



# In the Loop Realty Newsletter

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*Amerival*

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Valuation Center

## TRUTH ABOUT R. E. FRAUD

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### HOUSING DEMOGRAPHICS

State	2005 Pop.	Cau.	Black	Asian	Hisp.	Age 55+	Age 65+
	(thousandths)						
Connecticut	3,412	75	9	3	11	25	14
New Jersey	8,434	63	13	7	15	23	13
New York	18,999	61	15	7	16	24	13
Pennsylvania	12,286	83	10	2	4	26	15

### HOUSING TRENDS-

The above statistics are compiled by the Brookings Institute which completed a study of population trends by race and age with regard to real estate development and needs for the coming years.

One of their findings is that less than 2% of population between 55 & 64 move to other states in any one year; that percentage is even less for 64 & over. Thus, in heavily populated 55+ communities, a decrease in population is highly unlikely and prolonging life spans mean there will likely be growth of this age group and greater need for increase of the jobs and professions which serve this group.

Anticipate a greater influx of primarily Hispanic population in many suburban areas. In 1990 55 %

of Hispanics lived in the top 10 metropolitan areas & in 2005 only 22 % lived in those same locales. Professionals and businesses should be preparing to understand those cultures from which they come and seek means of attracting them as clients or customers. The Hispanic & Asian populations are younger overall than the others and are more mobile. An interesting statistic is that 15 of the 88 major metropolitan areas now have a *majority* population of *minority* groups.

### PMI-

For 2007 American home buyers will be able to take a tax deduction for their PMI (private mortgage insurance) annual payments. Supposedly this will help low and moderate income buyers afford more house for their money or hopefully, under

good "professional" guidance, simply apply what they would save in tax to their mortgage payment to buy down the principal. Accountants and attorneys should make their perspective home buyers aware of this.

### MORTGAGE FRAUD-

The FBI says mortgage frauds are up again. According to their statistics the actual number of cases nationally are at 36,000 in Sept. '06 up from 22,000 in Sept. '05, a 63% rise.

In it's inimitable way the FBI reaches into the bag of fraud schemes but forgets who's holding the bag ....lending institutions & mortgage companies. Yes, there are schemes between buyers and sellers and stolen identities, but it is not likely they comprise the major fraud schemes in the U.S. There are fraud for

profit schemes in which buyers, sellers and appraisers create excess values and the "unsuspecting" lender makes a loan. The culprits then split the proceeds and disappear.

Any lender that does not have security checks in place deserves to be scammed. So, if they're not scammed then what are they? Right, often the primary culprit in the scam. Having been involved in real estate fraud matters since the early 1980's, it's rare to see a case that the lender or employee (s) has not been integral in the scam. No doc loans are fostered with heavy sales efforts by loan officers allows the decay of the system to fester. All one needs to do is see who stands to benefit the most. The FBI should fingerprint those holding the bag of schemes in which they are mired.

*Call us if you're concerned about a possible fraud or how to avoid being involved.*

Courtesy of

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