

Real Estate Newsletter

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## Triggering That Chain Reaction

BY LAWRENCE YUN

Close to 80 percent of today's prospective buyers have their house on the market. Most of them can't get serious about buying until someone first takes their house off their hands. In other words, at least three quarters of the market's potential demand is pent up until others start buying again.

It's because of this demand that the federal government's enactment of higher conforming and FHA loan limits in mid-February is so important.

Although it's unlikely that these higher limits will trigger a surge in home sale activity, they will help spur sales in coastal and other high-cost areas where the old conforming loan limits were simply too low to make agency loans a realistic option for buyers. Now, with limits rising to as much as \$720,750 (up from \$417,000) in some areas, buyers can get the most advantageous mortgage pricing available rather than take out a costly jumbo loan or be forced to put together two loans in a piggyback mortgage package, a difficult task in today's climate.

Higher FHA loan limits will help, too. They rise to the same \$720,750 maximum, handing many first-time buyers the kind of financing they need to buy a home and pave the way for the move-up buyer.

Two other factors favorable to buyers — continuing historically low interest rates and notable price declines in some previously overheated markets — help set the stage for a return of consumer confidence.

But to really get the homebuying surge under way, there are a number of thoughtful proposals pending in Congress to which lawmakers will want to give serious attention. Sen. Johnny Isakson (R-Ga.) last year introduced a bill to give a temporary tax credit to home buyers, and Rep. Barney Frank (D-Mass.), chair of the House Financial Services Committee, is a chief promoter of federal down-payment assistance.

Passage of one or both of these proposals, perhaps as part of a second stimulus package, would go as far as possible to trigger the homebuying chain reaction that we're all waiting for.

*Lawrence Yun is chief economist of the NATIONAL ASSOCIATION OF REALTORS®.*

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## *My Mother Kept a Garden*

*My Mother kept a garden,  
A garden of the heart,  
She planted all the good things  
That gave my life it's start.  
She turned me to the sunshine  
And encouraged me to dream,  
Fostering and nurturing  
The seeds of self-esteem...  
And when the winds and rain came,  
She protected me enough—  
But not too much because she knew  
I'd need to stand up strong  
and tough.  
Her consistent good example  
Always taught me right from wrong—  
Markers for my pathway  
That will last a lifetime long.  
I am my Mother's garden.  
I am her legacy-  
And today I hope she feels the love  
Reflected back from me.*

*Author Unknown*

***Happy Mother's Day  
From the Buffhams!***



## Buffham's<sup>↑</sup> Bulletin

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## The Power of Attitude

By Mac Anderson

Excerpt from the Chapter entitled The Good News Girl

One of the most wonderful things about having a positive attitude is the number of people it touches, many times in ways you'll never know.

Recently, I stopped by a convenience store to get a newspaper and a pack of gum. The young woman at the check-out counter said, "That'll be five dollars please," and as I reached into my wallet, the thought occurred to me that a newspaper and gum didn't quite make it to five dollars. When I looked up to get a "re-quote", she had a big smile on her face and said, "Gotcha! I got to get my tip in there somehow!" I laughed when I knew I'd been had. She then glanced down at the paper I was buying and said, "I'm sick and tired of all this negative stuff on the front pages. I want to read some good news for a change." She then said, "In fact, I think someone should just publish a Good News newspaper - a paper with wonderful, inspirational stories about people overcoming adversity and doing good things for others. I'd buy one every day!" She then thanked me for coming in and said, "Maybe we'll get lucky tomorrow; maybe we'll get some good news," and she laughed. She made my day.

The following day after my business appointments, I dropped by the same store again to pick up bottled water, but a different young lady was behind the counter. As I checked out I said, "Good afternoon" and handed her my money for the water. She said nothing – not a word, not a smile...nothing. She just handed me my change and in a negative tone, ordered..."Next!"

It hit me right between the eyes: Two people, same age; one made me feel great, and the other, well, made me feel that I had inconvenienced her by showing up.

By the choices we make, by the attitudes we exhibit, we are influencing lives every day in positive or negative ways...our family, our peers, our friends, and even strangers we've never met before and will never meet again.

So when you brush your teeth every morning, and get ready for work, ask yourself this important question, "Who do I want to be today?" "The Grouch" or "The Good News Girl?" Your answer will go a long way toward determining your success in business and in life.