



## November 22<sup>nd</sup> 2012 housing market updates brought to you

### by the CA Association of Realtors

1. **Real estate contracts: Clauses that could scuttle a deal** - By Los Angeles Times
2. **Drop in U.S. mortgage delinquency rates led by California, Arizona** - By Los Angeles Times
3. **How the U.S. mortgage settlement can help military members** - By San Diego Union-Tribune
4. **FHA gives those who defaulted on homes another chance** - By Los Angeles Times
5. **Banks' tight standards hurting economy** - By Mercury News
6. **Housing affordability in California drops as prices increase** - By Los Angeles Times
7. **Another hurdle for short sales** - By San Diego Union-Tribune



latimes.com/business/realestate/la-fi-lew-20121118,0,7530883.story

**latimes.com**

## Real estate contracts: Clauses that could scuttle a deal

**Contract clauses on issues such as obtaining financing, payment of closing costs and disclosures are among the most troublesome.**

By Lew Sichelman

November 18, 2012

The typical real estate sales contract includes not just a price and a closing date but also a number of clauses, any of which can trip up the buyer or seller and scuttle the deal.

Although contract language may vary from one place to another — not just state to state but also county to county, and sometimes even from one company to another — here's a quick rundown of some clauses or "conditions" that are likely to cause the most trouble:

•**Financing.** Perhaps the most common contract condition makes the transaction contingent on the buyer obtaining either a mortgage or a written commitment in the amount required to complete the purchase within a certain time frame.

The timing aspect can be the most troublesome, real estate professionals say. The sooner the buyer can complete this condition, the better. If the deadline passes without a loan approval, the seller has the right to cancel the contract.

"Since financing contingencies can be complex and vary widely, they require strict attention to all timelines involved," said Sam DeBord of Coldwell Banker Danforth in Seattle.

But buyers should beware of using this clause to get out of the deal. They could find themselves in default if they fail to follow through on what they agreed to.

In Virginia, for example, making a substantive change — seeking a loan that far exceeds the amount specified in the contract, for example, or being unable to find a rate that's lower than what's stated in the contract — may put buyers' earnest money deposit in danger. In Minnesota, if the buyers' financing falls through after they have satisfied the financing contingency, the seller can keep all the earnest money as damages.

On the other hand, Florida contracts are "very one-sided" in favor of buyers, Liane Jamason of Smith & Associates in Tampa said. Twice in recent weeks, Jamason had to deal with upset sellers who

advertisement

### 4 Ways to Avoid Running Out of Money During Retirement

If you have a \$500,000 portfolio, download the guide by *Forbes* columnist Ken Fisher's firm. Even if you have something else in place, this must-read guide includes research and analysis you can use right now. Don't miss it!

[Click Here to Download Your Guide!](#)

FISHER INVESTMENTS®

mistakenly thought they were entitled to their buyers' deposits when their financing fell apart after months of waiting to close.

•**Closing costs.** A poorly worded clause here can cost the buyer or seller a lot of money, depending on how it's written. Often the agent writes in the contract that the seller will pay X amount toward the buyer's closing costs, when what the buyer really wants is that X amount be paid toward closing costs, points, prepaid items, warranties, administrative costs and fees.

"Closing costs are really only those associated with closing the transaction and may be far less than the entire list of financing charges," said Jim Mellen of Re/Max Peninsula in Williamsburg, Va. "A buyer who shows up at the table planning to have \$6,000 paid on his behalf will be awfully angry if he gets only \$1,200 of his fees paid."

Another possible issue is how the closing cost contribution is stipulated. If it is given as a portion of the selling price, say \$300,000, a 3% contribution could cost the seller \$9,000. But if it is written as a part of the financed amount, say \$240,000, the seller would be on the hook for just \$7,200.

There are no do-overs if a mistake is made. "The written word on a contract will trump intentions all day long," Mellen said.

•**Disclosures.** The different property disclosure clauses are "some of the more difficult to navigate," said Ralph Harbison of Re/Max Realty Brokers in Birmingham, Ala. Buyers tend to want "yes" or "no" disclosures, but sellers prefer something that says they are not aware of any issues. And that leaves buyers to wonder what's wrong with the place.

Writing certain inspection clauses — termite, radon, mold, lead-based paint, home — into the contract should go a long way toward removing the buyer's anxiety, but only if the buyer adheres to the contract's timelines.

In Florida, for example, the buyer typically has 10 days in which to obtain and review a home inspection. The buyer can cancel the contract during this period by providing a written notice to the seller, or he can ask for an extension. But issues arise when the buyer tries to negotiate repair credits or actual repairs and the inspection period expires.

"If the repair issues cannot be resolved during the initial inspection period, the buyer must execute the cancellation or extension," said Blair Damson of Coldwell Banker in Coral Springs, Fla.

In the Philadelphia area, as long as the buyer adheres to the time limit, he only has to notify the seller that he does not wish to proceed to get back his earnest money deposit. But Linda Williams, an attorney/agent with Sage Realty in Wayne, Pa., goes a step further by making sure the deposit is not payable to the seller until after the inspection period ends.

In Warren County, N.Y., broker Mark Bergman, president-elect of the local Multiple Listing Service, writes inspection clauses with specific repair cost limitation "to prevent frivolous renegotiation."

•**Dates.** One more thing about timelines: Be explicit. Contract language should be clearly spelled out in either calendar days or banking days, said Magda Robles of Keller Williams Properties in Weston, Fla. "Number of days is not good enough," she said. "Specify the specific month, day and year."

•**"As is."** This clause can be a double-edged sword, said David Welch, a broker in Orlando, Fla.

Although the seller is not obligated to make any repairs found necessary during an independent home inspection under the as-is clause, the buyer can cancel for any reason if he does not like what the exam has revealed.

•**Short sales.** Buyers need to be leery when a "seller" in a short sale commits to paying closing costs. The bank is the seller, not the occupant, said Christy Walker of Re/Max Signature in Phoenix. As such, the bank has every right to renegotiate the fees or refuse to pay them at all.

[lsichelman@aol.com](mailto:lsichelman@aol.com)

*Distributed by Universal Uclick for United Feature Syndicate.*

Copyright © 2012, [Los Angeles Times](#)

latimes.com/business/money/la-fi-mo-mortgage-delinquency-transunion-20121113,0,5224511.story

**latimes.com**

## Drop in U.S. mortgage delinquency rates led by California, Arizona

By Jim Puzzanghera

6:42 AM PST, November 13, 2012

WASHINGTON — Fueled by major improvements in California and Arizona, the percentage of homeowners nationwide who were behind on their mortgage payments dropped significantly in the three-month period ending in September compared with a year earlier, TransUnion said Tuesday.

The national mortgage delinquency rate — the percentage of borrowers 60 days or more late on their payments — fell to 5.41% in the third quarter from 5.88% in the same period in 2011, said TransUnion, one of the three major credit reporting companies.

The rate last quarter was the lowest since the first quarter of 2009, when it was 5.22%

Mortgage delinquencies also were down slightly in the third quarter of this year from the previous quarter's rate of 5.49% , marking the third-straight quarterly decline. The report was another signal of a housing market recovery.

"Continued declines in mortgage delinquency rates are a welcome sign and reflect that relatively more homeowners are able and willing to make their mortgage payments each month," said Tim Martin, group vice president of U.S. housing in the company's financial services business unit.

But he said there was still "a long way to go" to get back to a more normal delinquency rate of 1% to 2%.

California and Arizona, two of the states hardest hit by the collapse of the subprime housing bubble, showed the best year-over-year improvement. Arizona's delinquency rate was down nearly 25% from the third quarter of last year, to 5.62% from 7.46%. California's rate dropped almost 24% to 5.56% from 7.29%.

Overall, 42 states showed a drop in their delinquency rates from a year ago. Just two states continue to have double-digit delinquency rates: Florida at 13.09% and Nevada at 10.93%. But both were improved from a year ago.

TransUnion expects delinquency rates to improve again in the fourth quarter because of the turnaround in the housing market.

advertisement



Bank of America is proud to work with those who are making Greater Los Angeles stronger.

San Antonio Winery  
Los Angeles, CA  
Client since 1917

Bank of America  Get the whole story >

"It's generally tough to expect improvement in delinquency rates in the fourth quarter of the year given the extra demands on household income that many experience during the holiday season," Martin said. "However, we saw some improvement in the housing market in the third quarter with regard to house prices, home sales and increased refinance activity, and we believe we will start to see these numbers reflected in improved mortgage delinquency next quarter."

**ALSO:**

[Measure of US home prices rises most in 6 years](#)

[Auto loan delinquencies fall to lowest rate on record](#)

[Housing affordability in California drops as prices increase](#)

Follow Jim Puzzanghera on [Twitter](#) and [Google+](#).

Copyright © 2012, [Los Angeles Times](#)



## How the U.S. mortgage settlement can help military members

By Lily Leung

Wednesday, November 14, 2012



Are you're an active member of the armed forces or a veteran and believe you've been mistreated by your mortgage lender?

Federal officials are urging you to report those issues.

A \$25 billion mortgage settlement between 49 states and five of the nation's largest banks -- Bank of America, Citi, JP Morgan Chase, Wells Fargo and Ally -- includes protections for service members. Under the settlement, those banks have agreed to provide consumers relief, everything from granting short sales to modifying mortgages to make them more affordable for homeowners.

The official watchdog of this settlement, Joseph Smith, reminded military members and veterans this week that the mortgage deal, which settled allegations of foreclosure abuses, has special provisions for them. The message is a particularly important one for San Diego County, a community of roughly 260,000 veterans, **according to the county**.

"Service members, veterans and their families make daily sacrifices and dedicate their lives to protect all Americans, and it's our nation's responsibility to help protect their best interests," said the Office of Mortgage Oversight in its outreach letter.

The settlement:

- Helps service members whose foreclosures, going back to Jan. 1, 2006, violate the **Servicemembers Civil Relief Act**, a federal law that protects active members of the armed forces in situations such as foreclosures, rent and mortgage rates. The restitution amount is lost equity, interest and \$116,785.
- Requires lenders to provide restitution to service members who were overcharged interest in their mortgages. The Servicemembers Civil Relief Act says that service members who request a lower mortgage rate cannot be charged more than 6 percent on their loan. If this happened to you, then you may be due three times the amount you were overcharged in interest or \$500. You'd get the greater amount.
- Partially compensates certain military members who had to sell their homes at a loss because of a permanent change in station. Check with Military OneSource at (800) 342-9647 to see if you are eligible.
- Provides \$10 million loans backed by the Department of Veterans Affairs.

Have story tips, a hot property listing or a question? **Email me: [lily.leung@utsandiego.com](mailto:lily.leung@utsandiego.com) | Tweet me: [@LilyShumLeung](https://twitter.com/LilyShumLeung) | **Subscribe to this blog.****

© Copyright 2012 The San Diego Union-Tribune, LLC. An MLIM LLC Company. All rights reserved.



latimes.com/business/la-fi-rebound-buyers-20121114,0,2826111.story

**latimes.com**

## FHA gives those who defaulted on homes another chance

**The FHA is a major source of cash for so-called rebound buyers, but the bankrolling of borrowers who contributed to the last housing bubble is raising concerns.**

By Alejandro Lazo and Walter Hamilton, Los Angeles Times

5:00 AM PST, November 14, 2012

After two foreclosures and two bankruptcies, Hermes Maldonado is as surprised as anyone that he's getting a third shot at homeownership.

The 61-year-old machine operator at a plastics factory bought a \$170,000 house in Moreno Valley this summer that boasts laminate-wood floors and squeaky clean appliances. He got the four-bedroom, two-story house despite a pockmarked credit history.

The last time he owned a home, Maldonado refinanced four times and took on a second mortgage. He put a Cadillac and Mercedes-Benz C300W in the driveway and racked up about \$45,000 in credit card bills and other debts. His debt-fueled lifestyle ended only when he was forced into bankruptcy.

His reentry into homeownership three years later came courtesy of the Federal Housing Administration. The agency has become a major source of cash for so-called rebound buyers — a burgeoning crop of homeowners with past defaults who otherwise would be shut out of the market.

"After everything that happened, thank God I was able to buy another house," Maldonado said in Spanish. "Now, it's good because the interest rates are low and there are lots of homes."

The FHA, which backs nearly 8 million loans, is helping rebound buyers recapture the American dream, boosting the housing market in the process. But that's touched off a fierce debate about the financial and ethical wisdom of bankrolling borrowers who contributed to the last housing bubble — and the potential cost to taxpayers.

The agency has suffered deepening losses in the last three years that have put it under enormous scrutiny.

Created during the Great Depression to revive the devastated housing market, the FHA doesn't originate loans. It guarantees mortgages made by banks in exchange for insurance premiums. The agency now insures more than \$1 trillion worth of homes. This year it has backed roughly 14% of all mortgage originations, according to the trade publication Inside Mortgage Finance.

advertisement

"It's pretty hard to grow without a bank to back you up."

Stefano Riboli  
San Antonio Winery  
Los Angeles, CA  
Client since 1917

Bank of America

Get the whole story >

Critics worry that the FHA is foolishly allowing marginal buyers to get loans just three years after foreclosure with as little as 3.5% down. What's more, the agency doesn't even track how many rebound borrowers it backs.

Exactly how much money is hemorrhaging from the agency could be revealed Thursday, when the agency files a self-evaluation report to Congress. Analysts say the FHA could request a bailout from the U.S. Treasury for the first time in its history.

What's unclear is how much money the agency needs to stay afloat. The Housing and Urban Development Department, however, projects \$13 billion might be needed.

"It looks uglier and uglier for the FHA," said Anthony Yezer, a George Washington University economics professor.

At a minimum, the experiences of Maldonado and other rebound borrowers illustrate how fast the financial errors of the boom are being wiped clean by government policy that is eager to give the housing market a boost.

"If somebody goes through foreclosure or bankruptcy, or whatever, you don't allow them to jump back into the housing market as quickly as three years," said Guy Cecala, publisher of Inside Mortgage Finance. "Aren't you setting yourself up for future losses ... if you make those loans to the same high-risk borrowers?"

Proponents say rebound lending is essential to the economy. This group has emerged as an unexpected source of strength for housing this year, particularly in badly scarred areas such as the Inland Empire.

Besides, advocates argue, giving people a second chance — or even a third chance — is as deeply ingrained in American culture as buying a home itself.

"It's happening quite a bit," said Doug Shepherd, owner of Shepherd Realty Group in Riverside. "It is something that is an important part of the coming market."

Home builders and real estate agents are capitalizing on this market.

Some even keep files on former homeowners who will become eligible to apply for new loans once past transgressions are cleared from their credit reports.

Greg McGuff, the Inland Empire division president for home builder Lennar Corp., said roughly 1 in 5 buyers in his region had either a previous short sale or a foreclosure. Many of them are eager to own again and often recognize the opportunity that declining prices and low-interest mortgage rates provide.

"They know to the day when the event clears from their credit history," McGuff said. "Buyers are working diligently to improve their credit scores through the use of credit repair companies, not only to meet the minimum requirements, but also to ensure the best interest rate pricing."

The FHA is trying to straddle the line between financial caution and doing what it can to aid the economic recovery.

Housing and Urban Development Secretary Shaun Donovan said the FHA has tightened its standards significantly but must still lend to those who wouldn't otherwise qualify for a mortgage. It's crucial for

families to "show that they are responsible, that they have worked hard to reestablish their credit," he said.

Rebound buyers say they simply ran into bad luck during the crisis, and FHA loans have helped them get back on their feet.

Amy Novak, a real estate agent, bought a home in Riverside in 2006 and borrowed extra money to pay for needed repairs. She and her husband fell behind on payments when they lost work. They couldn't get a loan modification and walked away in 2008, she said.

"It was going to be our marriage or the house, so we left right then and moved into a rental and let the house go to foreclosure," Novak said. "We had excellent credit; we were pretty young at the time."

Late last year the couple bought a new home in Riverside with an FHA loan. Novak said she is happy to own again and is paying her mortgage on time every month.

Betty Buenrostro and her husband, Eduardo, took on a risky loan to buy their first home in La Puente in 2005. They expected to refinance out of the loan, but Eduardo lost his job when the economy soured, Betty said.

The couple used an FHA loan last year to buy a newer place not far from their previous one.

"It's a three-bedroom house, it was completely remodeled," she said. "It had a brand-new dishwasher, everything was almost all done, and right now I am just happy that I have my house."

Maldonado, who emigrated from Honduras decades ago, said he moved to Moreno Valley in the 1990s to escape the violence of South Los Angeles. He has worked at a Santa Ana plastics factory for 32 years.

He speaks English but is more comfortable in his native Spanish. Maldonado doesn't smile often, but he flashes a wide grin when describing his good fortune to own anew.

Shortly after buying their first Moreno Valley home in 1996, Maldonado and his wife began a years-long process of home refinancing to fund an expanding lifestyle, according to a review of the family's property and bankruptcy records by the Los Angeles Times.

Even after defaulting on their first home and declaring bankruptcy, the serial refinancing increased significantly after they bought a second home with a high-interest, adjustable-rate loan from a subprime lender.

Maldonado said his financial woes stemmed from the illness of his mother abroad. But he will also attest to living beyond his means, which records confirm.

Maldonado readily admits his past mistakes but says he has learned his lesson.

"Yes, yes," he said. "Leave behind the credit cards, don't take out a second mortgage. Live with what you can, and don't spend more than you earn."

[alejandro.lazo@latimes.com](mailto:alejandro.lazo@latimes.com)

[walter.hamilton@latimes.com](mailto:walter.hamilton@latimes.com)

*Times staff writer Jim Puzzanghera in Washington contributed to this report.*

Copyright © 2012, [Los Angeles Times](#)

## **Bernanke: Banks' tight standards hurting economy**

*By Martin Crutsinger Associated Press San Jose Mercury News*

*Posted:*

MercuryNews.com

---

WASHINGTON -- Federal Reserve Chairman Ben Bernanke said Thursday that banks' overly tight lending standards may be holding back the U.S. economy by preventing creditworthy borrowers from buying homes.

Some tightening of credit standards was needed after the 2008 financial crisis, but "the pendulum has swung too far the other way," Bernanke said. Qualified borrowers are being prevented from getting home loans, he said during a speech to the Operation HOPE Global Financial Dignity Summit in Atlanta.

Operation HOPE is a non-profit organization that provides free economic education and financial counseling to lower- and middle-income Americans.

Bernanke's comments came on a day when mortgage buyer Freddie Mac said the average rate on the 30-year fixed mortgage fell to a record low of 3.34 percent. Rates have been low all year but have fallen further since the Federal Reserve started buying mortgage bonds in September to encourage more borrowing and spending.

The rates have helped boost home sales and have led more people to refinance existing loans. Yet many have been unable to take advantage of the low rates because banks now require higher credit scores, stricter income documentation and larger down payments before approving loans.

The Fed has tried to make home-buying more affordable through its bond purchases. Minutes from the central bank's October meeting released on Wednesday indicated the Fed may pursue more bond purchases in the month ahead. A new program could be announced when the Fed next meets on Dec. 11-12.

In his speech, Bernanke gave no hint of what future moves the Fed might take. But he said officials at the central bank understood the problems still facing the U.S. economy.

Bernanke said the housing has shown signs of recovery this year. But he said construction activity, sales and prices remain much lower than they were before the crisis. About 20 percent of mortgage borrowers remain underwater, meaning that they owe more on their mortgage than their home is worth, he noted.

Bernanke said that the Fed and other regulators would continue to pursue efforts to make credit more available to potential home buyers.

-----

Associated Press Writer Michael Biesecker in Atlanta contributed to this report.

latimes.com/business/money/la-fi-mo-housing-affordability-20121112,0,415207.story

**latimes.com**

## Housing affordability in California drops as prices increase

By Alejandro Lazo

12:20 PM PST, November 12, 2012

California homes are getting less affordable as property values rise, [a real estate group says](#), offsetting the benefit to home shoppers from low mortgage interest rates.

The California Assn. of Realtors estimated that 49% of homebuyers in the third quarter could afford a median-priced house in California, a decline from 51% last quarter.

### [Quiz: How much do you know about California's economy?](#)

The group estimated that those buying a house needed to earn a minimum annual income of \$65,810 to qualify for the purchase of a median-priced house in the state, which the group estimated at \$339,860 at the end of the third quarter.

A monthly payment for this home on a fixed-rate 30-year mortgage with a 20% down payment would be \$1,650 including taxes and insurance. The group assumed a 3.72% interest rate.

Most counties in Southern California experienced lower affordability. Affordability in Los Angeles fell to 42% of buyers from 49% of buyers in the previous quarter.

### **ALSO:**

[Report: Deals on foreclosures dwindling](#)

[Mortgage rates remain near record lows](#)

[Sellers' return to the market could be slow, surveys indicate](#)

Copyright © 2012, [Los Angeles Times](#)

advertisement

How can one family help build an entire city?

Ganahl Lumber  
Los Angeles, CA  
Client since 1928

Bank of America  Get the whole story >



## Another hurdle for short sales

By Lily Leung

Saturday, November 17, 2012



Add this to the long list of things that could derail a short sale.

A growing number of short sellers in San Diego County are seeing their deals suddenly fall apart and **cash bonuses** disappear because the companies that accept and manage borrowers' mortgage payments every month — like Citi, Chase and mainly Bank of America — are selling off the servicing rights to those loans to smaller companies for financial reasons.

“You’re wasting your time; you’re wasting everyone’s time,” said Brian Ruhl, a San Diego Realtor who has had to handle a handful of these cases during the past six weeks. “We’re asking on every (client) file now.”

Short sales are deals that let overextended borrowers sell their homes for less than what they still owe as long as the banks say yes. Short sales, once rare deals before the recession, now make up an estimated 29 percent of total home resales in San Diego County, based on October numbers from local real estate tracker DataQuick.

### **Related: Why the big banks are doing more short sales**

Servicing transfers or releases, which don’t affect the investors who own those mortgages, are nothing new. Realtors say they’ve always been around, spiked during the housing boom and have been occurring infrequently in more recent years.

They've suddenly spiked again, not surprisingly because servicing transfers can be a lucrative, cash-driven business for big-name lenders as well as for the small firms that buy up those rights.

How it works: Mortgage servicers are companies to which you send your mortgage payments and call if you have questions on your loan. When your loan is originated, they get a small interest of that for monitoring whether borrowers are in fact paying on time. Mortgage companies typically get 25 basis points for each home loan, which translates to \$500 a year on a \$200,000 mortgage, **based on details from top investment publication Seeking Alpha.**

Servicing rights can either be retained or they can be sold to other companies for cash.

In Bank of America's case, they've been focused on selling, especially "delinquent loans needing extra attention, largely to smaller companies who specialize in that type of high-touch servicing," said bank spokesman Richard Simon, who acknowledged that selling has increased since the start of the year.

Service releases have made sense for Bank of America, which was dethroned by J.P. Morgan Chase as the nation's biggest bank last year, for two key reasons. One, they want to offload "legacy mortgage issues" from the acquisition of loans from the now-defunct Countrywide, and two, the demand for buying servicing rights has become "robust," Simon added.

Who decides what's released and when?

"Market factors and strategies of the servicers and/or investors," wrote Simon, in an email to the U-T San Diego.

### **Related: Should you accept offer to wipe out home loan?**

The gains realized by companies like Bank of America with such sales have meant potential losses in time, effort and money for those involved in the short sale process.

Some consumers who had just begun or were in the middle of short sales and had their servicers change are now having to start from scratch with the new company if they want to get the deal done, real estate pros say. How this typically unfolds: The short sale is in full swing, a borrower suddenly gets a letter stating the servicer is set to change in a couple of weeks, and all the borrower can do is wait until the change occurs.

The change, which can tack on an extra four to six weeks to an already lengthy short sale, can jeopardize deals with prospective buyers because short sale agreements can expire and patience from buyers tend to wear.

"Who do you complain to?" said San Diego real estate broker Vincent Scuncio, who's also dealt with about a handful in the last six weeks. "You can rage against the machine, but then what?"

Such changes also have mucked up **cash incentives promised to homeowners who agree to complete short sales.** When the servicer changes, it's more likely than not that the new servicer will not carry through with awarding the incentive, which can mean the loss of thousands to tens of thousands of dollars that could help struggling homeowners, Ruhl said.



“The \$15,000 to \$20,000 pushes them over the fence” of doing a short sale, said Ruhl, who added that some potential short sellers still hold out hope for a loan modification. “They’re a month into it and then they find out it’s being service released ... They don’t get it (cash incentive.)”

How can a borrower protect themselves from a service release jeopardizing their short sale?

Ask lenders if there are plans for a service release. They’re required to tell you, Ruhl said. Also, this way, you’ll know how much time you may have to close the deal.

Bank of America, which appears to be doing more service releases than other lenders, has heard similar complaints from real estate agents from other parts of the country, so much that they issued an FAQ on this issue to those who deal with short sales earlier this month.

“The fact is, there are many potential obstacles to the completion of a short sale throughout the complex process,” said Simon, of Bank of America. “The release of servicing is just one and several others occur more commonly.”

**Email me: [lily.leung@utsandiego.com](mailto:lily.leung@utsandiego.com) | Tweet me: [@LilyShumLeung](https://twitter.com/LilyShumLeung) | [Subscribe to this blog.](#) | [Or tryGoogle+.](#)**

© Copyright 2012 The San Diego Union-Tribune, LLC. An MLIM LLC Company. All rights reserved.