- Sources: Chicago Title, DataQuick, OC Register, CA.Gov

[www.ePrequal.com](http://www.ePrequal.com) - One Minute Home Loan Pre-approvals

# O.C. housing market: September



The median home price in Orange County was \$429,000 in September.

	Sept.	% chg. from Aug.	% chg. from Sept. '08	Year-to-date average	Change from 2008
<b>Sales volume</b>					
All	2,828	1.4%	6.0%	2,582	16.9%
Single-family resale	1,862	-0.1%	3.5%	1,687	16.3%
Condo resale	839	5.5%	81.9%	747	34.3%
New	127	-3.1%	-31.4%	108	-35.4%
<b>Median price</b>					
All	\$429,000	0.3%	0.9%	\$402,000	-6.4%
Single-family resale	\$500,000	0.0%	4.2%	\$469,000	-14.0%
Condo resale	\$300,000	3.3%	3.4%	\$276,000	-20.9%
New	\$487,000	2.4%	-2.4%	\$479,000	-5.6%
<b>Sales by price</b>					
<\$400,000	1,184	-0.2%	5.6%	1,176	7.3%
\$400,000-\$500,000	461	8.5%	8.0%	388	-1.3%
\$500,000-\$600,000	328	-4.8%	2.0%	274	-4.8%
\$600,000-\$700,000	210	-9.5%	4.9%	150	1.9%
>\$700,000	504	5.9%	10.1%	386	-6.5%
<b>Median price by home size</b>					
< 1,200 sq. ft.	\$219,000	6.8%	-0.5%	\$193,059	-25.3%
1,200-1,500	\$350,000	1.4%	-1.4%	\$332,186	-6.0%
1,500-2,000	\$486,000	-2.6%	-1.8%	\$471,553	-10.6%
2,000-2,500	\$630,000	5.0%	0.1%	\$608,333	-8.7%
>2,500	\$780,000	0.3%	-2.5%	\$738,333	-8.3%
<b>Trouble spots</b>					
Defaults	2,822	4.1%	153.1%	2,680	10.4%
Foreclosures	709	-1.9%	-40.6%	699	-33.6%
<b>Financing</b>					
Avg. down payment	19.0%	0.4%	3.3%	18.2%	-1.2%
Adjustable loan share	6.0%	0.9%	-35.2%	3.8%	-82.5%
<b>Benchmarks</b>					
Monthly payment index	\$2,218.82	-2.3%	-8.7%	\$2,212.00	-47.1%
Avg. price per sq. ft.	\$286.93	1.4%	-3.0%	\$276.00	-8.3%

Last month's change from a year before.



7.5%

Single-family home resale volume



4.2%

Single-family home resale price



-10.6%

Home owners from OC



-35.2%

Adjustable loan share



-9.3%

Monthly payment index



-3.0%

Price/sq. ft.

Definitions: **MEAN** is midpoint of all values; **NEW** includes single-family and condos; **SALES BY PRICE** breaks down home and condo sales by sales price; **PRICE BY HOME SIZE** breaks down home and condo sales by square footage; **DEFAULTS** are notices of lenders filed by lenders; **ADJUSTABLE LOAN SHARE** is percentage of purchase loans with adjustable rates; **MONTHLY PAYMENT INDEX** is estimated amount for new purchase loans and reflects rates, type of loan and down payment and taxes; and **PRICE PER SQUARE FOOT** is for single-family homes and are not exact since figures do not include percent home-size adjustments.

Source: MDA DataQuint

The Register

# Orange County home prices and sales

The median selling price for all residential units was \$429,000 in September.

## Prices Change from year ago



## Sales volume Change from a year ago



City	ZIP code	Sept.	Median sale price	Resale from '08	Sept.	Sales volume	% change from '08
Aliso Viejo	92656	\$588,000	-7.5%	28	18.5%		
Anaheim	92801	\$201,500	-2.5%	50	5.1%		
Anaheim	92802	\$200,000	-0.9%	27	-2.3%		
Anaheim	92804	\$102,000	-0.9%	16	-8.8%		
Anaheim	92805	\$206,000	-4.7%	77	16.7%		
Anaheim	92806	\$192,500	-2.4%	12	-64.9%		
Anaheim	92807	\$494,000	-6.5%	22	-8.9%		
Anaheim	92808	\$200,000	12.2%	27	-6.9%		
Brea	92611	\$417,500	-13.3%	28	-3.2%		
Brea	92623	\$109,000	1.3%	1	33.3%		
Buena Park	92620	\$182,500	3.4%	40	14.7%		
Buena Park	92621	\$100,000	-13.5%	15	-2.1%		
Chloris-Elmer	92625	\$143,300	-4.2%	21	75.0%		
Costa Mesa	92626	\$525,000	1.4%	29	-8.9%		
Costa Mesa	92627	\$110,000	-9.5%	14	6.7%		
Cypress	92621	\$404,500	-2.2%	38	-4.7%		
Dana Point	92629	\$190,000	-3.9%	1	-94.0%		
Dana Point	92629	\$100,000	-1.7%	16	-8.5%		
Foothill Ranch	92640	\$298,000	13.2%	15	-11.8%		
Fountain Valley	92708	\$200,000	7.1%	38	2.7%		
Fountain Valley	92708	\$280,000	-9.6%	14	6.8%		
Fountain Valley	92708	\$185,500	-2.3%	16	-31.3%		
Fountain Valley	92703	\$142,000	-2.8%	18	2.2%		
Fountain Valley	92735	\$199,000	-8.2%	21	-2.3%		
Garden Grove	92646	\$117,000	-5.2%	44	-8.4%		
Garden Grove	92641	\$110,000	-6.6%	18	-34.9%		
Garden Grove	92643	\$290,000	-13.4%	31	9.7%		
Garden Grove	92644	\$215,000	-3.9%	16	-34.0%		
Garden Grove	92645	\$480,000	-4.4%	7	28.8%		
Huntington Beach	92646	\$444,500	-10.1%	12	2.3%		
Huntington Beach	92647	\$114,200	-9.7%	28	-2.5%		
Huntington Beach	92648	\$600,000	-9.9%	13	-11.7%		
Huntington Beach	92649	\$148,500	5.4%	32	28.0%		
Irvine	92612	\$160,000	-1.5%	17	-20.0%		
Irvine	92613	\$219,000	-8.2%	26	9.7%		
Irvine	92614	\$113,100	-2.3%	31	134.5%		
Irvine	92616	\$689,000	28.2%	14	2.1%		
Irvine	92612	\$405,000	-14.3%	21	-34.3%		
Irvine	92614	\$453,000	-8.2%	16	-8.0%		
Irvine	92618	\$100,000	8.8%	20	1.8%		
Irvine	92612	\$518,000	-16.9%	13	-4.8%		
Ladera Ranch	92654	\$150,000	-9.5%	10	-13.8%		
La Habra	92651	\$210,000	2.0%	13	8.3%		
La Habra	92653	\$487,500	-3.4%	15	-6.0%		

Source: MDAQ.com

City	ZIP code	Sept.	Median sale price	% change from '08	Sept.	Sales volume	% change from '08
Laguna Beach	92653	\$1,312,000	-8.8%	31	-33.3%		
Laguna Hills	92653	\$470,000	20.0%	27	-4.5%		
Laguna Niguel	92677	\$1,610,000	-4.9%	16	9.7%		
Laguna Woods	92657	\$230,000	-8.6%	30	0.6%		
Lake Forest	92631	\$432,500	11.7%	14	-80.9%		
Los Alamitos	90720	\$1,690,000	19.7%	17	10.3%		
Midway City	90665	\$317,500	-23.2%	7	0.0%		
Mission Viejo	92691	\$442,000	-8.0%	32	-3.5%		
Mission Viejo	92692	\$448,000	-9.1%	15	-38.3%		
Newport Beach	92660	\$986,250	-19.5%	28	-15.2%		
Newport Beach	92661	\$1,495,000	30.4%	11	-86.7%		
Newport Beach	92662	\$1,120,500	63.9%	3	-59.9%		
Newport Beach	92663	\$1,050,000	10.6%	25	47.0%		
Newport Coast	92657	\$1,418,000	21.3%	22	-14.4%		
Orange	92666	\$413,300	-16.3%	27	14.8%		
Orange	92665	\$415,000	7.5%	16	-18.9%		
Orange	92667	\$479,500	4.7%	33	-8.3%		
Orange	92668	\$390,000	-5.8%	16	-83.3%		
Orange	92669	\$442,500	1.7%	30	-29.8%		
Pasadena	92679	\$385,000	6.9%	28	0.0%		
Rancho Santa Margarita	92688	\$309,000	-19.8%	11	-8.8%		
Santa Ana	92702	\$407,500	26.4%	32	113.3%		
Santa Ana	92713	\$,665,000	-10.6%	17	-39.6%		
Santa Ana	92715	\$413,000	44.5%	26	56.8%		
Santa Ana	92721	\$190,000	2.7%	28	-38.8%		
Santa Ana	92723	\$225,250	-13.5%	17	0.0%		
Santa Ana	92724	\$290,000	-8.2%	16	-1.9%		
Santa Ana	92726	\$,998,000	9.8%	39	19.3%		
Santa Ana	92736	\$,208,000	3.5%	26	-13.3%		
Santa Ana	92737	\$142,500	4.1%	19	4.8%		
Seal Beach	92744	\$702,000	12.7%	13	0.0%		
Stanton	90680	\$290,000	-12.7%	23	-36.1%		
Teterboro	90679	\$487,500	3.3%	36	-12.4%		
Tustin	92780	\$412,500	18.5%	16	-2.4%		
Tustin	92782	\$1,848,000	17.2%	26	-39.1%		
Tyla Park	92611	\$900,000	-11.9%	6	0.0%		
Westminster	92683	\$437,500	4.2%	10	0.0%		
Yorba Linda	92686	\$191,500	-10.6%	16	0.0%		
Yorba Linda	92687	\$,998,000	31.0%	27	22.8%		
Total resale houses		\$1,610,000	4.2%	1,892	7.0%		
Total condominiums		\$400,000	3.4%	119	1.9%		
Total new homes		\$430,000	-5.4%	127	-31.4%		
All homes		\$445,000	3.9%	2,118	6.0%		

The Register

## Bio

- **Dave Van Waldick** has 25 years background in real estate, mortgage finance, banking, strategic planning, and consulting. As a Licensed California Real Estate Broker, has managed an independent mortgage and real estate brokerage for the past 19 years. His firms, **Western Mortgage ([www.wrfco.com](http://www.wrfco.com))** / **Western Realty Associates ([www.1californiahomes.com](http://www.1californiahomes.com))** have sold over to \$500 million worth of real estate and loans.
- Prior to owning his brokerage and consulting firm, Mr. Van Waldick worked for large banks including Crocker Bank, Central Federal Savings, and Wells Fargo Bank where he was a mid level executive co-managing their \$1 billion per month mortgage origination pipeline and secondary market sales to wall street investment banks and investors, along with analyzing Wells Fargo's multi-billion dollar mortgage portfolio. He has worked with Key Bank – Private Equity Group providing mezzanine and equity capital to residential home builders nationwide.
- He has consulted periodically with real estate industry service providers like First American Title, in an expert capacity to improve their data base and real estate data mining capability. Mr. Van Waldick holds trademark rights to a proprietary internet based, mortgage technology application [www.ePrequal.com](http://www.ePrequal.com), and has consulted with other companies to assist them in their internet marketing applications.
- Recent charitable activities include the founding of a homeowners advocacy group, Homeowners for Hope Foundation. He works pro-bono to get the voice and needs of homeowners heard by the media and elected officials.. He has done recent interviews with Channel 10 and 7 and other news stations in San Diego when he organized a homeowner public discussion forums. He recently authored a Credit Moratorium Proposal to restore the mortgage credit rating to allow foreclosed and short sale sellers quick re-entry to ownership. His foundation can be found at [www.homeownersforhope.org](http://www.homeownersforhope.org).
- Mr. Van Waldick holds a Bachelors degree in Business Finance from San Diego State University. Prior to earning his degree, he spent 6 years in the US Navy as a radar operator and Air Intercept Controller.

# Western Mortgage



**Western Mortgage**  
701 Palomar Airport Road  
Suite 300  
Carlsbad, CA 92011  
Phone 760.599.1261  
Fax 760.454.1856

Date: Jan 01, 2009

**VIA EMAIL DELIVERY**

## Re: **LETTER OF ENGAGEMENT FOR MORTGAGE ADVISORY SERVICES**

**Client: Mr. and Mrs. Jones**  
**Property Address: 1234 Main St.**  
**Anywhere, USA**

Dear Mr. and Mrs. Jones,

Please accept this Letter of Engagement in working with you as Financial Advisor/Loan Modification representative towards a successful implementation of your goals. This Agreement and Terms sheet will cover the following areas.

**Commitment to perform Financial Advisory, and Loan Modification services:** This LOE describes the terms and fee structure we anticipate working under the terms of the agreement for advisory services.

- A. **Form of Services:** Financial and Mortgage advisory for which certain expertise and/or valid license(s) may be required, financing/real estate services for which a valid license(s) may be required. A further description of offered services may be described below under general or specific clauses.
- B. **Term of Services.** The Term of the advisory services will be up to 6 months. A 6 month renewal will be considered if both parties agree and neither party is in default under terms of contract.

### **Specific Proposal for Advisory and related Loan Modification Services.**

- 1) Negotiate with lender to restructure loan terms as to allow client to remain in the property under affordable terms to be decided.

### **Fee Schedule for services:**

**WM will collect an advisory fee for certain services.**

- 1. **Mortgage Loan Modification negotiation fee to be \$2,500\*. A \$500 deposit is taken upon signing of the agreement, with the agreement that the remaining \$2,000 be paid at conclusion time of successful engagement and lender offer.** *\*No Guarantee of outcomes is implied or stated. Client understands that WM is acting in good faith and on a best efforts basis to obtain the desired results. All results are to be approved by lender and/or under market conditions which WM has no control over.*

# Western Mortgage

“We make home loans easy”

---

703 Palomar Airport Rd., Suite 300  
Carlsbad, Ca 92011

Submission Date: April 3, 2009

Investor: Wachovia Bank  
Loss Mitigation

Loan Number: 45581017  
Last 4 Digits SS#: 0482

Borrower: Mr. and Mrs. Jones  
1234 Main Street  
Anywhere, USA 99999

Dear Sirs:

This letter is to request approval of a loan modification on the above referenced loan and property. She has explained her situation in the accompanying Hardship Letter.

Mr. and Mrs. Jones has considered selling the home, but due to very poor and deteriorating market conditions, the current values for like homes in their area have made it impossible to sell for more than the loans on the home.

The borrower does not take the situation lightly and wishes the circumstance were different. As a result of all the financial turmoil and her desire to get her home life stabilized for her family, she is asking for a modification to reduce the loan payments and/or forgiveness of a portion of the debt to be in line with market value.

Thank you for your consideration of this request.



David Van Waldick  
Principal / Broker  
Western Mortgage  
760-599-1261