

0 (0s):

You finally decided to learn how to ice skate. So you ordered the essentials, every ice skate to needs a pair of blades, a new helmet, and a good set of kneepads. And you used your bank of America cash rewards credit card, choosing to earn 3% cash back on online shopping rewards that you put towards the cost of an essential piece of post skating recovery, a heating pad Visit [bank of america.com/more](http://bankofamerica.com/more) rewarding to apply. Now copyright 2020 bank of America corporation.

1 (40s):

Welcome to the Clark. Howard show our mission to serve you and empower you so that you make better financial decisions in your life. And today's episode news about Mortgage really I'll follow you on the latest info. Also, there are some scary Crimes stats being reported around the country. I'm going to talk about what you need to do to protect yourself. So we have had unprecedented moves over the last year to protect Renters and borrowers from facing eviction, for Renters and for closure and eviction for borrowers in mortgages.

1 (1m 26s):

And the clock had reached midnight on those programs. And there are changes for both borrowers and Renters. And there's been so much confusion about this first and wanting to talk about Renters. So as a Renner, you don't have Automattic protection. You have Rights that can prevent an eviction, but only if you exercise those rights, the rights only extend to people who can demonstrate that you have suffered financial harm because of coronavirus.

1 (2m 9s):

And we really have been split as a country. There are tens of millions of people who've suffered extreme hardship with job loss and the rest, and then sent tens of millions. Others of others who actually are in better financial shape almost a year out from the onset of Corona virus in the United States than they were before. So it is a really mixed story for Renters. You have a form, you have to fill out that we have a link to at Clark dot com, where you verify the economic hardship you've had. You must go to your court dates. If you're a landlord goes after you anyway, and the courts are usually doing things by zoom or some other online means.

1 (2m 58s):

But if you don't, your Landlord even in the midst of an eviction, moratorium will still be granted relief by the court and you will in fact be evicted. So it's up to you to do the paperwork, proactively send the paperwork to your landlord, the landlord pretends to ignore it and files for a dispossess three and eviction on you. You must go through the process of protecting yourself in court and also make sure that you keep notes. When you notified your landlord, the form you provided them, you also provide to the court to assert your rights.

1 (3m 41s):

The meek do not remain in their apartments. You must stand up for yourself. In the case of homeowners,

there are more protections because with Renters once the moratorium lifts, which is likely this spring, that that will with at that point, you in theory are suppose to pay all your back rent. Now that's not realistic, right? If you've been unemployed or underemployed for a year, but the landlords will be free at that point to move forward with an eviction before moratoriums lift.

1 (4m 25s):

And when your financial situation does start to stabilize, I said, when not, if you want to approach your landlord and see if you can work out a payment plan with them to start working on the back rent, otherwise all the eviction moratorium did was buy you time, but you still face and ultimate eviction for people that are Mortgage borrowers. It's a different process. And now that process has split people who have FHA mortgages. Now have a better blanket of protections than people who have loans that are underwritten behind the curtain by a Fannie Mae or Freddie Mac.

1 (5m 8s):

Most people's loans are in fact underwritten by a Fannie Mae or Freddie Mac The foreclosure moratorium has been extended 90 more days for people with Fannie Mae or Freddie Mac. If you are in a, some kind of Forebearance you get 90 days added to that. If you need it beyond what was originally a maximum 12 months in the case of FHA borrowers, you now have protection till early summer, till June 30th, in order to then work out a new payment arrangement.

1 (5m 49s):

The FHA because it is a direct federal agency loan. The FHA we'll have a fairly standardized procedures met point on what your workout we'll be, how you will eventually make good on the money that you did not pay over the last year. And the case of Fannie Mae and Freddie Mac. There will be a number of different ways that lenders deal with you. They have some latitude in how they work out payment plans with you. The likeliest course that will work for most people is the miss months or a full year or so of mortgage payments will be added on to the back of your loan as an additional months or year or a little more to your wealth.

1 (6m 44s):

That is for many people going to be the best arrangement. But again, you cannot be passive. You must be active here and you just don't stop paying. And when the moratoriums over, you just don't say, okay, everything is going to be great. You are the one who's got to be active with your lender on coming up with a workout arrangement, what they do in commercial real estate, all the time with commercial mortgages or workouts, and you will be doing a workout of your Mortgage, where it works for you and the lender. It's time for your questions. You posted for me at Clark dot com slash ask Christa, which got today.

2 (7m 28s):

Well, ed is currently in Utah and he says, Clark, I'm looking at setting up a virtual mailbox to these work, the same as physical mailboxes. Can I use this as a legitimate street address to cover my insurance policies,

including auto rental homeowners and umbrella policies, I will be traveling and won't have a physical home address.

1 (7m 49s):

Oh, this is an interesting question. And a very gray area. There are a, an unknown number of people that may be a past a million or so, who do in fact have no permanent set of address. They live and Harvey's is so many people, especially since the pandemic now du and there are any have a number of services available all over the country where they give you a street address and unit number instead of a box number. And it could be a ups store or a FedEx place or other facilities like that.

1 (8m 30s):

It could be one of those office suite kind of places. They open your mail for you. They scan it and email the scan mail to you. And there are people who this works great for the one thing you really want to think about using any of these services is are their people insured or bonded? If somebody turns out to be an identity thief or something like that, where could have a field day because you're trusting them to be the organization, opening your mail, as for it being established with insurance in the rest, this is where it gets really gray is whether or not you have a true proper domicile that's, what's considered to be your permanent location, permanent address.

1 (9m 18s):

And this has been a, both an opportunity. And in some places, a scandal with people establishing specifically residency and the state of Montana has a very, very favorable tax treatment for people that are nomadic and the state of Montana. They have been people using Montana billing addresses when they're actually fully residing somewhere else, don't engage in that. But if you are truly a nomadic person, that's one place you should look at is where you set down your at least virtual routes.

2 (9m 56s):

Kathy and Rhode Island says, I recently tried setting up a credit karma account, given that my credit is frozen. They will only complete the setup of my account. If I submit a copy of my driver's license and social security card, this sounds like a scam to me submitting these documents just makes me even more vulnerable to identity theft or fraud. Is there another option to consider?

1 (10m 17s):

Yes. And it's a much better option. You can temporarily thaw your credit for just the day, if you want, or a couple of days. And then you will be able to establish your identity with credit karma properly. And then your credit goes back, refroze a much better idea than you mailing in personal documents like that. So it is TransUnion and Equifax that you, ah, with the two of them that you temporarily Thall your credit, it takes about, Oh, to two and a half minutes to thaw your credit with one of the credit bureaus is really easy to do that.

1 (11m 1s):

And then it goes right back frozen. And that's what I would recommend. And Krista, my credit score on credit karma has been going down. So you see, I shouldn't have walked to see that my score is down how much a 30 points. Wow. Went to jail last month. It says my utilization is too high. Now it's 10%. Okay,

2 (11m 28s):

Well, you're not looking to borrow any money anyway, right? Because you pay everything off,

1 (11m 31s):

Everything in full. Yep. So coming up, I want to talk about crime. Something that really has created a wave of fear across the United States. And I want to talk about the things you can do and I can do that will lease Prevent us being victims of some of the non-violent crimes that are the ones zooming up the most.

0 (12m 1s):

You decided to upgrade your outdoor deck. So you ordered the essentials, a power washer or a set of patio chairs and a shiny new grill. And you used your bank of America, cashew awards, credit card, choosing to earn 3% cash back on online shopping or up to 5.2, 5% as a preferred rewards member, which you put towards the cost of your most essential deck. Addition, a bird feeder apply for yours@bankofamerica.com slash More rewarding copyright 2020 bank of America corporation.

2 (12m 36s):

This episode is brought to you by progressive saving money on your car. Insurance is easy with progressive. It's an average savings of over \$750 for customers who switch and save. In fact, customers can qualify for an average of six discounts on the auto policy with a progressive including discounts or just for starting a quote online or having multiple vehicles on their policy. Get your quote online@progressive.com and see how much you can be saving national annual average auto insurance savings by new customers surveyed in 2019 potential savings will vary discounts, vary and are not available in all States and situations.

1 (13m 17s):

The crime stats have been a real issue during the last year with Corona virus is a, any category you can look at in crime has gone up and the numbers have been pretty scary across the country. Not just Metro big Metro areas, even smaller communities have seen a rise in crime. And the good news, even though there have been these increases and murders around the United States and violent crime shootings, that sort of thing, they still represent a tiny portion of overall crime.

1 (14m 2s):

For most of us, the crime we're going to deal with is somebody breaking into our car or somebody's stealing our car. You know, in the past we were told, never leave things visible in our car. Well, now over the last

year, people are seeing their vehicles broken into regularly who have nothing visible in the car. That's led to people in some parts of the country to actually leave their vehicles unlocked or even leave windows down. So there are a criminal doesn't break the window because the biggest hassle, somebody breaks your window, but then you got to go get the thing fixed and there's glass all over your car.

1 (14m 50s):

And I have actually experienced car. Break-ins five times over my driving lifetime five times I've had windows broken. You know why I've had that happen five times, one time. I like an idiot. I left a camera when people used to love cameras and cameras or something people use other than the ones built in their phone. I left a camera on the back seat of a car and the window got smashed and the camera was taken my bad mistake. But the other times my car was broken into.

1 (15m 31s):

It was because of my cheapness. Christa. Do you know why that was? Because the cheapest?

2 (15m 38s):

Oh, I'm guessing it's because you found your free parking somewhere far away from wherever you were going.

1 (15m 44s):

Yeah, I tended over the years, there would be times I'd park in marginal areas because the parking was free and I didn't want to pay and I'd come back and I'd find the windows smashed.

2 (15m 55s):

I bet the thieves were sad though, when they didn't find much in a car or you have.

1 (15m 60s):

Yeah, but I had to deal every time with the window so that I've learned not to do anymore. I still will look for free parking, but if the neighborhood starts to get sketchy, then I bail on that so that I got a little smarter on. But the thing is people breaking in, even when there's nothing visible and then rifling through the glove box are popping a lever so they can go in the trunk or whatever. So for those reasons, it is a good idea for you to consider leaving your car unlocked. Now, when you park it now, it means when you come back to your car, always look on the back for board to make sure there's nobody in the vehicle waiting for you.

1 (16m 47s):

But that way you're likely to prevent the hassle factor of the busted window. Now, the other thing I see it every single week, that's people who pull up somewhere like to run in, to get, carry out food, pull up to the convenience store or whatever. They may leave the car running, running. And that's like, you posted a giant neon sign on your vehicle, steal me. You know, there have been these horrific stories about people who run

in somewhere, leaving a kid and a car seat, and then the criminal hops in steals the car.

1 (17m 35s):

And then not only is the vehicle gone. They are kids gone too. So this is not a good plan. And we talked recently about how many vehicle thefts now or because of push to start vehicles that people put their keys in the center console, forget they've done that. Turn their vehicle off, get out, walk in somewhere, come back. The vehicle is gone. So the vehicle will start with push to start with your keys in your pocket or in your purse or whatever. Don't put it in that central console where you might forget it.

1 (18m 17s):

And then you got the whole O of what a hassle it is when your car gets stolen. So with all that happy talk, Krista, which you got,

2 (18m 28s):

What Kathleen says, my only debit card is through Schwab. I use this card during overseas travel for the benefits. It provides the Schwab have more consumer protection features than a regular bank debit card. I've requested an ATM card, but I'm told that it's not offered. Thank you for addressing my question. Yeah.

1 (18m 46s):

So I'm in the same situation as you. I carry the Schwab card because pre pandemic and soon post pandemic, I loved to travel outside the United States. Now I will resume that. And the beauty of the Schwab card is they absorb all ATM junk fees. When you use anybody's a TM anywhere in the United States or anywhere in the world, unlimited number of transactions. Schwab has a very good, a written series of protections for us account holders, protecting you against fraud. And over the years, I've not heard any complaints from anyone that Schwab let them down.

1 (19m 32s):

When there was fraudulent activity involving the Schwab debit card, ATM's people don't use much anymore. In fact, the number of questions we hear and problems we hear about ATM's have really fallen off the charts. They're not even a factor anymore because so seldom do people use a TMS anymore,

2 (19m 56s):

And you always say, make sure you set your daily limits right on how much the card can be used for cash and for spending.

1 (20m 3s):

Yeah. And you can with many debit cards, I don't know if this works with a Schwab when you can set it up where it doesn't work, what they call a point of sale and then only will work at an ATM. So even if it has a piece of trash fake visa or fake MasterCard logo on it, you still are not at risk for somebody shopping, Willy

nilly on it. If you can block using it at point of sale.

2 (20m 32s):

Well, you can also just set the limit to zero one point of sale. Yeah. Either way. Okay. All right. Another kind of travel related Joan in New York says thank you for your service to the public without political bias. Just helpful information. Second, now that those who love travel will be receiving their COVID vaccination. We are feeling better about it. Since you were in the travel business, it would be great for us. If your listeners, for you to have a Podcast with just travel information, informing us on the re-entry safe places to start our travel adventures again, et cetera.

1 (21m 8s):

That's a great idea. I've been thinking about just in the last week, I've been reading all these stories that bookings, or going up a whole lot for a adventure kind of travel leisure kind of travel as more and more people get their second vaccination. And there are a lot of people who just love travel like I do. And so why don't we do that? Why don't we do a podcast just about how you re-enter the travel world and the gotchas to watch for?

2 (21m 44s):

Absolutely. And John in California says my daughter has \$20,000 saved up. And in two to three years, she'll buy a house. What should she do with the money until then

1 (21m 54s):

Dullsville DOLs, Vill Dullsville. She is going to buy a house in the next couple of years, two or three years. All she can do with it is to preserve it right now, the best you're going to earn on savings as about half a percent, you just suck it up and earn like nothing on the money, because the more important thing is she's doing a great job building up this money to buy her home. And that's the key thing. She can't worry that much in a short cycle on what that money will generate as it's in a parking space, waiting to be used for the home, because any form of investing is too risky.

1 (22m 35s):

When you are looking out just to a couple of years

2 (22m 38s):

And Benson in Connecticut says I'll be relocating to Delaware to begin my residency training four years of training, my wife and I are contemplating whether to buy or rent. Our combined salary would be approximately \$150,000 for the next four years. We're also expecting a newborn this summer after which my in laws would be spending significant time with us. So we're looking for a three bedroom, two baths. Do you think it would be wise to buy or rent for just for years? What are your thoughts on the physician Mortgage option? I also forgot I have \$250,000 of student loans. Medical school is expensive. My wife is debt free. I

know I'm lucky. Thanks for all you do. Clark

1 (23m 17s):

First of all, and having a three bedroom, it all depends on how much you like your in-laws. If you want something that larger, they go rent somewhere else. But this is a case where in a four year cycle with housing prices, having moved up so much in recent years and maybe outrun market affordability for people versus income, that you do want to be a renter during these four years, generally you want to buy when you're going to be in an area seven years or longer, I've been saying lately to consider stretching your ownership cycle intention, to as much as 10 years with the distortions, they have taken place in the housing market.

1 (24m 1s):

I wouldn't want you to be locked into that for years out. You find it a great opportunity somewhere else in the country to practice medicine. When your residency is over and you are at a cycle of the housing market where you can't sell that home, I would rather you rent. And for years from now, be able to pack up and go where's best for you. I want to thank you so much for joining us on today's podcast and listening to this Podcast means that you have to trust in me. And I hope that trust is rewarded with some information that you can put to work in your life, and you can find more great info for your wallet at our two websites, Clark dot com and Clark deals.com.

1 (24m 51s):

And if you want more from us, subscribe to our free newsletters and we we'll help you in every way we can. So you stretch every dollar and save every dollar you can to create financial security in your life.