

Media Advisory



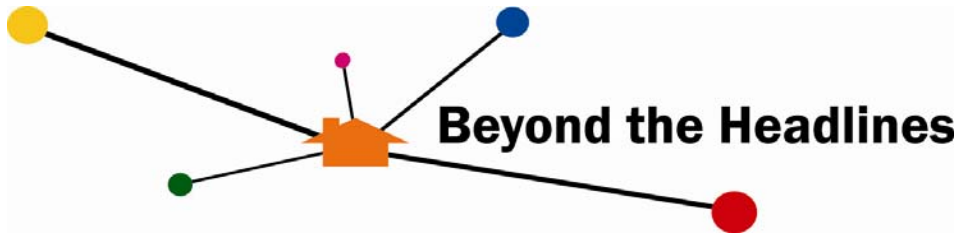
[CALIFORNIA ASSOCIATION OF REALTORS®](#)

C.A.R. creates informative Fannie Mae and Freddie Mac video for consumers

In response to numerous misleading and unbalanced news reports about Fannie Mae and Freddie Mac, C.A.R. created a new video to educate consumers about the importance of Fannie Mae and Freddie Mac, and how the Government Sponsored Enterprises operate in the market. The video, which features C.A.R.'s Executive Vice President Joel Singer, explains the crucial countercyclical role the GSEs serve, and the likely consequences should they be nationalized or eliminated.

The video is available on C.A.R.'s Web site or on YouTube at <http://www.youtube.com/v/6LDnKk-ZSiA>. C.A.R. also encourages REALTORS® to post the video on their Web sites and use it in other communication vehicles.

To view the consumer video, please click here:
<http://www.car.org/newsstand/video-js-gse/>



[Press Enterprise](#)

Housing slump means those who buy now could save on taxes

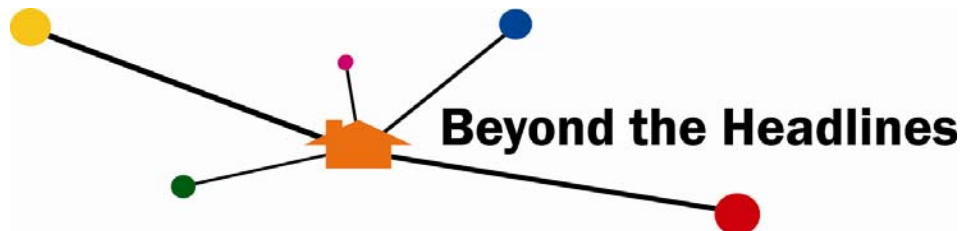
One silver lining in the current housing market is the ability of home buyers to not only purchase a more affordable home, but also ensure lower property tax payments. Under Proposition 13, a measure passed in 1978 that limits property tax increases, the sale price of a home is generally used to set the home's base value and subsequent property tax assessment. Proposition 13 also ensures that annual assessments will not increase more than 2 percent each year.

KEEP THIS IN MIND

- In most cases, property taxes are assessed based on the sale price, and most often, the sale price is consistent with other comparable homes in the area. However, consumers need to be aware that purchasing homes at deeply discounted prices, especially those that are heavily damaged, does not necessarily mean that the property tax assessment will be based on the sale price. In those instances, property taxes often will be assessed based on the value that the appraiser determines to be the full-cash value. If a buyer has to invest a significant amount of money into the property to make it livable, the amount invested often is added to the sales price to establish an accurate property tax assessment.
- A separate measure, known as Proposition 8, allows a homeowner to request a temporary property tax reassessment, which can result in lower property taxes. This proposition is most-often employed by buyers whose home values have declined in the current market. However, Prop. 8 requires that homeowners whose properties are reassessed must have the home reappraised each January, to determine the current home value and that year's property taxes. Because the reduction is temporary, it only stays in effect until the property tax assessment is equal to the assessment the homeowner would receive under Prop. 13. Also, Prop. 8 does not limit the annual increase to 2 percent, which can result in the homeowner paying the same amount of property taxes in the long run, as if they had not received the reduction.

To read the full story, please click here:

http://www.pe.com/business/local/stories/PE_News_Local_S_taxes01.34d22cb.html#



[CNN Money](#)

Homebuyers turn screw on sellers

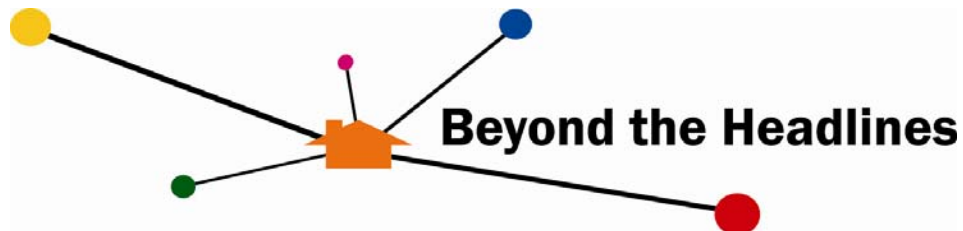
In a market often driven by buyers, some sellers are agreeing to demands from buyers such as major home repairs, warranties on home appliances, and, in some cases, tax rebates. Some sellers also are offering buyer incentives, including vacations, a year's worth of condominium association dues, or new central air-conditioning systems, for example.

KEEP THIS IN MIND

- Gone are the days of buyers purchasing a home in "as is" condition. Today's market is driven by buyers, and with it come many seller-funded concessions. In the past, some sales contracts contained clauses allowing the contract to be negated if the home did not pass inspection, if the buyer was unable to qualify for a mortgage loan, or if the buyer could not sell their own home. Nowadays, after negotiating the sales price, some buyers also are insisting on contingencies such as seller-funded property tax assessments or replacing roofs, furnaces, and the like.

To read the full story, please click here:

http://money.cnn.com/2008/08/29/real_estate/sellers_concessions_in_buyers_market/index.htm?postversion=2008082903



[Sacramento Bee](#)

Homefront: Capital market near bottom, housing bear says

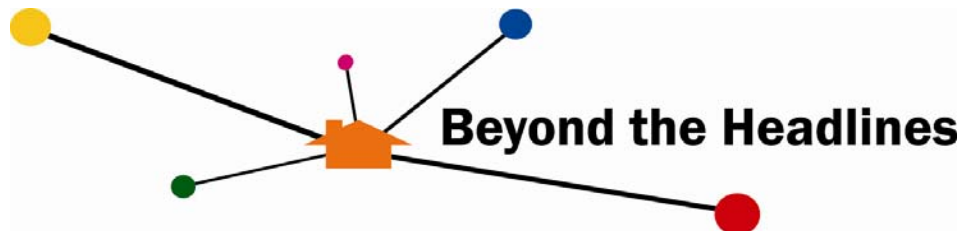
A five-month low in unsold new houses and an easing of home price declines in some parts of the nation have led some economists to believe we are nearing the bottom of the market. Although it is likely that there will be further home-price declines, some analysts think the descent is slowing.

KEEP THIS IN MIND

- According to an economist at Moody's Economy.com, if home prices decline an additional 5 to 10 percent, housing affordability will increase and more first-time buyers will enter the market. In the second quarter of 2008, C.A.R. reported that 49 percent of California's households could afford to buy an entry-level home in the state, double the affordability rate from the second quarter of 2007.
- While many buyers are taking advantage of today's low interest rates and reduced home prices, the majority of serious and qualified buyers typically will purchase homes by the end of the year, after which the buyer pool will decrease. Traditionally, the height of the home-selling season is during the summer months. Generally, home sales begin their seasonal decline in the fall, once children are back in school and the holiday season approaches.

To read the full story, please click here:

http://www.sacbee.com/103/story/1195238.html#comments_here



In Other News...



[The New York Times](#)

Check Credit Unions for Deals

To read the full story, please click here:

<http://www.nytimes.com/2008/08/31/realestate/31mort.html?em>



[Los Angeles Times](#)

Housing slump drags on broader Southern California economy

To read the full story, please click here:

http://www.latimes.com/business/la-fi-econ2-2008sep02_0_2059011.story



[Sacramento Bee](#)

Foreclosures keep piling up in region

To read the full story, please click here:

<http://www.sacbee.com/142/story/1199017.html>

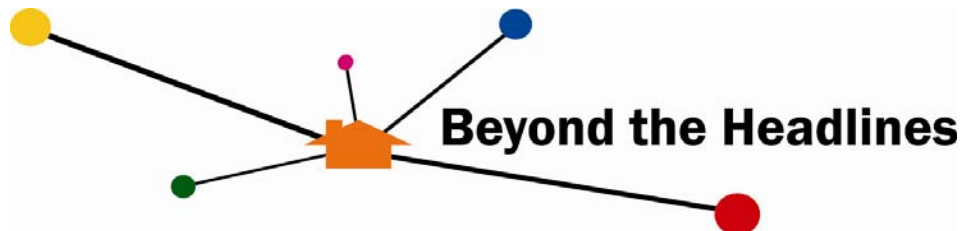


[Press Enterprise](#)

Inland Empire real estate trends: interest rates likely to rise as prices fall

To read the full story, please click here:

http://www.pe.com/business/realestate/stories/PE_Biz_S_whentobuy31.3df88ef.html#



Other news continued...



[The Mercury News](#)

Silicon Valley home sellers pin hopes on strong September, October

To read the full story, please click here:

http://www.mercurynews.com/realestatenews/ci_10355266

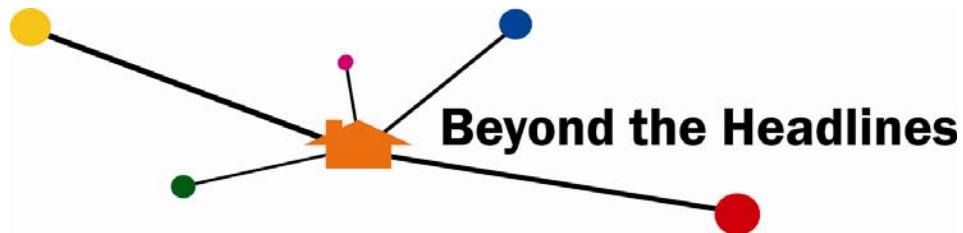


[MSNBC](#)

Condo foreclosures hurt others, too

To read the full story, please click here:

<http://www.msnbc.msn.com/id/26097473/>



What you need to know about the market

- FICO scores are most-often used by mortgage lenders or credit card companies to determine a consumer's credit worthiness. The score ranges from 300 up to 850. The higher the FICO score, the lower the perceived risk. There are five areas that affect a FICO score—payment, about 35 percent of score; outstanding debt, 30 percent; length of credit history; new accounts; and the different types of credit the consumer has, such as revolving credit, auto loans, and mortgage loans. The most effective strategies to raise a FICO score include: keeping credit card debt to less than 50 percent of the available credit (below 10 percent is ideal), making payments on time, and limiting the number of credit inquiries.
- Most sellers are sentimental when pricing their home and often insist on listing it at a higher price than it is likely to garner in today's market. If a home is priced unrealistically, it likely will stay on the market longer, often reducing its appeal and leading home buyers to question its value. Many factors influence home values. To prevent a listing from going stale, sellers must work with their REALTORS® to price the house correctly.