

# Newsday

CLASSIFIEDS / REAL ESTATE

## **BUYERS AND CELLARS / Branching Into Suffolk Real Estate**

**By Randi Feigenbaum**  
*October 7, 1999 8:00 PM*

JUST A FEW weeks after its skirmish with Re/Max of New York Inc. was made public, Achievers Real Estate in Dix Hills has taken on a new identity. Century 21 Benjamin Realty purchased the office last week.

Century 21 Benjamin broker/owner **Ed Gitlin**, who owns four other offices in Nassau County and Queens, said Achievers, which will now be called Century 21 Benjamin Associates, marks his company's entry into the Suffolk County market.

Achievers had accused Re/Max of New York of fraud and breach of contract when the franchisor allowed another Re/Max office to open nearby in Huntington. After months of infighting and arbitration hearings, Re/Max of New York terminated the franchisee's contract.

**Gitlin** said discussions with Achievers began two months ago but were delayed by the Re/Max situation. "I didn't want to get in the middle of things," he said. "There was a lot of negativeness going on around it. We wanted to come in, take over the business, get the negative out of it and start with a clean slate."

That's one reason, he said, Century 21 Benjamin decided to change the office's name. Gitlin said, however, that the current owners of Achievers will stay on with the new office as sales agents. The book has not yet been closed on the Re/Max situation, as lawyers are still determining the final provisions of a settlement, especially how much Achievers owes its franchisor. Re/Max of New York has said Achievers owes about \$50,000 in fees it owed its parent company, along with attorney fees and other costs. Although Gitlin would not disclose the price he paid for his fifth office, he noted that he is planning to invest significant funds into the marketing of his growing company.

Century 21 Benjamin also has offices in Flushing, Forest Hills, Syosset and Jericho.

### Borrowing Alternative

Borrowers with less-than-perfect credit finally have an alternative to the subprime lending market, and it comes from the most conventional of conventional sources: Fannie Mae.

Announced last week, the new product is called the Timely Payment Rewards mortgage. Geared to borrowers with A- credit (slightly less than the "perfect" A credit), the product offers mortgage rates at up to 2 percent less than the typical subprime loan, according to Fannie Mae chief executive Franklin D. Raines.

"We have the ability to say yes to a whole new group of consumers and lenders" to whom Fannie Mae previously said no, Raines said.

Raines estimated that half the subprime lending market could qualify for the Timely Payment Rewards mortgage. It's meant for those who end up in the subprime market even though they don't have significant problems with their credit. They fit, he said, into an "intermediate" category between subprime and traditional lending. Specific requirements will vary and be based on risk and credit assessment done by Fannie Mae's Desktop Underwriter computer program. Fannie Mae unveiled the program in the context of a discussion on predatory lenders, and the problems that those with bad credit encounter. But the product doesn't affect those with B and C credit levels, who would still have to go to the subprime lending market. In fact, it's those in the worst-case situations that often end up in predatory situations with the bad apples of the subprime industry.

And Fannie Mae didn't rule out a future in subprime lending. "It's not an area we know enough about how to crack" right now, said Raines. "But perhaps sometime in the future, we'll be able to offer something constructive to the B and C markets."

The "rewards" portion of the mortgage comes after a borrower makes 24 consecutive on-time payments. At that point, the interest rate automatically goes down by an additional 1 percent.

Fannie Mae noted that the product comes in tandem with a new Fannie Mae Foundation education effort focusing on credit. The effort will include extensive advertising and a new brochure on credit.