

Media Advisory



[New York Times](#)

Central Banks Coordinate Global Cut in Interest Rates

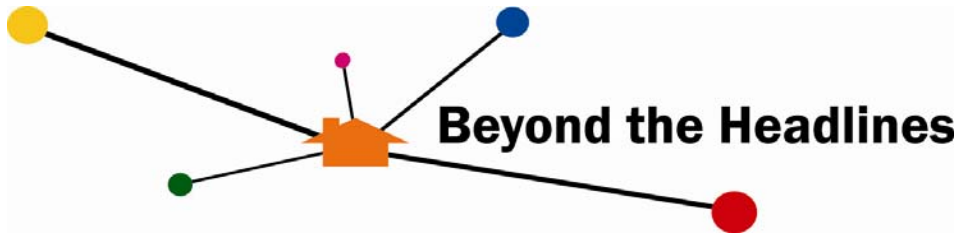
Hoping to thaw the current credit freeze, the Federal Reserve, the European Central Bank, the Bank of England, and the central banks of Canada and Sweden reduced their primary lending rates by a half percentage point Wednesday. The Chinese central bank also reduced its key interest rate and lowered bank reserve requirements, while the Bank of Japan's rates remained unchanged.

KEEP THIS IN MIND

- The purpose of the rate cut is to increase consumer confidence, which in turn should help stimulate the economy. When consumers and businesses have more confidence in the economy, they usually spend more money, which bolsters the economy by enabling retailers to increase sales and prevent future layoffs.
- The Federal Reserve controls the interest rate that banks charge each other for short-term loans. Usually this leads to banks lowering the rates they charge consumers and businesses. The short-term loan-rate reduction, from 2 percent to 1.5 percent, should have an almost immediate effect on credit-card rates, according to financial analysts. Interest rates on automobile and business loans also should decline. Generally, the short-term loan-rate reduction also leads to a reduction in mortgage rates; however, it is too soon to predict if that will happen in this case given the way the market has reacted to recent economic news.
- Some credit card companies already have reduced their credit card rates. Although there may be room for further reductions for some consumers, many experts believe that only consumers with the best credit scores and payment history will benefit from the rate reduction. Most credit card companies deem consumers with high credit scores as providing the least amount of risk.
- Consumers with fixed-rate mortgages will not benefit from the rate cut; however, those with adjustable-rate mortgages (ARMs) may. When banks receive an interest rate cut, they may pass along the savings to consumers. Homeowners with ARMs could receive a payment reduction.

To read the full story, please click here:

http://www.nytimes.com/2008/10/09/business/09fed.html?_r=1&hp&oref=slogin



Sell your home fast in any market

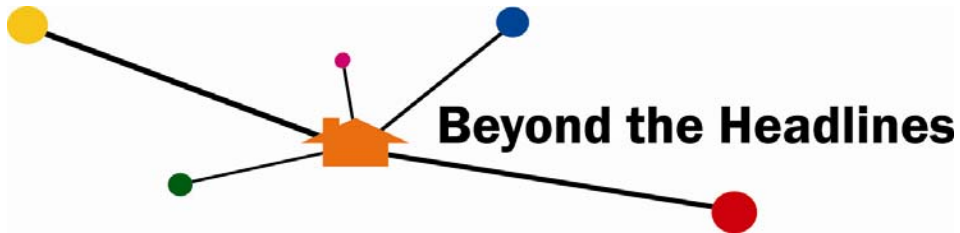
Due to the large number of available homes on the market, and the fact that the traditional home-buying season is coming to a close, sellers need to be aware of key factors that can determine whether their home sells quickly or lingers on the market.

KEEP THIS IN MIND

- Accurately pricing a home continues to be the number one factor to conclude a successful sale. Most REALTORS[®] guide sellers in determining an accurate listing price for their home by tracking comparable properties in their neighborhood that have sold within the previous three to four months. Since the market can greatly fluctuate from one neighborhood to another, some REALTORS[®] believe that setting a price based on comps older than three to four months will not accurately reflect the current market and could result in pricing a home at odds with current market conditions.
- Even in today's market, sellers do have some control over many contingencies. Some buyers may request that their contracts include contingencies based on their ability to obtain financing. To avoid risks associated with this contingency, some REALTORS[®] advise their clients to request buyers to provide a pre-approval letter from a well-established lender; a financial information sheet outlining the buyer's employment history, income, assets and liabilities; and a recent bank statement showing that the buyer has enough funding reserves for the required down payment. This ensures that the buyer is likely to be approved for a mortgage loan, and reduces the risk to the seller.
- Some buyers may use a home's inspection report as a bargaining chip to negotiate a lower price. When this occurs, some sellers offer buyers a lump sum of money so the buyer can make the repairs, rather than the seller repairing each item listed on the report. Sellers may be able to avoid paying a lump sum to the buyer by having the home pre-inspected prior to listing. This enables the seller to obtain accurate estimates for the cost of repairs ahead of time and provides the seller with the option of making the repairs before listing the home.

To read the full story, please click here;

http://realestate.msn.com/Selling/Article_kip.aspx?cp-documentid=10888459&qt1=35000



[CNBC](#)

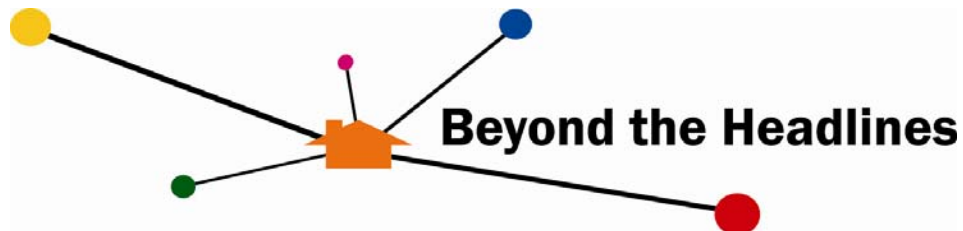
Brokerage Asks Sellers to Cut 10% off Home Prices

In an attempt to lure potential home buyers off the sidelines, a nationwide real estate brokerage is asking its approximately 25,000 sellers who have homes listed with its brokers to reduce their listing prices by as much as 10 percent for its first national, 10-day sales event.

KEEP THIS IN MIND

- According to a recent Coldwell Banker survey, more than half of its real estate agents said listing prices in their market are still too high to attract qualified buyers. The brokerage is hoping that the 10-day price reduction will entice home buyers to venture back into the market and help reduce the current supply of unsold homes. In California, C.A.R.'s Unsold Inventory Index for existing, single-family detached homes in August 2008 was 6.7 months. The index indicates the number of months needed to deplete the supply of homes on the market at the current sales rate.
- Buyers who are uncertain if now is the right time for them to purchase a home should consider the price of the home, along with the recent reduction in mortgage rates, which could reflect a sizeable savings. According to the Primary Mortgage Market Survey[®], 30-year fixed-rate mortgages averaged 5.94 percent with an average 0.6 points for the week ending Oct. 9. This is a decline from the previous week when fixed-rate mortgages averaged 6.10 percent. Last year at this time, the 30-year fixed-rate mortgage averaged 6.40 percent.

To read the full story, please click here:
<http://www.cnbc.com/id/27044918>



In Other News...



[Los Angeles Times](#)

Countrywide mortgage pact may be worth \$3.5 billion to California loan holders?

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-countrywide6-2008oct06,0,1850068.story>



[Sacramento Bee](#)

Rescue bill won't curb region's foreclosures, experts say

To read the full story, please click here:

<http://www.sacbee.com/103/story/1287910.html>



[Mercury News](#)

Forecast calls for continued drop in home prices

To read the full story, please click here:

http://www.mercurynews.com/realestate/ci_10611730



[Los Angeles Times](#)

How much foreclosure relief will homeowners get from bailout plan?

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-qanda6-2008oct06,0,409154.story>

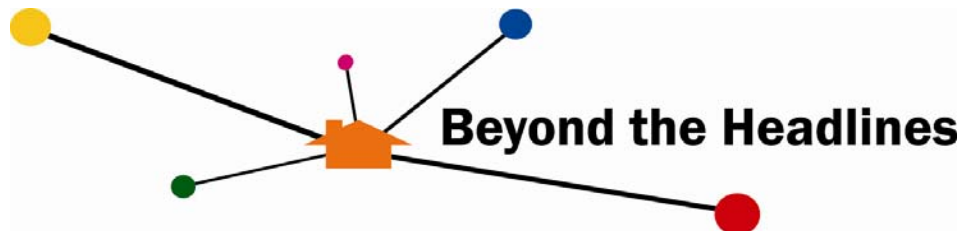


[Wall Street Journal](#)

California Officials Try to Avoid Second Housing Hit

To read the full story, please click here:

<http://online.wsj.com/article/SB122334317101810201.html>



In Other News (continued)



[Mercury News](#)

Freddie, Fannie cut back mortgage fees

To read the full story, please click here:

http://www.mercurynews.com/realestate/ci_10628916



[CNN Money](#)

Consumers rein in borrowing

To read the full story, please click here:

http://money.cnn.com/2008/10/07/news/economy/consumer_credit/index.htm?cnn=yes