

THE DAILY RECORD

WESTERN NEW YORK'S SOURCE FOR LAW, REAL ESTATE, FINANCE AND GENERAL INTELLIGENCE SINCE 1908

TitleTRACK

Sandy's effects on foreclosures/real estate

With the East Coast hit by Hurricane Sandy, mortgage lenders have stepped up their efforts to help homeowners in disaster areas by suspending any foreclosure actions for up to 90 days. Before Superstorm Sandy, some of the hardest hit areas in New York, New Jersey and Connecticut were experiencing a big spike in foreclosures. In the 34 counties that have been declared disaster areas, close to 125,000 homes were already in some stage of foreclosure. These homeowners were granted a 90-day window to relocate.

While the moratorium will help the storm victims, it may be a big setback to the housing recovery. More homes will likely fall into foreclosure as some storm victims may choose to walk away from their homes rather than rebuild as reported by a spokesman from Freddie Mac.

In February 2012, a national mortgage settlement for roughly \$25 billion was filed to help provide relief for distressed borrowers, states and federal governments. Now, lenders are working through a backlog of foreclosures that have been accumulating since the robo-signing scandal that arose two years ago. This settlement opened the door for banks to start filing paperwork on delinquent borrowers. The effects of Super storm Sandy have slowed down the push of the banks proceeding with these filings.

Economists say that because the storm had such a wide path, the effects will be felt across the region but no single area will be severely affected. In other words, don't expect to see a complete housing market collapse anywhere near the likes of Hurricane Katrina in 2005. So in many ways Hurricane Sandy will mostly

affect the New York real-estate market.

The number of home sales will drop; homeowners will take their homes off the market to make any repairs needed from the effects of the storm. Pending sales could also fall apart. Buyers will most likely want new appraisals before signing any paperwork, and with fewer homes on the market you can expect to see listing prices increase because of the lower inventory of homes.

One thing buyers are being warned to consider is whether or not to move forward with a purchase based on the potential for increased insurance premiums. Many insurance companies are re-evaluating the risk these homes pose due to the damage from the storm. Both buyers and sellers may also be required to sign a form stating that both parties agree the property suffered no storm-related damage.

On Jan. 28, the Senate approved a \$55 billion emergency relief measure for Superstorm Sandy victims which is awaiting President Obama's signature. The bill is aimed primarily at helping residents and businesses as well as state and local governments. The bill passed despite opposition from fiscal conservatives worried about adding to deficits.

Bob Hill is the vice president of Business Development for WebTitle Agency, an authorized title insurance issuing agent for First American Title Insurance Co. of New York, Fidelity National Insurance Co. and Old Republic National Title Insurance Co. WebTitle Agency offices are located at 500 A Canal View Blvd., Rochester, N.Y. 14623; and the Executive Office Building, 36 W. Main St., Suite 51, Rochester, N.Y. 14614; phone (838) 250-9056; www.webtitle.us.



By BOB HILL

Daily Record
Columnist