

# ORANGE COUNTY CALIFORNIA NEWS

## OC HOMES, APARTMENTS TO BE ADDED TO FANNIE'S BLACKLIST?

### ORANGE COUNTY, CALIFORNIA HOUSING MARKET



## OC HOMES AND APARTMENTS IN A SERIOUS STATE OF DISREPAIR BELOW LENDING STANDARDS

### FANNIE'S BLACKLIST

Fannie Mae has published a blacklist of properties, including properties in Orange County, California which they deemed unworthy of a mortgage because of their state of disrepair. And soon, many more OC properties may be added to this list thanks to the damage from mother nature, damage which has made the majority of homes and apartments in OC unworthy of a mortgage when the same condition evaluation standard is applied. As Fannie continues its investigation, it won't take them long to discover that the majority of OC properties are in the same severe 'C6' state that other properties on Fannie's blacklist are in now causing their real property values to be much lower than they appear on Zillow and other real-estate listing portals.

### ROTTING FROM WITHIN

Over the past few years, OC homes and apartment complexes were pummeled by heavy rains resulting in widespread foundation, structure, and roof damage, as well as extensive mold. The damage to foundations, alone, has been extensive because of all the pressure applied to them by rainwater-expanded soil. But because many OC property owners can barely afford their mortgages let alone maintenance, the owners of these properties have neglected them to the point where these properties have deteriorated below habitable living and minimal lending standards. An example of this "deferred" maintenance can be seen on MoldyRentals.com where a blacklist of OC apartment complexes with toxic mold issues (and lawsuits) can be found.

### A MASSIVE COVER-UP

Because this issue threatens the revenue stream of many in OC, information about this problem has been withheld from buyers and renters. Information about the true value of these properties has also been withheld from lenders resulting in OC being called mortgage and rental-fraud "ground zero" just asking for an investigation. Meanwhile, Zillow and others have been keeping OC property listings artificially high to maximize sales commissions.

### PROBLEM EASY TO FIND

With a simple \$40 moisture meter from Amazon, anyone can test OC homes and apartments for this problem (MoldyRentals.com shows you how) without needing a contractor or inspector. Some realtors are even using these meters as a "screening" tool to test properties before signing with sellers to avoid getting involved when signs of this problem are discovered. Tenants are also using these meters to screen apartments for mold, a problem that leasing offices have been hiding from renters to maximize revenue in spite of State of California habitability laws.

### AVOIDING ATTENTION

OC property owners who know about the problem and want to sell may be afraid to sell because they don't want to bring any attention to the problem they have with their own property.

### CRASH & CONSEQUENCE

Because the majority of OC properties have been impacted by this climate-change event, a property-value "recalculation" may occur soon in OC resulting in a flood of defaults, and even more lawsuits. So, is it now time to sell? If so, will buyers buy once the truth is revealed? Will any lender want to lend? Will insurers insure?