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Prowse and Company News  
*PROWSE and COMPANY NEWS*



Kitsap County's Most Referred Realtors!

## December 2009

Congratulations to Lucy Badenhoop, who has a pending sale on her property!

Thank you to Geraldine Sinclair, Brad and Susan Marx, Jon and Soo Fink, and Ron and Judy Lindquist for recently purchasing a home with the help of Prowse & Company!

We love referrals! A referral is the greatest gift you can give Prowse & Company! Thank you to Kathy Lins and Todd Tidball for your referrals. We really appreciate you!



*Brenda Prowse  
Broker/Owner  
(360) 779-2888*

*Please contact Brenda or any of her agents for all of your real estate needs! Remember that if you buy or sell through Prowse & Company, you can use our moving van for free!*



## Home Affordable Foreclosure Alternatives Program (HAFA)

There has been some mention that the Home Affordable Modification Program (HAMP) is not helping many distressed homeowners obtain loan modifications to avoid foreclosure. Although loan servicers report nearly 700,000 trial loan modifications have been started, as of December 13th, only 31,382 had been converted to permanent modifications. HAMP modifications apply only to the first mortgages of the owners primary residence (a one to four unit home).

A new program, called Home Affordable Foreclosure Alternatives Program (HAFA), allows HAMP applicants who are turned down or fail to obtain a permanent loan modification to request consideration for a short sale or deed-in-lieu of foreclosure as an alternative to foreclosure. HAFA applies to loans not owned or guaranteed by Fannie Mae or Freddie Mac, which will issue their own versions of HAFA in coming weeks. A recent article from Housing Wire states that the program will be implemented in April 2010. According to information provided by the National Association of Realtors, HAFA is a complex program, with 43 pages of guidelines and forms, designed to simplify and streamline use of short sales and deeds-in-lieu of foreclosure. HAFA:

- Complements HAMP by providing a viable alternative for borrowers (the current homeowners) who are HAMP eligible but nevertheless unable to keep their home.
- Uses borrower financial and hardship information already collected in connection with consideration of a loan modification.
- Allows borrowers to receive pre-approved short sales terms before listing the property (including the minimum acceptable net proceeds).
- Prohibits the servicers from requiring a reduction in the real estate commission agreed upon in the listing agreement (up to 6 percent).
- Requires borrowers to be fully released from future liability for the first mortgage debt (no cash contribution, promissory note, or deficiency judgment is allowed).
- Uses standard processes, documents, and timeframes/deadlines.
- Provides financial incentives: \$1,500 for borrower relocation assistance; \$1,000 for servicers to cover administrative and processing costs; and up to \$1,000 for investors for allowing a total of up to \$3,000 in short sale proceeds to be distributed to subordinate lien holders (on a one-for-three matching basis).

December 2009

You'll see that we have closed a number of sales recently. Many of these were in process for a long time, and we are thrilled for both our buyers and our sellers to have completed these sales. Today's market is challenging for both buyers and sellers as the industry has imposed more difficult requirements in many areas as part of the effort to correct past excesses or leniency. It takes an experienced team to get the job done.

Thank you for your business and referrals. We are grateful, and we wish you and your family a Happy New Year. Please enjoy Sheri Johnson's recipe for apple dumplings.

Cheers,

Brenda Prowse  
Broker/Owner



CERTIFIED DISTRESSED  
PROPERTY EXPERT™



Find us on  
**Facebook**

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## Sheri's Easy Apple Dumplings

2 sticks butter  
2 whole granny smith apples, cored and peeled  
2 cans refrigerator crescent rolls  
1/2 can Mountain Dew (or small can)  
3/8 quart white sugar (1 1/2 cups?)  
1/3 TB Vanilla extract  
1/3 oz. ground cinnamon

Cut apples into 8 slices each. Roll each apple slice in a crescent roll. Place in 9x13 buttered pan. Melt butter, then add sugar and barely stir. Add vanilla, stir, and pour over apples. Pour Mountain Dew around the edges of the pan. Sprinkle with cinnamon and bake at 350 degrees for 40 min. Serve with Ice cream, and spoon some of the sweet sauces from the pan over the top.

## Real Estate in 2009 - Year in Review

This has been an eventful year for our Kitsap real estate market and for the national market as well. Here are just few of the landmark events from the past year (see our web site at [www.browse.com](http://www.browse.com) for links to more detail):

- American Recovery and Reinvestment Act: Job creation from the \$800 billion stimulus has not gone as predicted in January. In June we realized that unemployment numbers were much higher than the predicted worst case, even though the stimulus had been passed. Kitsap County, with a higher percentage of government jobs, has about 7.6% unemployment, compared to the national rate of about 10% and a state rate of about 9.2%.
- First time homebuyer tax credit resulted in many renters pursuing purchases of low priced homes as prices in the low end fell dramatically and sales increased. One study showed that the actual cost to obtain a new buyer in the program was \$43k per home sold. Rental vacancy rates have reached record highs.
- Enacted Financial Stability Plan to get credit flowing by conducting "bank stress tests." Results in May showed none of the 19 largest banks were to be failed, but that some needed to raise capital.
- Enacted Home Affordability and Stability Plan: Home Affordable Modification Program (HAMP) offered \$75 billion assistance to provide 7 to 9 million homeowners with mortgage mods or refinancing. Few mortgage mods have been made permanent thus far. Recently approved new guidelines for short sale and deed-in-lieu for non GSE loans (HAFA) to go into effect next April. Support for Bankruptcy law modification to permit mortgage "cram downs" by bankruptcy judges did not pass in Congress. To strengthen the GSEs (Fannie Mae and Freddie Mac), Federal Reserve purchases of GSE mortgage backed securities and debt have helped maintain historically low interest rates for fixed rate conventional loans.
- By late summer the number of conventional conforming mortgages began to greatly exceed other forms of home loans in number of defaults as the toll of falling home prices took effect. 14% of all loans in the US are in default or foreclosure.
- The percentage of new construction sales nationwide has fallen behind the percentage of residential resales by a considerable margin this year, whereas normally the two categories track closely together. One expert surmises that this is because builders cannot compete in price with the foreclosure market, where banks are operating with a much different motivation to rid themselves of problem properties and loans. Recovery of the real estate market is in large part dependent upon recovery of the new construction business. Kitsap County's construction sector is faring poorly much as elsewhere in the country. The recently announced closure of 87 year old Parker Lumber in Bremerton testifies to this.
- The number of Kitsap County closed sales for 2009 exceeds the number in 2008. There is speculation that prices in the higher price ranges will continue to fall in the coming year, whereas the lower price ranges may be approaching a bottom. Listing inventory (1526 homes in November) has fallen to its lowest level in several years, but there is again speculation that there is still a considerable shadow inventory of bank owned properties not on the market, potential foreclosures currently pursuing loan modifications, and sellers holding out for a better market (about 1000 total by our estimate). Pending sales were running well ahead of closed sales for most of the year because of long lead short sales and bank owned sales. Pending sales declined significantly at year end.
- While the large banks are being protected and enabled by government policy, there have been 140 community and regional bank failures nationwide. Westsound Bank in Bremerton failed in the spring. Frontier Bank, Golf Savings Bank, and American Marine Bank in Kitsap County have received FDIC letters. Experts anticipate that more banks will fail next year than this year.
- Although affordability for conventional loans has improved significantly this year as prices have fallen and interest rates have remained low, buyers cannot borrow anywhere close to as much as they could several years ago when exotic loans could be obtained. As a result, many homes were built in the higher price ranges where now the pool of buyers has become much smaller, first because buyers with a given income cannot borrow nearly as much, and secondly because buyers must now have a large downpayment whereas a few years ago large sums could be borrowed with no money down.

## Prowse & Company's Featured Listings

For more information, photos, and virtual tours, visit our website at [www.browse.com](http://www.browse.com)!



### Almost 2 acres in Poulsbo!

223 NE Anna Rd, Poulsbo  
\$184,999 MLS#29105443 - **New Price!**  
3 BDR, 1.75 BTH one story home with approx. 1131 sq. ft.



### Shop and compare, you'll love this!

117 NE Myreboe St, Poulsbo  
\$200,000 MLS#29143303  
3 bedroom, 1.5 bath, 2 story with approx. 1222 sq. ft.



### Best Value in Waterfront!

326 NW Wesley Way, Poulsbo  
\$575,000 MLS#29144273  
2 bedroom, 1.75 bath rambler with approx. 1734 sq. ft. on .60 acres with 200 feet of low bank waterfront and dock rights.



### Low Bank Bulkheaded Waterfront home!

7256 NE William Rogers Rd, Indianola  
\$950,000 MLS#29110650 - **Sale Pending!**  
3 bedroom, 3.5 bath, 3 story with approx. 4692 sq ft on 65 feet of bulkheaded waterfront at the Indianola sandspit



### Keyport Waterfront with Dock!

15485 Cove Pt Ln, Keyport  
\$615,000 MLS#29170664 - **Just Listed!**  
3 bedroom, 2.75 bath with approx. 3055 sq. ft. on .48 acres and 75 feet of frontage



### Move In Ready Bungalow in Manette!

1323 Trenton Ave, Bremerton  
\$138,000 MLS#29139085 **Sold!**  
2 bedroom, 1 bath rambler w/basement



### Lovely condo with a breathtaking view!

400 Washington Ave, #203, Bremerton  
\$325,000 MLS#29031951 **Sale Pending!**  
2 BDR. 1.75 BTH one story condo with approx. 1298 sq. ft.



### Welcome Home to the Country!

11094 NE Tulin Rd, Kingston  
\$400,000 MLS#29038393 **Sold!**  
3 BDR, 2.5 BTH remodeled two story with approx. 2478 sq. ft on 5 acres with pond



### New Construction, with New Well!

27776 Big Valley Rd NE, Poulsbo  
\$399,000 MLS#29144451 **Sold!**  
3 bedroom, 2.75 bath two story with approx. 2569 sq. ft. on 1 acre



### High Bank Hood Canal Waterfront!

35421 Hood Canal Dr NE, Hansville  
\$419,000 MLS#29094336 - **Sold!**  
3 bedroom, 2.5 bath 2 story with approx 2252 sq. ft. on 1 acre with 90 feet of high bank wtrft.



### Prime No-Bank Beach House in Hansville

7832 NE Point No Point Rd, Hansville  
\$650,000 MLS#29058618  
3 bedroom, 1.75 bath with approx 2590 Sq Ft on .34 acres. 45 feet of waterfront.



### Private Home on 6.75 acres!

25295 Norman Rd NE, Kingston  
\$435,000 MLS#29058650 **Sale Pending!**  
3 bedroom, 2 bath, rambler with approx 1548 sq. ft. plus and guest house on 6.75 acres.



### Edgewater Estates Fixer!

26528 Edgewater Blvd NW, Poulsbo  
\$164,900 MLS#29048979 **Sold!**  
4 bedroom, 2.75 bath 1 story with basement with approx 2320 sq. ft. on .32 acres



### Country Living at its Tranquil Best!

10249 NE Kingston View Ct, Kingston  
\$359,000 MLS#29068572  
3 bedroom, 2.5 bath, 1.5 story with approx. 1727 sq. ft. on 2.29 acres.



### Like New with Water and Mountain View

6711 NE Admiralty Ln, Hansville  
\$209,000 MLS#29162591 - **Just Listed!**  
3 bedroom, 2.5 bath Two Story with approx. 1740 sq. ft. on .20 acres



### Kingston New Construction on Acreage!

8850 NE Nature Way, Kingston  
\$450,000 MLS#28144844 - **Sold!**  
4 BDR, 2.5 BTH two story home with approx. 3008 sq. ft. on 8.79 acres



### Great Buy in Kingston!

9051 NE State Hwy 104, Kingston  
\$235,000 MLS#29086684 - **Sale Pending!**  
2 bedroom, 3 bath rambler with approx 1336 sq ft on 2.16 acres

### Lovely View of the Hood Canal and Olympic Mountains!

1770 Brothers LN NW Poulsbo  
\$330,000 MLS#29134943 - **Sold!**  
3 bedroom, 2.5 bath, split entry with approx. 2089 sq. ft. on .41 acres.

