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HOUSING INDEX PUTS N.J.'S MARKET NEAR BOTTOM



The health of New Jersey's housing market ranks near the bottom in the nation, according to the Healthiest Housing Index from online loan marketplace LendingTree LLC. The health of housing markets was based on seven criteria: the unemployment rate, foreclosure percentage, debt-to-income ratio, home ownership and vacancy, percentage past-due, loan-to-value ratio, and equity.

Jeffrey G. Otteau, president of Otteau Valuation Group Inc., said the state's economy has been recovering, and he expects New Jersey's rankings to

improve. "Based upon long-term economic and housing data, New Jersey ranks as one of the weakest markets in the country," Otteau said. "However, over the last seven months, economic growth has actually outpaced the rest of the nation, and the housing market has begun to recover."

Otteau pointed to data released by the Philadelphia Federal Reserve Bank showing economic indicators in New Jersey improved at a faster pace than for the nation overall, posting a 0.8% increase in the last quarter of 2011, compared to 0.7% nationally.

In the LendingTree index, New Jersey was 47 out of 49 geographies in the nation, ahead of only Florida and Nevada. The index ranked 48 states and Washington, D.C.; South Dakota and Vermont were not ranked because of insufficient data, the company said. In the LendingTree index, the Great Plains region, home to eight of the healthiest states, was the overall best housing region, LendingTree said. North Dakota, Wyoming and Minnesota make up the top three.

New Jersey's unemployment rate at 9% - higher than the national rate of 8.3% - helped drag down the state's ranking, said Megan Greuling, marketing coordinator at LendingTree.

Source: NJ Biz

COMMERCIAL PROPERTY FORECLOSURES UP IN 2011

Foreclosures involving commercial properties in New Jersey rose 10% last year, another sign that many office buildings, shopping centers and warehouses still have a way to go to recover. Lenders and loan servicers filed 1,586 foreclosure actions to take back income-producing properties in 2011, up from 1,446 in 2010 and far above the 373 in 2007, when the recession officially began, according to data from the New Jersey judiciary. Commercial foreclosures are often a symptom of struggling businesses - the tenants that occupy buildings and pay rent to owners who must then repay mortgages.



Billy Procida, a New Jersey-based real estate investor, surmised that for every commercial property in

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foreclosure there are likely to be three at an earlier stage of delinquency. The foreclosure process can take about two years, often leaving vacant storefronts or empty office buildings, he said. "That's not productive, and that's bad for the economy," said Procida, president of Procida Funding LLC, which buys defaulted mortgages from lenders.

Many of the foreclosures these days also involve borrowers who cannot refinance large commercial mortgages underwritten with inflated precession values. "Because so many of the properties are underwater, it's impossible to refinance those mortgages," said Scott Tross, a foreclosure attorney at Herrick Feinstein LLP. "The prognosis is not good," he added. "2012 is going to be more of the same ... I have never been busier, and 2011 was a very busy year."

Unlike their residential counterparts, commercial mortgages typically must be refinanced when they mature, perhaps every 5 or 10 years, depending on loan terms. This year, \$91.6 billion in securitized commercial mortgages – those bundled into commercial mortgage-backed securities and then sold in pieces to investors – are set to mature, according to Trepp LLC, a commercial real estate analysis firm.

Source: The Record

NJ TOP STATE, PA JUST SO-SO FOR GOVERNMENT INTEGRITY

A new survey of state-government ethics and openness reaches a conclusion that flies in the face of popular conceptions: New Jersey - setting for The Sopranos, Boardwalk Empire and Jersey Shore - is the nation's most politically transparent state. After measuring 330 "Corruption Risk Indicators," the State Integrity Investigation, gave its highest grade, a B+, to the Garden State, just ahead of Connecticut, which got a B. New Jersey even got A's for procurement, internal auditing, lobby disclosure, state pension fund management, ethics enforcement agencies, and redistricting.



The Garden State is really squeaky clean? Not so fast. The study has a paradoxical explanation. "States with histories of corruption tend to have more recent and robust laws in place to deter such behavior," the study's announcement stated.

Pennsylvania was ranked 21st, with a C- overall, but just two A's in 14 categories - for internal auditing and procurement - for four F's, for judicial accountability, political financing, state budget processes, and redistricting. Delaware was No. 22, also with a C- overall. Eight states flunked - Georgia, Michigan, Maine, North Dakota, South Carolina, South Dakota, Virginia and Wyoming. (For all 50 states, ranked by grades and alphabetical order, see <http://bit.ly/xk2vDF>.)

The investigation, which had reporters tally "the strength of laws and practices that encourage openness and deter corruption," was a collaborative effort by three groups - the Center for Public Integrity, Public Radio International, and Global Integrity. Unlike previous studies, it went beyond counting up scandals to assess government access and openness in "14 categories of government," including campaign finance; executive, legislative and judicial accountability; civil service management; lobbying disclosure; ethics enforcement; and insurance commissions, according to the researchers.

Source: Philadelphia Inquirer

THE TRI-STATE CATCHES LOTTERY FEVER



There hasn't been this much excitement over a late-night ball drop since New Year's Eve at Times Square. Friday night, at the stroke of 11, six orbs will separate from a mixing drum in an Atlanta TV studio, as the nation braces for the results of the record-breaking \$500 million Mega Millions (a half-billion!) lottery.

A winning jackpot would be more than 28% larger than the largest one to date - \$390 million on March 6, 2007. That bonanza was split between a Georgia truck driver and a married couple from Cape May County here in New Jersey. While you practice your "take this job and shove it"

speech and consider which island you will buy with your winnings, here's a compilation of lottery fast facts and offbeat stories:

HE HAD A LOTTO NERVE

Donna Campbell became suspicious when her husband kept the television turned off, disconnected the phone and received a card in the mail congratulating him on the purchase of his new home. Her suspicions proved correct when she searched the name of her husband and found the airline mechanic won a share of \$19 million in the Florida lottery. She filed for a portion of the winnings - and a divorce.

WWBGD (WHAT WOULD BILL GATES DO)

A \$500 million lottery win would produce a cash payout of \$359.4 million. For \$359.4 million, you could buy "The Manor," Aaron Spelling's \$150 million, 56,500-square-foot home in LA County (boasting 123 rooms) and drive there in a Maybach 62 sedan, the most expensive new car at \$463,000. And maybe, just

maybe, this fall you might be able to afford a season ticket and personal seat license at MetLife Stadium.

CHECK BACK IN OCTOBER 2015

Tyler Jarvis, mathematics department chair at Brigham Young University, lists examples to show the almost-hopeless odds of winning a jackpot like this. He notes the odds for multi-state lotteries are worse than 1 in 54 million, and that if all the losers for one drawing were to form a line, it would stretch most of the way around the world. "If you were to read aloud the names of the losing ticket holders for just one drawing, it would take about 3½ years," Jarvis says.

SOOOOOO CLOSE!

In Tuesday night's Mega Millions, worth \$363 million, 47 players missed becoming multimillionaires by one number. Still, by matching five of the six numbers, they each get at least \$250,000.

WIDE REACH

Mega Millions fever is alive in lots of places. The game is played in 42 states, plus the District of Columbia and the U.S. Virgin Islands.

HOW LONG HAS IT BEEN?

The number of drawings held since the last time someone hit all six Mega Millions numbers has stretched to 19. The last time someone hit was on Jan. 24, when the jackpot was a paltry \$71 million.

SEVENTH HELL

Seven has long been considered the luckiest number. But before it became the Mega Ball number on March 16 (no one hit all six numbers during that drawing), there had been 80 Mega Millions drawings since unlucky 7 was the special number - on June 20, 2011.

MILKING THEIR VICTORY SPEECH

After they won \$208 million in the Mega Millions in 2005, Michigan residents Ralph and Mary Stebbins declared they wanted to start a dental clinic to help low-income residents - and to buy a cow.

Source: Star-Ledger

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