

CHRISTIANS IN REAL ESTATE

“ . . . encouraging the practice of Christian values in business relations.”

Issue No. 12 Newsletter

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CIRE publishes its newsletter 3 times a year; in spring, summer, and fall. To receive a copy of its newsletter, contact CIRE at cirehawaii@hawaii.rr.com. or call 808-2268348. CIRE can also be reached at PO Box 11597, Honolulu, HI 96828.



MERRY CHRISTMAS!

The Gift That Made Christmas

As we enter the holiday season, first thanksgiving, then Christmas, excitement stirs in our hearts. We have a "thanksgiving dinner" with our families and friends and then think about Santa Claus, shopping, crowds of people, lots of traffic, and about buying gifts and decorating a Christmas tree. Wow!!!...lots of good food, fun, music. We get caught up with the Season and totally forget the REASON, Jesus Christ.

God so loved the world that He gave His Only Begotten Son, Because He loved us so much and by the grace that flowed from His love, God sacrificed His Son, that whosoever believes in Him shall not perish, but have everlasting love (that's God's love).

Jesus was born into this world to redeem us and through faith, we are saved from our sins. Jesus lived and died on a cross. On the cross, He shed His blood and paid the full price of our sins, all past, present and future sins.

We are to open our hearts and receive Jesus to cleanse us from our sins and be new creations; old things pass away, all things become new. *II Cor 5:17*

With the gift of the Christ child, God covers us with His grace. We are to savor it, grow in it, and rejoice in it. Extend that grace to your family and friends and, as Jesus is the Christ, celebrate Christmas in the fullness of its meaning.

CIRE Starts Small Group

You're invited to join CIRE's small group. The first meeting will be on Jan. 7, 2010 from 2:00 to 3:00 PM. We will be gathering at the Community Room of Pacific Rim Bank at Restaurant Row. Join us to share, pray, and study scripture. Please sign up at cirehawaii@hawaii.rr.com or at the luncheon.



Event: *Prosper With Hope*

Date: Thursday, Dec. 17, '09

Place: Hale Koa Hotel

Waikiki Ballroom

Time: 11:15 AM Sign-In

11:30 AM Starts

1:30 PM Pau

Lunch:

Reservations @ \$30

Prepay by Dec. 14, '09

Sharing:

Mark Platte

Editor, Honolulu Advertiser

Hiroshi Imamura

Senior Loan Advisor .

For reservations, call 734-0541,
email cirehawaii@hawaii.rr.com
or go to christiansinrealestate.org

Tracking Home Mortgage Trends

by Hiroshi Imamura

As you know, the financial market has been in turmoil and we in the real estate industry are watchful of trends in the market. Recently Congress extended the homebuyer tax credit to June 30, 2010 if the purchase contract is signed by April 30, 2010. As part of the extension, Congress added that owner occupants living in their current home for the past (5) years are eligible for tax credit of \$6,500 or 10% of purchase price whichever is less (the maximum purchase price is \$800,000). Other changes affecting our market are also expected:

Proposed elimination of "Home Valuation Code of Conduct (HVCC)

The appraisal system imposed by Fannie Mae and Freddie Mac last May is under attack by the House Financial Services Committee and could be on its way out. It could be terminated by the proposed Consumer Financial Protection Agency under an amendment approved by the House committee. Critics say that HVCC has created more problems than it has solved and has encouraged lenders to use inexperienced appraisers who don't know the areas where they are doing the appraisals, which is resulting in lowball valuations as well as higher appraisal fees. The House is likely to pass this bill but may have a tough time in the Senate. You may want to contact Hawaii's congressional delegation Mazie Hirono, Neil Abercrombie, Dan Inouye and Dan Akaka and urge them to support this legislation.

Interest Rates may be on the way up

Mortgages with 30 year fixed rates are currently running around 4.75% largely due to the Fed's buying of mortgage backed securities to keep

interest rates artificially low to boost refinancing and home buying activity. The Fed's action along with the First Time Home Buyer Credit has had a positive effect on sales volume in Hawaii and throughout the country. Projections by secondary market managers calls for rates to rise about a half percent to mid 5% while others project it to go a little higher. With inflation expected to take hold in early spring, investors will be seeking higher yields from other investments and may stop buying low yielding mortgage backed securities in the near future.

As the momentum picks up in the housing markets, government intervention by various means will no longer be necessary. Interest rates especially in Hawaii play a pivotal role as to whether or not a potential homebuyer will buy a home, due to the high cost of homeownership. As rates go up, affordability goes down. You may want your homebuyers to act quickly before interest rates rise. Sellers on the other hand should have realistic expectations about selling their homes in light of what may happen to interest rates and at the end of first time homebuyer tax credits in April 2010.

Other changes are either already in place or expected soon. Check with your consultant to get the latest information and how the changes may affect your deals. We live in challenging times and the adventure is ongoing!

(Hiroshi Imamura is a Senior Loan Advisor with over 25 years in mortgage financing and is presently with First Class Mortgage. For further information, Hiroshi can be reached at 561-7958 or at hiroshi@firstclassmortgage.net.)

Tax Tips for Starting Your Own Business

- Thinking of starting your own business? Here are some basics the IRS wants you to know:
1. First, you must decide what type of business entity you are going to establish. The most common types of business are the sole proprietorship, partnership, corporation and S corporation.
 2. The type of business you operate determines what taxes you must pay and how you pay them. The four general types of business taxes are income tax, self-employment tax, employment tax and excise tax.
 3. An Employer Identification Number is used to identify a business entity. Generally, businesses need an EIN. You can also apply for an EIN online at IRS.gov.
 4. Every business taxpayer must figure taxable income on an annual accounting period called a tax year. The calendar year and the fiscal year are the most common tax years used.
 5. Each taxpayer must also use a consistent accounting methods. The most commonly used accounting methods are the cash method and an accrual method.

(Taken from IRS Summertime Tax Tip 2009-02)

