



Beyond the Headlines

Media Advisory



[YAHOO! NEWS](#)

Bush signs housing bill to provide mortgage relief

Approximately 400,000 Americans are expected to benefit from the “Housing and Economic Recovery Act of 2008,” which President Bush yesterday signed into law. One of the most significant provisions of the bill is that it allows homeowners facing foreclosure to refinance their current mortgages with a Federal Housing Administration (FHA)-backed loan. The bill also will permanently increase FHA, Fannie Mae, and Freddie Mac loan limits in high-cost areas. Additionally, the legislation requires lenders to show how high a borrower’s payment could get under the terms of a new mortgage and provides \$180 million in pre-foreclosure counseling for struggling homeowners. A low-income housing tax credit is also expanded and first-time home buyers will receive a tax credit of up to \$7,500 for homes purchased between April 9, 2008 and July 1, 2009. The credit serves as an interest-free loan and the homeowner is required to repay it in equal installments over 15 years.

KEEP THIS IN MIND...

- The new loan limits for Fannie Mae and Freddie Mac are the greater of either \$417,000 or 115 percent of an area’s median home price, up to \$625,500. The new FHA loan limit will be the greater of \$271,050 or 115 percent of an area’s median home price, up to \$625,500. Both new loan limits will be effective at the expiration of the economic stimulus limits on December 31, 2008.
- The legislation creates a nationwide loan originator licensing and registration system to protect consumers from predatory lending practices. The requirements do not apply to those only performing real estate brokerage activities unless they are compensated by a lender, mortgage broker, or other loan originator. States will have the ability to implement more stringent laws.
- Although initially the main reason for President Bush’s veto threat, the bill also includes \$3.9 billion in neighborhood grants. It is believed that this allotment will assist with stabilizing home values by allowing communities to purchase and refurbish foreclosed homes leading to reduced neighborhood blight.
- Previously precluded from the economic stimulus loan limits passed in February, the recently signed housing legislation temporarily raises the loan limit for the Veterans Affairs home loan guarantee program to \$729,750 from \$417,000 until December 31, 2008.

To read the full story, please click here:

http://news.yahoo.com/s/ap/20080730/ap_on_go_pr_wh/housing_bill_18;_ylt=Apwpxb307YoWZ2xNqRqMRNSz1g4B



Beyond the Headlines



[CNN Money](#)

New home sales stronger than expected

Nationwide, the median sales price of new houses sold in June rose slightly by 1.4 percent, compared with May. The median sales price of a new home in June was \$230,900, a slight increase from May's median sales price of \$227,700.

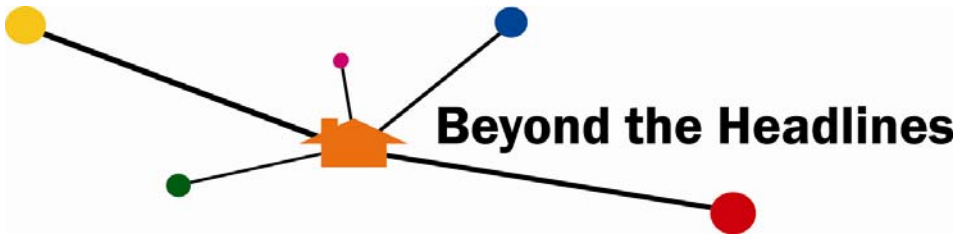
New home sales decreased by less than 1 percent between May and June, but economists and investors reacted favorably to the seasonally adjusted annual rate, which was stronger than most predicted. Prior to June's monthly sales decrease, new home sales were increasing month over month, which some economists view as a positive indicator that the market will reach bottom by the end of this year and soon begin its rebound.

KEEP THIS IN MIND...

- Rising grocery and energy prices, combined with unadjusted incomes, have led some consumers to think twice about purchasing a home. Although median sales prices nationwide are 2 percent lower than the median price from a year ago, the monthly rate of decline is slowing. Despite overall sales price declines, prices in some areas of California, such as San Francisco, are still more than 60 percent above where they stood in January 2000.
- Consumers should consider purchasing an existing single-family home, which posted its third consecutive year-to-year gain in June in California. Existing single-family home sales rose 17.5 percent in California, compared with the same period a year ago. Statewide home sales also remained above the 400,000 level for the second month in a row.

To read the full story, please click here:

http://money.cnn.com/2008/07/23/real_estate/housing_rescue_guide/index.htm?postversion=2008072321



[San Francisco Chronicle](#)

Proposed tax deduction could benefit many homeowners

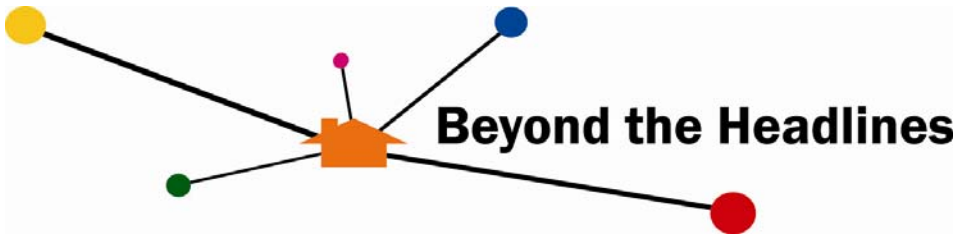
With so much of the emphasis placed on the benefits to homeowners at risk of foreclosure, many consumers are unaware that the recently signed federal housing bill also benefits consumers who do not itemize their federal tax filings. Millions of homeowners are now allowed to claim a deduction for at least a portion of their local and state property taxes. Although intended as a one-year economic relief measure, tax experts believe that the new deduction will become a permanent feature in the tax code.

KEEP THIS IN MIND...

- It is estimated that 50 percent of homeowners itemize their returns, but one-third of them do not have any mortgage debt on their property and therefore do not claim mortgage interest as a deduction. This provides greater tax fairness to a large group of homeowners who choose to file a standard deduction and also pay local and state property taxes. The majority of this group includes seniors and lower-to-moderate-income households.
- Opponents of the tax plan argue that it allows the government to continue pushing the financial benefits of homeownership versus renting. However, it is important to understand that homeowners outnumber renters roughly 2-to-1.

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/07/27/REPA11SJ0K.DTL&hw=Proposed+tax+deduction+could+benefit+many+homeowners&sn=001&sc=1000>



In Other News...



[The New York Times](#)

A New Way to Generate Mortgages

To read the full story, please click here:

http://www.nytimes.com/2008/07/29/business/economy/29place.html?_r=1&scp=1&sq=%22A%20new%20way%20to%20generate%20mortgages%22&st=cse&oref=slogin



[Los Angeles Times](#)

Rates on 30-year mortgages jump to highest level in nearly a year, reflecting market worries

To read the full story, please click here:

<http://www.latimes.com/business/nationworld/wire/ats-ap-mortgage-ratesjul24,1,2279290.story>



[CNN Money](#)

Housing market weakens again

To read the full story, please click here:

http://money.cnn.com/2008/07/24/real_estate/existing_home/index.htm?postversion=2008072410



[Los Angeles Times](#)

Home buyers should check for hidden and buried toxins

To read the full story, please click here:

<http://www.latimes.com/business/la-re-enviro27-2008jul27,0,3518170.story>

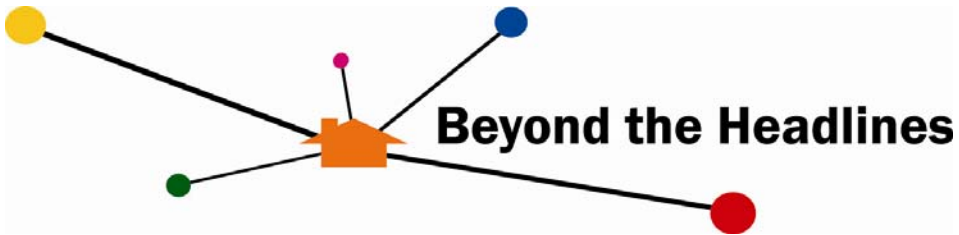


[CNN Money](#)

Home prices continue sharp descent

To read the full story, please click here:

http://money.cnn.com/2008/05/12/real_estate/Q12008_home_prices/index.htm?postversion=2008051415



[Los Angeles Times](#)

Home builders battle to survive

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-builders24-2008jul24,0,5513050.story>



[CNN Money](#)

2.2 million vacant homes for sale

To read the full story, please click here:

<http://money.cnn.com/2008/07/24/news/economy/homeownership/index.htm>



Beyond the Headlines

What you need to know about the market

- Because the FHA-backed refinancing program is voluntary, some loan servicers may be reluctant to participate. Homeowners wishing to refinance their current mortgage should continue making their regularly scheduled mortgage payments, if possible. If a homeowner's financial situation deteriorates enough, the bank or loan servicer will not want to work with them. To prepare for this transition, experts recommend that consumers talk to a local credit counselor and track their expenses and incomes closely to better forecast their cash flow for the next six months. This will allow loan servicers to make a better decision on whether or not to refinance the existing mortgage.
- Although foreclosures are increasing, defaults, which are the first phase in the foreclosure process, rose by only 6.6 percent in California between the first and second quarter. This could indicate that foreclosures are nearing a plateau and that defaults on subprime mortgages are nearing a peak. Some experts believe it could also mean that lenders are overburdened and do not have time to process the paperwork required to start foreclosure proceedings.
- For a summary of key provisions of H.R. 3221 - The Housing Stimulus Bill, consumers should visit the NATIONAL ASSOCIATION OF REALTORS® Web site:
http://www.realtor.org/gapublic.nsf/pages/hr_3221_key_provisions?OpenDocument.