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Affinity Title

**AFFINITY TITLE
IS CHICAGO'S
PREMIERE TITLE
INSURANCE
PROVIDER**

*We are your closing
specialists!*

This Issue:

WOW Factor

2020 Real Estate Recap

**Best Practices to prevent
wire fraud**

**Home maintenance tasks
for the winter**



*Kindness is like snow-
It beautifies everything it covers.*

WOW Factor, ATS Indiana!

Realtor Testimonial for Affinity Title



"My experience in working with Affinity Title has been nothing short of "Excellent"! I do believe it's not only the company and the people behind the scenes but also the person whom you are directly dealing with on the transactions, **Jamie Goodwin** has been a pleasure to work with at the Michigan City location. I know that once I place an order with Jamie, I know that I don't have to worry about the job getting done. Jamie and the team at Affinity Title go above and beyond the normal duties to assist me in be a more efficient and successful Realtor."

**- JAMAL AGENCY
"YOUR CENTURY 21 GUY!"**



Let's Recap the 2020 Real Estate Market:

The Good

Some of the good things to come out of the 2020 real estate market were low-interest rates and, in return, a huge number of transactions in residential real estate. According to [Freddie Mac's Mortgage Rate report](#), as of January 7th, 2021, you could get a 30-year fixed mortgage at 2.6% interest. This is insanely low, and buyers jumped at the opportunity. Despite slightly higher rates in 2021, expect the rates to stay low as America continues to incentivize home buying due to the economic damage done by Covid. [In a recent Forbes article](#), Black Knight, a real estate analytics company, reported the third quarter of 2020 to have been the "largest single amount of purchases (\$455 billion), refinancing (\$867 Billion) and total lending (\$1.3 trillion) on record." CoreLogic, another real estate analytics company, also [released a report](#) saying, "The housing market has remained a strong pillar in an otherwise tumultuous economic year. A sharp rise in demand, spurred by record-low interest rates, continues to bolster homeowner equity. And with many people now spending more time than ever before at home, some homeowners have tapped into their strengthening equity to fund renovations." For now, your home is safe. As a matter of fact, now is the perfect time to refinance! It is one of the economic opportunities many Americans can take advantage of as a result of Covid and is one of the good things to come out of 2020.

The Bad

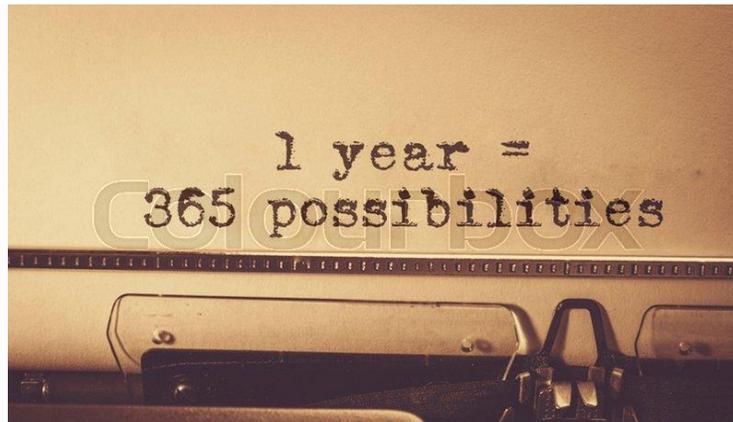
Among some of the more unfortunate realities is it's a very difficult time to be a buyer, especially if it is your first time. Suzanne Seini, a realtor at Active Realty, says in [Forbes](#), "First-time homebuyers did face more challenges this year than in the past. Since the start of the pandemic, California has experienced record-low inventory (the number of available houses for sale). With low inventory comes high home prices." If you're young and trying to buy a house right now in traditionally expensive markets, expect to have limited options and to overpay. Another problem is, given the high [unemployment rates](#) due to Covid, delinquency rates are increasing and becoming a serious problem. According to [CoreLogic's research](#), "the serious delinquency rate for October 2020 was 4.1 percent, representing a 2.8 percentage point increase compared with October 2019. The rates increased for all loan types in October 2020 compared with October 2019. In addition, the delinquency rates for FHA and VA loans reached a high, surpassing the highs seen post-Great Recession. The rate for FHA loans was above the 2012 delinquent levels by 2 percentage points." Unfortunately, this is pretty serious. The article further mentions, "The FHA has further extended the deadline for single-family borrowers with FHA-insured mortgages to request forbearance...about 84% of loans that were seriously delinquent in October were in forbearance." For all the feel-good commentary on the low-interest rates, people are still having trouble making their payments, especially on FHA loans. That is something to certainly keep a close eye on and be wary of.

Aspects of commercial real estate are slowing with office and retail space being in the midst of an existential crisis. Ex Vornado Realty executive, Wendy Silverstein commented in [Bloomberg News](#), "There's a lot of collateral damage that's going to be hanging around for a while." To be more specific, UCLA Anderson Business school specifically released a report where they say, "The current recession has tripled down on the struggles retail already faced during the previous economic expansion. First, household loss of income and shelter-in-place policies reduced the current demand for brick-and-mortar retail. Second, the inability to physically frequent many retail establishments created a new set of online shoppers." This is causing retailers to operate leanly and pray it isn't too long before malls are filled with shoppers again. Deloitte also released [this report](#) that says, "offices, hotels, and retail have felt the negative effects [of Covid]. Global CRE deal volume declined 36% year over year (YoY) to US\$306B in 2Q20 due to economic stagnation and an uncertain pricing environment. Prices are showing early signs of stress across the more negatively impacted property types. For instance, US retail and office price indices declined 4.1% and 0.5% YoY in August." Those are some difficult numbers to accept if you're invested in retail and office commercial real estate. Let's hope it can recover as 2021 continues.

It goes without saying that Covid-19 threw a very large wrench in the plans of almost every home or commercial real estate owner. 2020 was a crazy year filled with unexpected outcomes, especially in Real Estate. Some struck gold with increasing housing demand or commercial space designed to support the digital economy. Unfortunately, first time home buyers, commercial retail, and commercial office space had a tough year. Only time will tell what 2021 has to offer and what sectors of real estate will benefit, so stay tuned.

Best practices for recognizing and preventing wire transfer fraud and stopping these scams before they result in losses include:

- Be on the lookout for common red flags that are associated with any compromised email. These include a sense of urgency, misspellings, poor grammar and emails sent outside of normal business hours.
- Be wary of emails that contain changes in payment type, such as changing from a certified check to a wire transfer, or changing account numbers at the last minute.
- Credit unions should require title companies to send wire transfer instructions using encrypted email.
- Credit unions should establish procedures to verify the legitimacy of wire transfer instructions received by email. They should also establish a passcode in advance, which can be used for verification purposes with a closing agent or title company.
- Credit unions should always confirm that members received wire transfer instructions via email and, if they did, credit unions should verify information and instructions with the closing agent or Title Company individually before sending funds on a member's behalf.
- If you are unable to verify wire instructions, send a check instead of wiring funds.
- If you are in a business that regularly wires funds, check with your insurance company to see if you can obtain insurance to cover losses from wire fraud.
- Companies and credit unions should educate agents, members and employees about wire transfer scams, warning them about what to look for and how to best protect themselves from this threat.
- Both title companies and credit unions should ensure that they have implemented an effective business email security gateway that provides complete, end-to-end control of their email and prevents fraudulent mail from reaching the inbox and perpetuating wire transfer fraud.



Home maintenance tasks for the winter and throughout the year

- **Safety check:** Test all your smoke, carbon monoxide and water-leak detectors. Test and reset outlets equipped with ground-fault circuit interrupters (GFCIs) and arc-fault circuit interrupters (AFCIs). Make sure any home-security devices work.
- **Clear the air:** Replacing air filters is the most important maintenance task for heating and cooling systems. When a filter has a matting of dirt — i.e. it's difficult to see through when you hold it up to a light — it's time to replace it (usually at least four times a year).
- **Don't get hosed:** To avoid a flood, check rubber washing machine hoses for blistering, stress cracks, wear or loose connections. Consider replacing rubber hoses with stronger reinforced steel-braided hoses.
- **Sink it:** Clear out all the junk underneath your kitchen and bathroom sinks, turn on the taps and your garbage disposal, and look for leaks from above.
- **Test your sump pump's backup plan:** If your sump pump often activates, consider adding a second sump pump to your system plus a moisture alarm to the top of the sump pit to avoid surprise floods.
- **Deal with drafts to save a lot of energy:** A few easy-to-do and inexpensive tasks can significantly cut your utility bills. Look for leaks by turning off your furnace on a cool, very windy day; shutting all windows and doors; turning on all exhaust fans that blow air outside, such as bathroom fans or stove vents; and then lighting an incense stick, moving around your house and noticing where smoke is blown to find sources of drafts. Focus on inspecting areas where different materials meet: brick and wood siding, foundation and walls, and between the chimney and siding. Then turn off any lights in your attic and look for spots where daylight sneaks in. Use caulk to seal any cracks or gaps measuring less than one-fourth an inch wide. For larger cracks, use polyurethane foam sealant. To minimize leakage around doors and windows, install weather stripping, and replace it every few years.
- **Prepare for potential plumbing problems:** Test the main water shut-off valve to your home by closing it completely, then reopening it to make sure it is working properly. Make sure everyone who lives in your home knows its location and how to use it.
- **Free floor drains:** In July, I got an expensive maintenance reminder when our basement flooded due to a clogged outdoor drain. Pour water into indoor drains to make sure they, well, drain. Make sure outdoor drains aren't covered or clogged up with leaves and other debris.
- **Avoid a lint firetrap:** Unplug the dryer and, if you have a gas model, shut off the gas valve and disconnect the supply line. Then remove the exhaust hose and inspect and clean out any lint buildup from the hose and the dryer's accessible innards.



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Our network of Attorney Agents and realtors choose Affinity because we ensure a positive and compliant real estate settlement experience. We can close anywhere in Illinois or Indiana, including but not limited to any of our 15 convenient locations or your office if you prefer.

We are proudly underwritten by **Attorneys' Title Guaranty Fund, First American Title Insurance, Fidelity National Title, Chicago Title and WFG National Title Insurance.**

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We are proud to be part of this program – Homes for Heroes!

