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Negotiating Strategies for Landlords: Handling Rent Modifications in the Current Economic Downturn

房客要減租，房東怎麼辦

Source: Cox Castle & Nicholson LLP

An ever-growing number of retail tenants are requesting rent relief as a result of today's challenging economic landscape. While no landlord wants to grant rent concessions, reduced rent from an operating tenant is generally preferable to no rental stream and a dark space. Based on our experience in drafting and negotiating documents that reduce rent while protecting landlord's long-term interests, we offer the following strategies:

Review Tenant's Financial Statements. In considering a request for rent relief (assuming landlord is able to financially absorb the cash flow reduction), landlord's first step should be to request and review proof of the retailer's economic distress. This often takes the form of gross sales reports and/or financial statements. Many retail leases require tenant to provide periodic gross sales reports and other financial information, and even if the subject lease does not contain this requirement, landlord can request this information as a prerequisite to rent reduction consideration. Landlord should request gross sales reports and/or financial statements for the current period as well as for past periods. Landlords can also request financial information regarding tenant's other locations in order to provide a point of comparison. Any financial information received should be certified as an accurate accounting by tenant's accountant or another authorized representative. After analyzing tenant's gross sales reports and/or financial statements, landlord can better determine if tenant is in as dire financial straits as it may claim, as well as the amount and nature of rent relief that is most appropriate under the given circumstances.

Tenants in Default Are Not Entitled to Rent Relief. Any document granting a rent modification should be expressly conditioned on tenant not being in default. If tenant goes into default, the document should specify that the rent reduction automatically terminates, and that tenant must resume full payment of the original contract rent and immediately repay to landlord the total amount of unpaid rent tenant would have owed if rent relief had not been granted. Although some tenants may object to this provision, many believe that a tenant is not entitled to economic concessions from its landlord unless it upholds its end of the bargain by remaining in full compliance with the terms and provisions of the lease. Reinstatement of the contract rent and acceleration of unpaid but accrued rent at the contract rate is especially important because it provides landlord with an initial remedy to enforce against tenant before landlord turns to the remedies for tenant defaults under the original lease.

Include a Confidentiality Provision…With Teeth. A strongly-worded confidentiality provision is one of the most important provisions in a rent relief document. As many landlords know, word spreads quickly about rent reductions, and within very little time, landlords can be inundated with additional rent relief requests, sometimes from less-than-deserving tenants. A welldrafted confidentiality provision requires tenant, its employees, contractors and agents to keep the terms of the rent relief negotiation and agreement confidential, and sets forth indemnity obligations and a charge in connection with any violation of this covenant.

Think Short Term. Rent reductions should be viewed as a temporary concession to tenant, so rent modifications should only apply for a relatively short time. We suggest limiting the term of reduced rent to twenty-four months or less. The current downturn will come to an end eventually, and by establishing a relatively short term for rent relief, landlords can protect the long-term value of their property. Rent modification documents should provide that at the end of the reduced rent term, rates either re-set to the rents in the original lease, or will be re-negotiated by landlord and tenant based on the fair market rates at that time.

Review the Current Lease for Concessions from Tenant. Since landlord is giving up one of its most valuable rights—the right to rental rates locked-in during an up market—landlords have the leverage to negotiate for similarly high-value concessions from tenant. Accordingly, a thorough review of the existing lease and any amendments is an important step in any rent modification process. For example, landlords can request eliminating or modifying exclusive use, prohibited use and co-tenancy provisions. By eliminating (or at least watering down) these leasing restrictions, landlord gains important flexibility in leasing out its dark space. Landlords can also consider imposing operating covenants and recapture provisions (see discussions below), and/or adding a requirement that tenants submit regular gross sales reports—even for a non-percentage rent tenant. These reports can be a very important management tool that permit landlord to regularly monitor the health of tenant's business and the overall well-being of the center. In addition, some landlords are even requiring that tenants consult with landlord's marketing and merchandising consultants and implement such consultant's recommendations. Finally, if tenant secured its rental obligations with a letter of credit, Landlord should determine the strength of the issuing bank. As the FDIC has signaled that it may not honor letters of credit issued by banks that are in receivership, landlord should attempt to modify the existing letter of credit provision to the extent landlord has concerns about the viability of the issuing bank.

Add Estoppel and Release Language to Head Off Future Disputes. It is advisable to include estoppel and release language in rent relief documents in order to limit landlord's exposure to inchoate claims. A landlord can thereby protect the long-term value of its property despite the reduction in the current rent stream. Ideally, the language would be similar to the provisions of a typical estoppel certificate and would include a release of landlord from any claims up to the date the rent modification document is executed. Some tenants may balk at this concept (especially those with greater leverage), but there is an equitable argument in favor of inclusion. Consider a scenario where landlord grants tenant rent relief, and several years later tenant's business fails. It is easy to imagine this tenant unhappily searching for dollars to bolster its economic position, and then formulating a claim that landlord owed it money because of some act or omission at or prior to the time landlord reduced rent. Such a claim seems plainly unfair. Accordingly, inclusion of estoppel and release language in a rent reduction document seems like a reasonable request.

Include a Landlord Recapture Right. Another important concession to gain from tenants in a rent relief negotiation is the inclusion of a right for landlord to recapture the space from tenant for any reason during the rent reduction period, which, if exercised, can only be nullified by tenant's agreement to revert to payment of full rent under the original lease. While some tenants may initially find such a recapture right to be overly-aggressive, it actually represents a fair compromise between landlord's long-term interests and tenant's short-term needs. Consider the theory behind rent concessions: tenants need temporary rent relief based on the magnitude of the current economic downturn. However, neither party is entitled to a windfall when the economy improves. Since it is unlikely that a landlord would exercise its recapture right against a performing tenant now when times are difficult, tenant is protected from an unexpected lease termination in the near future. If rental rates during the period of rent reduction rebound, landlord retains the flexibility to recapture the space and re-lease it to a tenant who can pay the then-current market rate. If the original tenant can afford such higher rates, then it can nullify the recapture notice by agreeing to pay the higher rent. If it can not afford the higher rates, the lease simply terminates and the parties can go their separate ways.

Defer Rent, Don't Abate. Whenever possible, Landlord should avoid giving up the right to collect rent payments it bargained for under the original lease. Instead, we suggest that land lords structure rent relief as a deferral, instead of as abatement or a waiver. As discussed above, the amount of deferred rent can also be used as an incentive against non-performance, so that if tenant violates any of the provisions of the lease, the portion of rent that is deferred accelerates and becomes immediately due. Landlords may also consider structuring deferred rent as a non-interest loan that is payable at the end of the lease term or at some other date in the future.

Tenants Must Be Open and Operating Continuously. To the extent the original lease does not include an operating covenant, rent relief should be conditioned on tenant's continuous operation. This provision is especially important (if not necessary) if rent relief takes the form of a percentage of gross sales in lieu of fixed rent.

Include a Right for Landlord to Show the Space. During any period of rent relief, landlord should be allowed to show the premises to other potential tenants. While the existing tenant may object, it seems fair to give landlord the ability to market the space to a prospective tenant who can pay full rent during the period in which tenant is enjoying a gratuitous rent reduction. This right provides landlord with the flexibility to take advantage of new players in the market, thereby preserving landlord's ability to put the space to its highest and best use.

U.S. To Lower the Size of Mortgage It Will Guarantee (LA and Orange County Borrowers Will See Loan Limits Drop to $625,500 from $729,750)

洛杉磯和橙縣房屋貸款上限將由**$729,750** 降至**$625,500**

By: Alejandro Lazo (Los Angeles Times)

Uncle Sam is about to take a first tentative step out of the mortgage business by lowering the size of home loans that the federal government will guarantee, and it's already hitting California neighborhoods with higher costs and bigger down payments.

The downward adjustments have ignited outcries from California politicians and sparked a campaign by the state's largest real estate group and its national partner to extend the higher limits; they argue that the Golden State's housing market and economy can ill-afford another setback to recovery.

"This is just going to kill us," said Beth L. Peerce, president of the California Assn. of Realtors. "You don't want the real estate market to get any worse than it is, and it surprises me that our congressmen and senators don't understand that."

But with Washington focused on slashing deficits, few observers predict any further extension of the 3-year-old policy that was intended to throw a lifeline to higher-priced housing markets. Most of the nation's biggest mortgage lenders have already stopped making loans at the old limits, concerned that they will not be able to get them off their books before the official Saturday deadline.

The move to lower loan limits is the first major effort by the federal government to reduce its footprint in the mortgage market. The government currently supports about 90% of new mortgages — essentially propping up the home loan market after credit dried up and home sales plunged in the wake of the subprime mortgage crisis.

The loan limit determines the maximum size of a mortgage that the Federal Housing Administration, Fannie Mae and Freddie Mac can buy or guarantee. So-called nonconforming jumbo loans that are offered by the private mortgage market typically require bigger down payments and carry a higher interest rate, driving up monthly payments for borrowers.

In February 2008, with the housing market and economy reeling, Congress raised the limits for the types of mortgages eligible to be insured or bought by the FHA, Fannie Mae and Freddie Mac. The limits, which are based on a county-by-county analysis of home values, have been extended by Congress every year since to give housing a boost.

FHA borrowers in Los Angeles and Orange counties will see loan limits drop to $625,500 from $729,750, a decline of $104,250. Other pricey areas facing the same change include San Francisco, New York and Washington.

Under the new FHA loan limits, Monterey County would see the biggest drop in the limit, falling $246,750; followed by Merced, down $201,450; Riverside, falling $164,650; San Bernardino, declining $164,650; Solano, dropping $157,300; and San Diego, down $151,250.

Fannie Mae and Freddie Mac loan limits will also follow those changes except when they call for dropping the limit below $417,000, which was the old jumbo limit for Fannie and Freddie loans. When that happens, the limits will drop to no lower than $417,000.

Real estate professionals are bracing for the policy change to hit California hard, as buyers begin learning that they may no longer be able to afford the higher-priced homes they had been considering. The California Assn. of Realtors estimates that more than 30,000 California buyers statewide will face bigger down payments, higher mortgage rates and stricter requirements under the adjustment.

Syd Leibovitch, president of Rodeo Realty in Beverly Hills, said many deals by his brokers involve loans done at the highest amount allowed under the old limits.

"It is not going to be good," Leibovitch said. "The majority of our deals are 729-FHA loans because they are the easiest to qualify."

Sen. Dianne Feinstein (D-Calif.) co-sponsored a bill in early August that would allow the higher limits to stay in place for an additional two years. The real estate and mortgage industries also have been lobbying hard to keep those limits.

With the nation still recovering from the credit crisis, there is virtually no mortgage market outside the loans eligible for government guarantees. Still burned from the subprime mortgage meltdown, very few investors want to buy a mortgage unless it carries government backing, said Guy Cecala, publisher of Inside Mortgage Finance.

But as time runs out, pleas by industry groups appear to be going nowhere. The government is arguing that taxpayers can no longer afford the cost and risk of subsidizing home loans on a grand scale.

"Everybody is asking California to take one for the team," Cecala said. "It is the largest mortgage market in the country, it is the largest state in terms of mortgage activity and it is also the highest cost, where more mortgages are made at the limit than in any other state. It is basically ground zero to a downward adjustment in the loan limits."

The lower limits arrive at a time when lenders are eyeing borrowers more closely than ever to make sure they can make their loan payments.

Major banks are concerned about being forced to buy back loans that don't adhere to certain standards, so qualifying for mortgages has become an increasingly onerous task, with banks demanding more paperwork and higher credit scores.

"The bottom line is Fannie and Freddie will scrutinize any loan that has any performance issue," Cecala said, "so the way to avoid that as a lender is make sure that they are pristine."

Commercial Real Estate Price Index Year over Year: Investment Grade Increases 6.8%, General Grade Decreases 3.4%

商業地產價格指數年度比較：優良級別地產增長 **6.8%**，一般級別地產下落 **3.4%**

Source: CoStar

Index Overview

This month's CoStar Commercial Repeat Sale Index ("CCRSI") provides the market's first look at July 2011 commercial real estate pricing.

The CCRSI provides the broadest measure of commercial real estate repeat sales activity based on more than 766 repeat sale transactions in July 2011, and more than 100,000 repeat sale transactions since its inception.

July 2011 Pricing Highlights

The monthly National Composite Index increased by 1.0% in July 2011, the fourth consecutive month of positive price movement.

In July, the price gain was 2.4% for the Investment Grade Index, and 0.7% for the General Commercial Index, and both marked the fourth month of increasing prices.

For the first time since the downturn in 2008, the CCRSI showed synchronized price increases across-the-board, from investment grade to general commercial, for more than three months.

The consistent positive price movement in general commercial property sales ended the bifurcation trend observed in commercial real estate prices during the second half of last year.

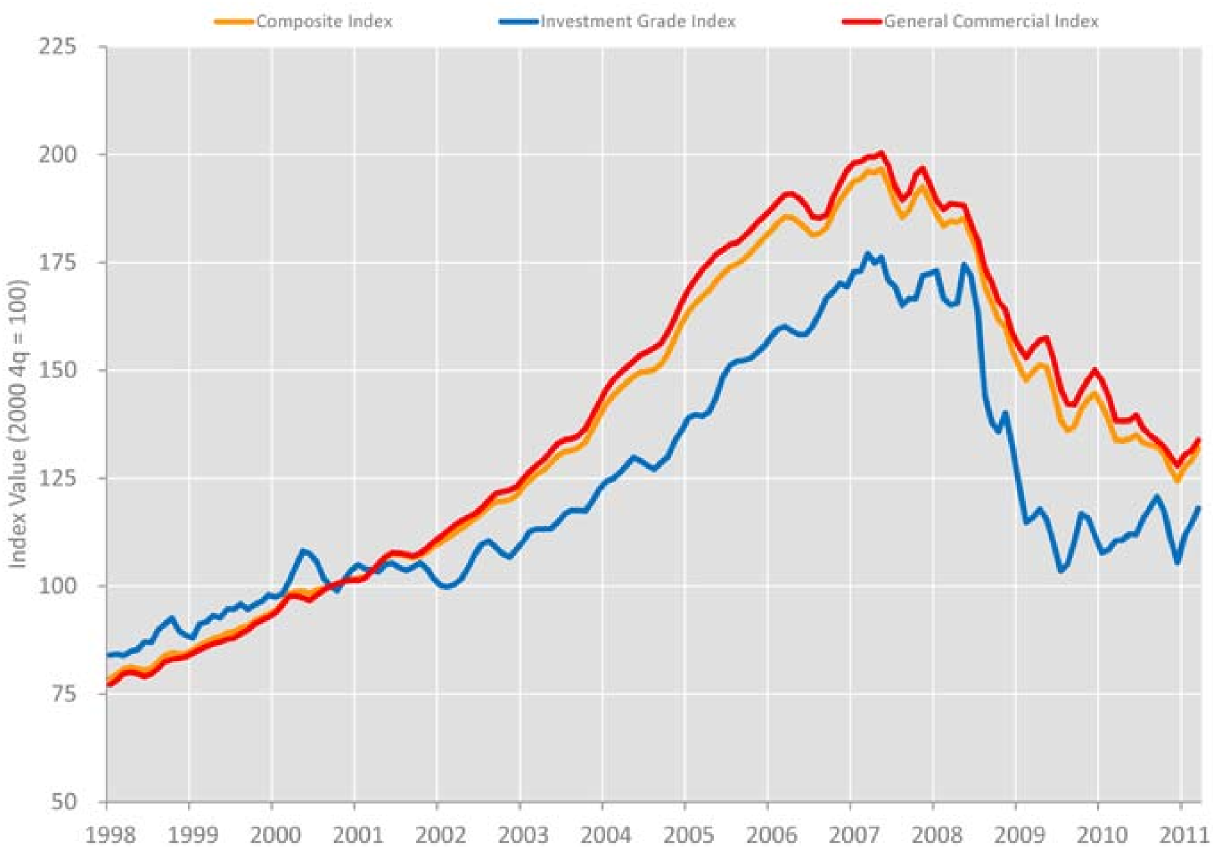
CCRSI Index Results

CoStar's Composite Commercial Repeat Sales Index increased by 1.0% in July 2011. It is now 1.6% below the same period last year and 33.1% below its peak in August 2007.

CoStar's General Grade Commercial Repeat Sales Index increased by 0.7% in July 2011, and is now 3.4% below its year-ago level and off 33.5% from its August 2007 peak.

CoStar's Investment Grade Commercial Repeat Sales Index increased 2.4% in July 2011 and is now 6.8% above the same period last year and 32.4% below its peak in August 2007.

National Composite Monthly Indices



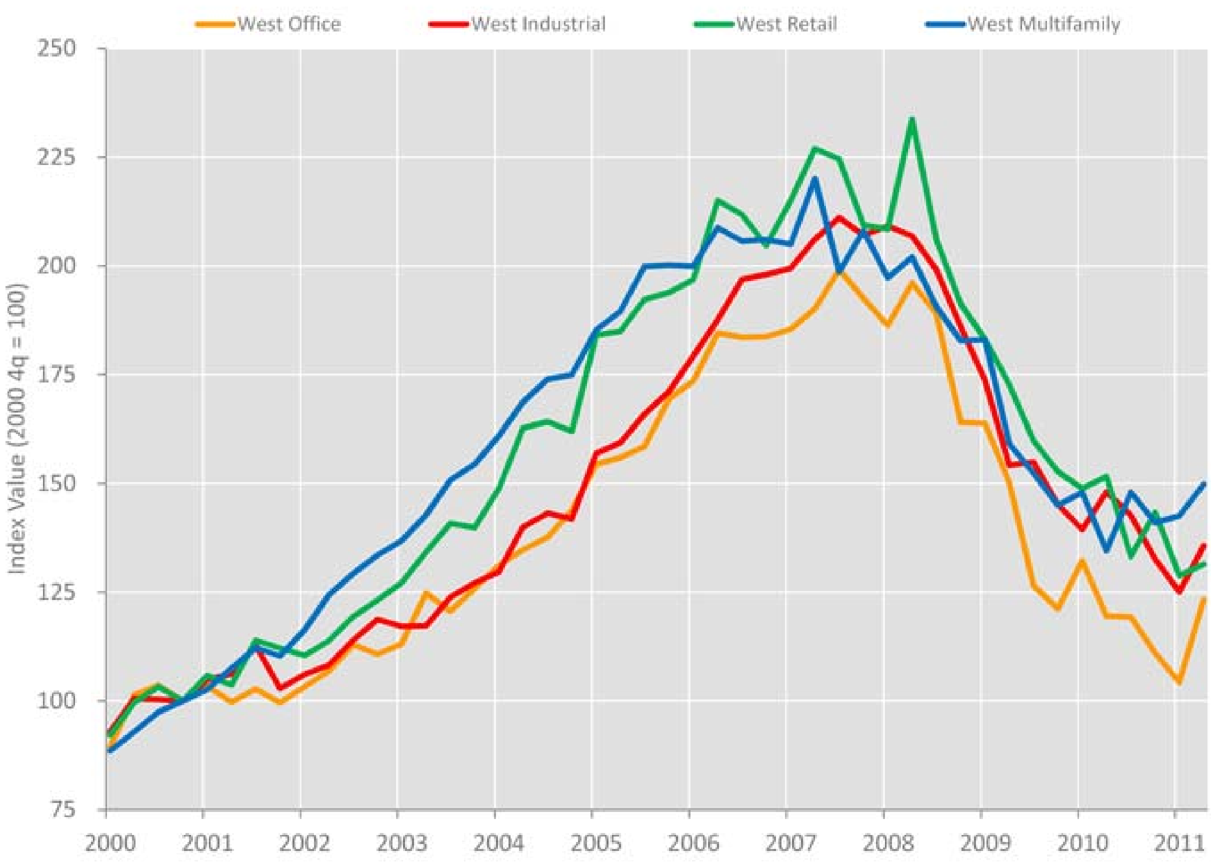
Comparison Table for Current Release (Ending 6/30/2011)

	1 Month Earlier	**1 Year Earlier**	**Peak-to-Current**
National All Property Type Composite	1.0%	-1.6%	-33.1%
National Investment Grade	2.4%	6.8%	-32.4%
National General All Property	0.7%	-3.4%	-33.5%

The CoStar Commercial Repeat-Sale Indices (CCRSI) are the most comprehensive and accurate measures of commercial real estate prices in the United States. In addition to the national Composite Index, national Investment Grade Index and national General Commercial Index which we report monthly, there are 28 sub-indices in the CoStar index family that we report quarterly. The sub-indices include breakdowns by property sector (office, industrial, retail, multifamily and land), by region of the country (Northeast, South, Midwest, West), by transaction size and quality (general commercial, investment grade), and by market size (composite index of the 10 largest metropolitan areas in the country).

The CoStar indices are constructed using a repeat sales methodology, widely considered as the most accurate way to measure price changes for real estate. The repeat sales methodology measures the movement in the prices of commercial properties by collecting data on actual sales prices when a property sells. When a property is sold more than one time, a sale pair is created. The prices from the first and second sale are then used to calculate price movement for the property. By aggregating all the price changes from all of the sale pairs, a price index is created.

U.S. West Property Type Quarterly Indices



Data Centers Are a Bright Spot in an Anemic Office Rental Market

企業計算機服務器存放需求增長，數據中心成為辦公樓租賃市場亮點

By: Roger Vincent (Los Angeles Times)

While most of Southern California's office rental market remains as anemic as the economy, one niche is experiencing robust growth: heavily secured offices where businesses house their all-important computer servers.

Nearly all of us send and receive signals through data centers every day. Simple tasks like browsing a website, paying a restaurant bill with a credit card or making a phone call may require their services.

In Los Angeles County, there are only about a dozen of these specialized buildings that protect the precious data of banks, oil companies, stores and all manner of other firms. But the need for them is exploding and more are on the way, real estate experts said, and the next generation will have perks for workers unheard of in the past.

"There is a huge disparity between demand and supply, and that disparity is projected to grow over the next five years," said real estate broker Michael Siteman of Jones Lang LaSalle.

The soft economy is helping drive demand, he said. "Companies are trying do more with less, and the only way to do that is to automate."

These days, automation requires electronic data stored and processed on servers. The innocuous-looking metal boxes are so crucial to corporate America's ability to function that they are nurtured with obsessive care.

Some companies keep their servers in special rooms on site, but many others prefer to have them at an outside location that has reliable backup power if the lights go out and security worthy of the crown jewels.

At the Garland Center office building on the edge of downtown Los Angeles, visitors are photographed before heading down to a sprawling underground bunker built in the early 1980s by First Interstate Bank as an earthquake-safe haven for its computer operations. After passing a second guard station, guests to one server center operator reach a locked door that requires both retina and fingerprint scans to open.

After that buildup, the chilly, dimly lighted room inside is unremarkable. Rows of well-ventilated metal lockers house stacks of black servers, one to a shelf. Some of the larger clients cluster their servers inside custom-made chain-link cages.

Although the Garland Center is an ordinary office building above ground with white-collar tenants such as the Los Angeles Housing Department, its three underground floors house servers for 3,000 companies and institutions.

The businesses, whose identities are kept secret, rent space for their servers from data center management companies that are tenants in the Garland building. Managers such as Net2EZ keep their rooms cool and secure and can also take care of their customers' servers.

Many businesses, though, insist that only their own technicians get access to company servers no matter where they are, said Michael Higgins, senior vice president of Internap Network Services Corp., another retail provider of data center space.

Internap recently signed a $12-million lease for an industrial building in Redondo Beach that is being upgraded to a data center intended to make life more pleasant for the people who put in long days and nights with the equipment inside.

"It will have Ft. Knox infrastructure with a bevy of amenities," Higgins said. "Customers want to feel like they're at the office or at home."

The facility, set to open next year, will offer visiting tech teams such comforts as personal offices and lounges with Starbucks coffee, food vending machines, big-screen HD televisions with satellite feeds and video-game stations.

Higgins hopes such offerings will give workers a welcome break from the monotonous white noise of the electronics-filled server rooms. "They spend endless hours patching and replacing their gear," he said.

Atlanta-based Internap is opening it first Southern California facility because the region is a leader in three of the top categories of data center users: entertainment, media and social networking.

"Customer demand led us there," Higgins said.

Potential users include Internet companies that post streaming videos and online game operators that host thousands of players at once.

Setting up servers is a substantial investment. A server costs up to $75,000, and a good-size company might need 100 servers. That could cost more than $75,000 a month to rent from a data center because each server uses 1 megawatt of electricity.

Why so costly? Power. Data centers buy electricity wholesale through the biggest "pipes" available from providers such as the Los Angeles Department of Water and Power to meet the demands of power-hungry servers. They also buy tons of water for the elaborate cooling systems that keep the server rooms from overheating.

Then there are the diesel generators ready to flip on at a moment's notice to keep the electricity flowing in case of a power outage — for up to 30 days at the Garland Center. There, a team of engineers with a $2-million computer system works round-the-clock to make sure the backup system is functioning properly.

The backups are enormously expensive but provide peace of mind for data center customers, said broker Jason Warner of Jones Lang LaSalle. "More redundancy is the trend."

Los Angeles County is one of the country's largest data center hubs, with clusters around downtown Los Angeles and El Segundo. Several transpacific fiber communications lines terminate in the One Wilshire Building downtown, while El Segundo and Redondo Beach have the advantage of being near Los Angeles International Airport and in the territory of Southern California Edison, which sells power to businesses at a lower price than the DWP does.

The late 1990s saw a boom in data center openings, most of them in older buildings in downtown Los Angeles, including the landmark former Terminal Annex post office and a former Robinson's department store. Many of the centers were built on speculation.

Demand fell off with the Internet bust of the early 2000s, and it took until about 2007 for demand to catch up with supply. Now the rise of gaming, social networking and cloud computing, all of which require banks of servers, is driving the demand for more data centers.

Developers aren't building on spec this time, Internap's Higgins said. "Now we have contracts and customers."

Low Prices Boost Dollar Store Growth in Tough Economy; Family Dollar Plans to Open 450-500 New Stores in Fiscal 2012

經濟不景氣，廉價雜貨店受青睞；Family Dollar 2012 財年將增 450-500 新店面

By: Meenakshi Iyer (Reuters)

Discount chain Family Dollar Stores Inc (FDO.N) forecast strong earnings and plans to ramp up store openings in the coming year as it looks to tap into demand from bargain-hungry consumers.

Family Dollar, which sells clothing and other goods that typically sell for $10 or less, has seen robust demand for food and other essentials in recent months, as customers focus more on the basic necessities in a sluggish U.S. economy.

The retailer, which posted a market-beating fourth quarter profit, plans to open 450-500 new outlets in fiscal 2012 -- a more than 50 percent increase over store openings in 2011.

"I think its largely to counter the fact that Dollar General, their main competitor, has gotten more aggressive as well," BB&T analyst Anthony Chukumba told Reuters.

Dollar General opened 301 new stores and remodeled or relocated 371 stores in its latest reported quarter.

Family Dollar, which operated 7,023 stores at the end of the fourth quarter, has worked on appealing to a more cautious clientele without raising prices too much.

It expects sales at stores open for at least a year, or same-store sales, to jump 4-6 percent in its current quarter.

Family Dollar, Dollar General Corp (DG.N) and stores that focus on $1 items, such as Dollar Tree Inc (DLTR.O), have wooed shoppers away from chains such as Wal-Mart Stores Inc (WMT.N) by offering more name-brand goods at lower prices.

Analyst Chukumba reckons that stores like Family Dollar are more convenient than supermarkets as they are located closer to their consumers and are easily accessible.

"I think they are gaining a lot of share from supermarkets, drug stores and convenience stores," analyst Chukumba said.

Shoppers often wind up paying more per ounce or serving size by buying an item at a dollar store instead of at Wal-Mart or other chains that offer larger packs. Still, when money is tight, a smaller container of milk or detergent seems like a bargain even if it costs more per ounce.

The world's largest retailer, Wal-Mart, which has posted nine straight quarters of declining same-store sales, is also trying to offer more lower-priced items to attract customers.

Family Dollar's board also authorized the repurchase of an additional $250 million in stock.

The Charlotte, North Carolina-based company's shares were trading up 2 percent at $55.45 on Wednesday on the New York Stock Exchange.

Bank of America to Charge Customers $5 for Debit Card Use

Bank of America將對使用借記卡消費者收取$5 月費

By: E. Scott Reckard and Shan Li (Los Angeles Times)

Bank of America Corp. will charge customers $5 a month when they use debit cards to make purchases, a move likely to be followed by other banks as new federal regulations limit their ability to pinch consumers with big fees for overdrafts and late credit-card payments.

Debit cards have been promoted for years as a free and easy way to pay for goods and services. But the costs of using those cards were offset in part by the lucrative fees banks reaped from other services and penalties — and which are now being limited by the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Those restrictions include reductions of nearly 50% on so-called swipe charges to merchants who accept debit cards, a change that is slashing the industry's revenue by $6.6 billion a year, according to one study. Bank of America has said it would lose $2 billion a year in merchant fees.

"There's no question we're going to see more of these types of charges," said Trish Wexler, a spokeswoman for industry lobbying group Electronics Payment Coalition. "The bottom line is that all of us consumers will be paying more."

Wells Fargo & Co. and JPMorgan Chase & Co. have been testing a $3-a-month fee in a few states, but BofA, which is eliminating at least 30,000 jobs in a cost-cutting effort, was the first to announce the broad increase for most consumer checking account customers.

The debit card fees are in addition to monthly maintenance charges that banks reinstituted this year on many checking accounts after luring customers for more than two decades with offers of free checking.

The new BofA fee will be phased in early next year, bank spokeswoman Anne Pace said. Customers would be able to use the bank's automated teller machines without being charged, but would be socked for $5 in any month they made a debit card purchase, whether they did so once or 100 times.

Such a change seemed designed to drive away less-affluent customers, consumer advocates said.

"Kicking your customers in the head with a $5 fee is an overreach — and perhaps a fee too far," said Ed Mierzwinski, consumer program director at the U.S. Public Interest Research Group. "It could be the kind of thing that causes consumers to switch banks."

U.S. Sen. Dick Durbin (D-Ill.), who authored the swipe-fee legislation, accused the bank of trying to find "new ways to pad their profits by sticking it to its customers. It's overt, unfair and I hope their customers have the final say."

At a downtown Los Angeles Bank of America branch, longtime customers were fuming about the extra fee.

"I'm not a BofA stockholder, I'm not getting any benefit from this, so it just pisses me off," said Carolina Roca-Smith of West Hollywood, who added that she used her debit card "for everything."

The 34-year-old filmmaker compared the fee to drug dealers "who give you the product for free, get you comfortable with it and then start charging once you're hooked."

Nonetheless, Roca-Smith said, it would be too complicated to move to another bank. "I'm just going to suck it up."

Others, though, such as Trish Love, 40, of L.A., said they may switch banks, perhaps to regional ones or credit unions that may not charge such fees.

"That's crazy. It's unfair that we have to pay an extra fee for using our own money," said Love, a Los Angeles Police Department employee and Bank of America customer for 22 years.

Like it or not, it won't be the last such fee, consumer advocates and bank lobbyists agreed.

"The economics of offering debit cards have changed," BofA spokeswoman Pace said.

The debit card fee could be reviewed by the new Consumer Financial Protection Bureau, although the agency generally cannot set rates or prices. It is focused on how fees are disclosed to consumers.

Pace declined to estimate how much the bank believes it could gain from the fees. If half its 57 million consumer and small-business customers paid $5 each month, it would generate $1.7 billion in revenue a year, though Pace said that number "does grossly overstate the impact."

She declined to say how many consumer accounts the bank has, but small businesses would not be affected. BofA is the nation's largest mortgage servicer and the biggest issuer of debit cards, with about 15% of the market.

The new fee also is not expected to affect those given BofA debit cards through such state programs as unemployment assistance.

California is switching payment of unemployment, disability and paid family leave benefits from paper checks to plastic debit cards, issued by BofA. In recent weeks the state has sent out about 22,000 cards a day.

However, the contract with the state Employment Development Department restricts the kind and frequency of fees that the bank can charge more than 1.5 million cardholders.

"We provide a program where it's possible to use the card without paying any fees," said EDD spokeswoman Loree Levy. "You just have to be careful."

BofA said its customers could avoid the new debit card fees much the way they can avoid maintenance fees on checking accounts. They would need to have, for instance, a BofA mortgage or a combined $20,000 in all their accounts at the bank and at Merrill Lynch & Co., its Wall Street investment unit.

One candidate for that waiver, Guadalupe Garcia, a program manager at USC's medical school, headed for the on-campus credit union Thursday to switch from Bank of America.

"I am very fortunate in that I saw a large increase in salary over the last couple of years," Garcia said. "I know I am the kind of customer BofA consistently woos. That is why I feel a social responsibility to leave."

Though her financial condition is secure now, she said, "I was not always where I am now. I may not always be where I am now. I know how expensive it is to be poor. I hate that BofA is making it that much more so."

Merchant trade groups, which had engaged in a long and bitter lobbying war over the swipe fees, said the changes would result in consumers paying lower prices for goods and services.

"Hidden fees are bad for consumers and bad for competition," said Jennifer Hatcher, vice president of government relations at the Food Marketing Institute.

"While the banks seem to try to skim every penny they can from their customers, retailers are doing everything that they can to educate consumers and protect them from hidden debit fees," she said.

Consumer Money Rates (Mortgage Rate, Prime Rate, etc.)
消費者市場利率：房貸、基本利率、等等

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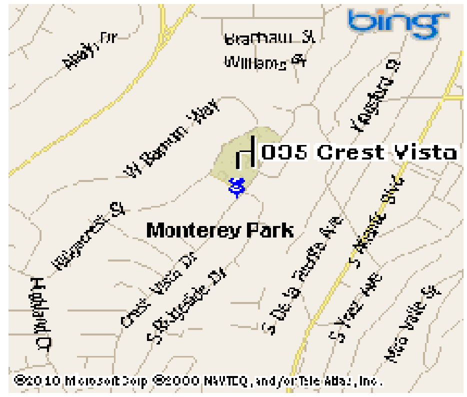
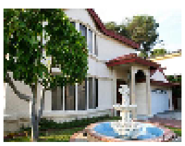
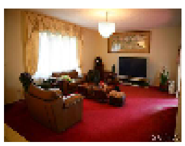
	Yield/Rate (%)		52-Week		Change in PCT. PTS	
Interest Rate	Last	Wk Ago	High	Low	52-week	3-yr
Federal-Funds rate target	0-0.25	0-0.25	0-0.25	0-0.25	-	-2.00
Prime rate*	3.25	3.25	3.25	3.25	-	-1.75
Libor, 3-month	0.38	0.36	0.38	0.25	0.09	-3.96
Money market, annual yield	0.54	0.54	0.70	0.54	-0.16	-1.91
Five-year CD, annual yield	1.68	1.67	2.23	1.66	-0.57	-2.57
30-year mortgage, fixed	4.20	4.18	5.21	4.15	-0.37	-1.81
15-year mortgage, fixed	3.52	3.49	4.57	3.46	-0.49	-2.26
Jumbo mortgages, $417,000-plus	5.00	4.97	5.89	4.95	-0.54	-2.47
Five-year adj mortgage (ARM)	3.16	3.11	5.79	3.00	-0.44	-2.83
New-car loan, 48-month	4.15	4.18	5.94	3.75	-1.73	-2.37
Home-equity loan, $30,000	4.72	4.77	5.17	4.72	-0.37	-0.75

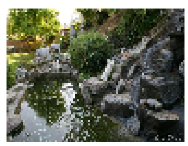
Monterey Park Luxury Residence
蒙特利公園豪宅

ML# : H10118939 **835 Crest Vista DR Monterey Park 91754** **List Price: $ 1,200,000**









Basic Information

Status: **Active**
Property Type: **Single Family Residence**
Map Book:
Year Built: **1986/SLR**
Sqft/Source: **4,931/Assessor's Data**
Lot Sqft/Source: **16,013/Assessor's Data**
View: **City Lights**
Assoc Dues:

Interior Features

Bedrooms: **11**
Bath(F,T,H,Q): **6, 0, 0, 0**
FirePlace: **See Remarks**
Cooling: **Central**
Laundry:
Rooms: **See Remarks**
Eating Area:
Floor:
Utilities:

Property Description

Beautiful traditional eastern-style home with numerous bedrooms and unique elegance. Large, spacious bedrooms on both floors in well-kept condition. Custom-built in 1986 with addition of the back part of the house in 1992. Spacious backyard with a zen garden, large waterfall, and bountiful fruit trees. Also includes a large storage shed. Home is located in a secluded, safe neighborhood right next to a large park and tennis courts, and provides views of a beautiful cityscape from its many balconies upon sunset. Please call for appointments at least 24 hours in advance.

Exterior Features

Pool: **No**
Spa:
Patio:
Sprinklers:
Structure:
Outdoors:
Fence:
Roofing:
Lot/Community: **Patio Home**
Legal:

Presented By

Contact: **John Hsu** Home Ph: **626-913-3881**
Contact DRE: **01093005** Fax:
Office: **STC Management**

School Information

School District:
Elementary:
Junior High:
High School: