

page 2

The threat of eviction: What renters need to know

page 3

It's getting harder to get a jumbo loan

Allergic tenant has priority over emotional support dog

page 4

Foreclosures hit a low, at least for the time being

Real Estate
fall 2020

Legal Matters®

Know your rights with vacation rentals

More people are seeking out vacation rentals recently for longer stays and single-family living while traveling.

A vacation property offers more space, privacy and easier social and physical distancing. In many places, you also get more for your money.

If you're planning to rent a property for your next vacation or an extended stay, it's important to keep in mind that your rights as a renter vary depending on what state you're visiting.

Generally, there are more rules in states that have typically had more visitors renting, such as Florida. If you rent a vacation home in

One way to protect yourself is to work through a vacation rental agency. Agencies require owners to meet specific requirements and have standard rental agreements that lay out your rights as a renter.

Florida, expect to see your rights enumerated clearly in a required rental agreement.

No matter where you're going, be sure to sign an agreement prior to making a payment. Request one if you aren't offered one in the first place, and read it completely.

Any fees or deposits should be clearly defined, and you should understand when you will get your deposit back and under what



©EyeMark

circumstances. The agreement should make clear the condition of the property and you should be assured that it will be clean, with working appliances.

Also, it is highly advisable to pay by credit card in case any issues arise, because you will be able to dispute the charge through your credit card company.

When selecting where to go, don't assume that every listing you

continued on page 2

The threat of eviction: What renters need to know

With bans on evictions expected to lift in many places and a backlog in housing courts nationwide, there is a chance for a surge in the number of tenants who are at risk of eviction if additional government support isn't forthcoming.



©AntonioGuillemF

The rules on eviction depend on where you live. A federal government ban on evictions for tenants in federally financed housing covered one quarter of renters. Some states have extended moratoriums on evictions, including Michigan and New

York, while in other places no ban was ever put in effect.

Regardless of your location, here are some important tips if you receive an eviction notice:

Stay in your home

The most important thing to do is to not leave your home. Many tenants do not know that they can fight an eviction. An attorney in your state can help you understand the way your state's eviction appeals process works.

Be aware of your rights as a tenant

Your rights depend on where you live. But no matter where you are, it is against the law for your landlord to evict you for not paying your rent before going through formal procedures in place in your state or city.

How much notice you must be given depends

on where you live. You also have to be offered the chance to appear in court to fight the eviction.

Keep good notes about everything that happens, including when you receive the eviction notice. When the case is filed, you should receive a date to appear in court.

If you pay any amount of rent between that notice and the time of your court date, inform the judge at the hearing.

Some cities offer you the right to a free attorney in an eviction case. That option exists in New York City, for example. You can look online to see if you have this option where you live.

You can also contact an attorney in your area to get some help understanding local housing laws.

Find out if an eviction ban applies

Search the property where you live in the Fannie Mae and Freddie Mac databases online to figure out if you live in a federally financed property, and then find out whether there is any sort of eviction ban still in place. There may also be a local eviction ban.

If your landlord is violating a ban, you can file a complaint with the state attorney general.

Prepare for your court appearance

Make sure you know how your state is handling hearings. Do you have to appear in person, or is the hearing taking place over Zoom?

When you have the opportunity to speak to the judge, be clear about why you haven't been able to pay. If you have paid part of your rent, explain the amount and what your plans are to continue to pay in the future.

Bring any related documentation with you, including bank statements, any information about changes in your employment or salary, and your current lease.

Know your rights with vacation rentals

continued from page 1

see on HomeAway, VRBO or Craigslist is legitimate.

Those websites are great marketing tools, but the listings aren't necessarily verified. There have been scams in which a person posts photos and descriptions like a real listing would have, but the guests arrive to find people living in the home after the scammer took their deposit or the price of their full stay.

It's worth your time to double-check the owner-

ship of a property through the state's real property database before you sign or make a payment.

One way to protect yourself is to work through a vacation rental agency. Agencies require owners to meet specific requirements and have standard rental agreements that lay out your rights as a renter.

If you have questions about your rights, you can also contact the state department of consumer affairs where the rental is located.

It's getting harder to get a jumbo loan

Prospective home buyers who want to buy luxury homes may now have to meet tougher requirements in order to qualify for a jumbo loan, also known as a jumbo mortgage.

A jumbo loan involves financing beyond the limits set by the Federal Housing Finance Agency. This type of mortgage cannot be guaranteed, purchased or securitized by Fannie Mae or Freddie Mac. Since the pandemic began, lenders have become stricter about approving them. That means buyers trying to qualify for a jumbo loan might have to show a higher credit score than they would have in the past, pay a bigger down payment or have more money in the bank. These loans already required buyers to provide more detailed information to prove their ability to pay them back, including tax returns and bank statements.

In most states, the federal cap for mortgages backed by Fannie Mae and Freddie Mac is \$510,400 this year. The cap in Alaska, Hawaii, Guam and the U.S. Virgin Islands is a bit higher: \$765,600.

Of course, in many big cities, home prices significantly exceed those amounts.

In the past, banks would purchase the loans

originated by jumbo mortgage processors. But with higher unemployment rates, there is a lot less of that happening, which means a lender would have to keep the mortgage and withstand the risk of a default.

If you do seek out a jumbo loan and find options, pay close attention to the differences between the terms of the loan offered by different lenders. Sometimes there are differences of a quarter or a half of a percentage point.

According to CNBC, Wells Fargo is allowing people who already have assets held with them, who currently have a mortgage with them or have a home equity line of credit with them to pursue a jumbo mortgage refinancing. For anyone who is not currently a customer who is seeking to refinance a jumbo loan, as of July 2020 Wells Fargo will require you to transfer at least \$1 million in assets to the bank. This rule applies only to the refinancing of jumbo loans, not to obtaining a new one.

For now, if you want to refinance a jumbo loan or to obtain one to make a home purchase, you might be able to get help from a mortgage broker.

We welcome your referrals.

We value all of our clients. While we are a busy firm, we welcome your referrals. We promise to provide first-class service to anyone that you refer to our firm. If you have already referred clients to our firm, thank you!

Allergic tenant has priority over emotional support dog

It's a complicated balancing act between the comfort of an apartment tenant who has dog allergies and another tenant who needs an emotional support dog.

In a recent case, the Iowa Supreme Court decided that a building in Iowa City, Iowa, that typically doesn't allow pets should not have allowed a new tenant to have an emotional support dog when an existing tenant with severe allergies protested.

The allergic tenant sued the landlord for breaching the no-pet provision in her lease and for interfering with her "quiet enjoyment" of her property.

The court held that it was unfair for the landlord to allow the new tenant's emotional support dog because the allergic tenant was there first and her allergies were clearly noted in her medical records. The new tenant had made the request a month after moving in.

However, the court said the right decision in a given situation depends on the facts. That means a service animal for someone with a visual disability

might have trumped an allergic tenant.

The landlord in this case had tried to accommodate both tenants by having them use two separate stairwells and installing an air purifier in the allergic tenant's apartment. But the attempted solution didn't work.

The Iowa court noted that other courts have ruled similarly in recent years.

For example, in 2019 a federal appeals court rejected one tenant's request to ban smoking in her condo complex because she had asthma. The court said that changing to a no-smoking policy would be unfair to third parties.

And in 2018, a federal trial court in Virginia said that an employer who banned an emotional support dog due to another worker's allergies hadn't engaged in disability discrimination.



©NatashaFedorova

Foreclosures hit a low, at least for the time being

The number of foreclosure filings nationwide dipped to a record low as of the mid-point of 2020, according to ATTOM Data Solutions' Mid-year 2020 U.S. Foreclosure Market Report.

Filings were down 44 percent over the course of the first six months of the year as compared to the same period of 2019, with a total of 165,530 properties in the U.S. receiving a foreclosure filing during that time.

The filings cover default notices, scheduled auctions and bank repossessions.

The low filing numbers are likely attributable to the housing market boom that already existed before the pandemic, coupled with a federal government ban on foreclosures. That ban is expected to stay in effect until August 2020.

While the moratorium could continue beyond that, there is likely to be a sharp uptick in foreclosures whenever it is lifted.



©lightsource

That conclusion is based on the high number of people who defaulted on their mortgages between April and July 2020. According to a report by CoreLogic Loan Performance Insights, the number of mortgages that were 30 days or more past due across the country in April was highest in the following states: New York, New Jersey, Florida and Nevada.