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From: CALHFA Board of Directors.

From: Marcus Allen Frishman.  Homeowner ID 1157456

Re: Keep Your Home California Principal Loan Modification Program PLM.

Date: March 7, 2013 Board Meeting -Burbank CA

**THE USE OF SHORT SALES MUST BE STOPED WHEN YOU DETERMINE
PROPERTY VALUE for the PLM Program.**

I would like to call your attention to a problem with the Principal Loan Modification Program, PLM. I am asking for you intervention both from a public policy perspective and ask that you correct how this problem has adversely affected me on my own pending modification.

On the KYHC website you post "Summery Guidelines" for the PLM program with 16 guidelines. Guideline "#7 Program Exclusions" explains five program exclusions. The one at issue here in my memo is the "Loan to Value exclusion," (LTV). You **cannot** have a LTV of less than 105% or a post-modification LTV of greater than 140%. (This is done by dividing "market value" with the Loan/unpaid balance). The only number that is ambiguous is in fact Market Value until the official home appraisal is completed using sales computations. The Proprietary Appraisal System has a fault built-in. This fault produces an error in the property value determination.

The proprietary system appraisal process used by KYHC is designed to sort out the subjective elements of all the "Opinions", "Beliefs" and other **subjective conflicts** on property market value that require the system to make a judgment call and render a decision on such matters, this is a good thing otherwise you would have disputes with homeowners who have a better kitchen countertop or expensive door knobs. However, the proprietary system must never be in conflict with "Observable," "Factual Accurate and Truthful Information." The arrived at market property value is in conflict with the actual current property value established by recent market value sales records

The proprietary system need to be fixed or **MUST** allow for evidence to be accepted in order to override the current proprietary system that failed to arrive at the actual indisputable home value. **The reason the system is failing, is the proprietary system of KYHC is including all "SHORT SALES" in the recent sales computations.**

According to the National Association of Real Estate Brokers, the California Association of Real Estate Brokers as well as California Bankers Association, no individual home sales broker or member bank will ever use SHORT SALES to determine "Market Value." All California County public record data of home market value excludes SHORT SALES ALSO.

The result of using SHORT SALES as a factor in determining market value is rejected by all property value experts because it's contrary to empirical evidence of actual full market value sales computations.

My Story:

In my personal appeal submitted to the KYHC program specialist I requested they remove the Short Sales from the property value evaluation. My Program Specialist told short sales data must remain. She could neither use my information to change the property value error or fix the system that created an incorrectly low property value. As a result, I was excluded from the PLM program pursuant to the above mentioned summery guidelines LTV exclusion section #7. I was informed that I was above the limit of 140% by 7%. I was determined to be a 147%. KYHC deemed my current value is \$400K flat.

My Factual Circumstance:

I live in an S & S construction company gated condominium community called Tuscany/Cortile at Porter Ranch. It is not a custom home community but rather small detached condos.

My home called residence #4 was newly built in 2005, as a 4 bed 3 bath 1563 sq. ft. home with back yard. I paid almost \$700K at that time for my small condominium.

As of about 2 years ago the builder decided to reduce the SQ. Foot of residence #4 by nearly 200 sq. ft. and eliminate a 4th bedroom selection vying for a 2 or 3 bedroom option. Now selling for a fixed price of \$470k

Notwithstanding the reduction in SQ. FT. & one less bedroom, all the NEW residents # 4 are being sold at a fixed builder price of \$470k. No discounts are given.

If ever I was to receive a corrected property value it will add exactly \$70k to my home value. This will allow me to receive a Principal Loan Modification. I am qualified already.

Additionally, no one in the Hardest Hit category should be excluded for this error of the inclusion of Short Sales in property value computation. The fund was created to help people within the 105% to 140% LTV. As a result of the error, you are excluding homeowners who should be included in the fund created to help them. Instead you are provided funding to homeowners who were to be excluded. Please fix this!