

MINDING YOUR FINANCES



ATTY. RAYMOND BULAON

Too much debt making loan modification difficult or impossible?

of homeowners who are considering bankruptcy but are also in the process of trying to get a loan modification with their lender because they have a foreclosure pending. A lot of them are telling me that their lender has told them that they do not qualify for a voluntary loan modification because of their high debt-income ratio. What this means is that if you owe a lot in other debts (such as credit cards, personal loans, etc.) besides your mortgage, the bank may think that even though your mortgage payments are lower after your loan is modified, it would still be difficult or impossible for you to keep your home because you have other debt obligations that must be paid (and a lot of people in foreclosure are also behind on all their other debts so these debts are showing up as collection accounts on their credit re-

port). In other words, the bank may be telling you that given your current debt load, you simply cannot afford to keep your home and they would rather cut their losses and foreclose on your home because they are left with no other option. Bear in mind that banks hate foreclosing on any property but will do so as a last resort.

Because of the massive number of foreclosures that banks are currently dealing with, I find that a lot of lenders are slow these days in initiating the foreclosure process even when the borrower is already several months delinquent. However, in California, once a Notice of Default is filed against the property, the 90-day statutory period begins to run and the clock starts ticking. Unless the foreclosure is stopped, by filing bankruptcy or other legal means, the lender

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REAL ESTATE SALES ARE UP!

Fact or fallacy?

October 2001, when pending sales rose 9.2 percent.

Economists were encouraged by the report, and stock indexes advanced modestly.

"This is yet another positive indication that the bottoming process is forming," Jennifer Lee, an economist at BMO Capital Markets, wrote in a note to clients. "Now if only prices would stabilize."

Economists surveyed by Thomson Reuters expected the index would edge up to 85 from a reading of 84.6 in March. Typically there is a one- to two-month lag between a contract and a done deal, so the index is a barometer for future existing home sales.

In early trading, the Dow Jones industrial average added about 20 points to 8,741, and at times traded above 8,776.39, its finish for 2008.

Still, some economists wonder whether rising mortgage rates will dampen home sales. Nationwide average rates for 30-year fixed rate mortgages are around 5.3 percent this week compared

with about 5 percent a week earlier.

And analysts cautioned prices will take longer to stabilize, because of the glut of unsold properties on the market.

"Even if sales volumes rebound, home prices will keep falling under the weight of the massive inventory overhang," wrote Ian Shepherdson, chief US economist at High Frequency Economics.

The Realtors' index was 3.2 percent above last year's levels and has risen for three straight months after hitting a record low in January. A nearly 33 percent sales increase in the Northeast and a 9.8 percent jump in the Midwest led the overall surge. Sales contracts rose 1.8 percent in April from a month earlier in the West, but fell 0.2 percent in the South.

The big boost likely reflects the impact of a new \$8,000 tax credit for first-time homebuyers that was included in the economic stimulus bill signed by President Barack Obama in Feb-

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The Voice of FilAmerica

Political empowerment is still a treasure that eludes us as a community here in America. While we are the second largest Asian American community in the United States, we have yet to harvest the power that comes from our numbers. The Voice of FilAmerica features elected and appointed officials – regardless of political affiliation – in the different US states who are of Filipino ancestry. As your Filipino American community newspaper, the Asian Journal recognizes the fact that we all have a responsibility towards bringing political empowerment to fruition, especially for our future generations. It is our hope to have our voices heard all over America.

David Mercado Valderrama 1st Filipino-American to win as representative to the Maryland Legislature (1990)

IN 1990, David M. Valderrama became the first Filipino-American to be elected to a state legislature on the mainland United States. A Democrat, he served Prince George's County in Maryland as a member of the House of Delegates from January 9, 1991 to January 8, 2003.

Born in Manila, Philippines, on February 1, 1933, Valderrama holds a Bachelor of Laws degree from Far Eastern University, Manila, Philippines, and a Master of Comparative Law degree (American Practice) from George Washington University in Washington, DC.

A former Philippine lawyer and anti-Marcos activist, he immigrated to America in November 1961, and worked for many years as a senior legal specialist of the US Library of Congress. Regarded as a community role model and coalition builder, Valderrama has been a band-leader, sales executive, bank executive, television correspondent, author, small businessman, publisher, and editor before he entered politics.

The former president of the Philippine Lawyers Association of Washington, DC.

Valderrama became the first FilAm probate judge in the US. He was first elected to public office in 1982, when he won a seat on the State Democratic Central Committee, where he served as a vice-chair for Prince George's County until his appointment by Governor Harry Hughes to fill an unexpected vacancy on the bench in November 1985. In 1986, as his term was running out, he stood for election in his own right. He ran in the September primary and won overwhelmingly in an unusually crowded field of 11 candidates, which victory he duplicated in the November election of the same year. Following his election, Valderrama became the Maryland State Representative to the National College of Probate Judges and the Orphans' Court Liaison



Judge from Prince George's County to the Maryland General Assembly. In 1990, he was elected to the state legislature where he served for more than a dozen years.

Among Valderrama's many achievements are the following:

- Member of the Constitutional and Administrative Law Committee, 1991-92
- Environmental Matters Committee, 1992-94
- Deputy Majority Whip, 1995-2001
- Member, Judiciary Committee, 1995-2003 (gambling subcommittee, 1995-97; chair, gaming law & enforcement subcommittee, 1999-2003)

- Joint Committee on Protocol, 1995-2003
- Deputy Majority Leader, 2001-03
- Member, Law Enforcement and State-Appointed Boards Committee, Prince George's County Delegation (chair, 1995-98)
- Judge, Orphans' Court, Prince George's County, 1985-90
- Member, Task Force to Study Health Professional-Client Sexual Exploitation, 1993-96
- Task Force to Study Anti-Asian Violence, 1995-98
- Board of Directors, Economic Development Corporation, Prince George's County, 2006
- Vice-Chair, Democratic State Central Committee, Prince George's County, 1982-85.
- Former chair, Southeast Asian Refugee Task Force
- Director, Prince George's County Chapter of Southern Christian Leadership Conference
- Director, Greater Southeast Community Hospital of Washington, DC
- Recipient of Most Outstanding Filipino Award and Honored American Award.
- David Valderrama is married to Nellie, with whom he has two daughters, Kriselda and Vida. ■

HOME BUYERS



KENNETH GO

ABOUT six months ago, I had advise homebuyers to start their engines and start to look for opportunities. Now, if you have minimal down payment to buy a house, you will run into a block wall or run into multiple offers with much larger down payment.

From the Associated Press:

The number of US homebuyers who agreed to purchase a previously occupied home in April posted the largest monthly jump in nearly eight years, a sign that sales are finally coming to life after a long and painful slump.

The National Association of Realtors said Tuesday its seasonally adjusted index of sales contracts signed in April surged 6.7 percent to 90.3, far exceeding analysts' forecasts. It was the biggest monthly jump since

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