

## Media Advisory



[Wall Street Journal](#)

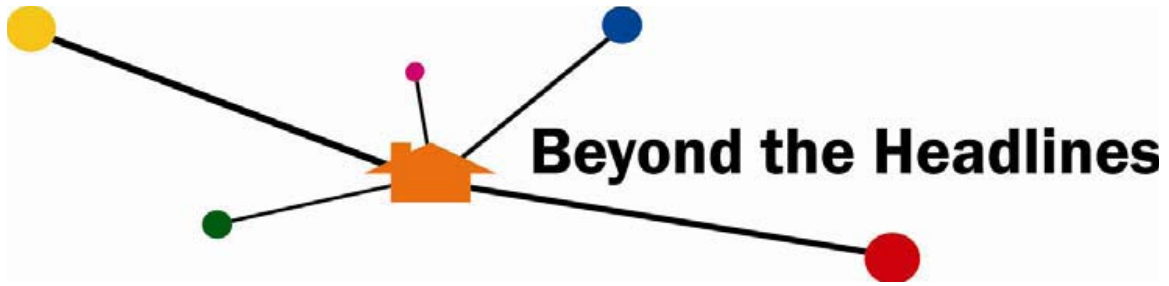
### Mortgage Lending for Sellers

Due to stricter loan underwriting standards and increased difficulty for some borrowers to qualify for a loan, even for those who are well-qualified, more sellers are offering financing to potential home buyers, which some believe can be mutually beneficial to both buyers and sellers, and can give sellers a competitive edge.

#### KEEP THIS IN MIND

- In addition to sellers receiving a steady flow of income by providing financing to home buyers, sellers also can profit from the interest payments. Sellers also may be able to sell the mortgage on the secondary market, thus reducing their risk. However, seller-financing is not always the best option. Sellers who need the equity from their current home to purchase their next one are advised to not offer seller financing.
- Buyers, especially those who are self employed, work on commission or have lower credit scores, but can explain the circumstances that led to it, also may benefit from seller financing. Often times, these buyers do not qualify for traditional, conforming loans, reducing their ability to become homeowners.
- To reduce the risk of possible loan default, most real estate professionals recommend that sellers request a down payment of at least 10 percent, especially if the buyer does not have an ideal credit score. Buyers who do not have a large financial stake in the home may be more likely to default than those with a more substantial down payment. It also is recommended that sellers work with a real estate attorney to draft a contract that includes possible implications if the buyer issues a late payment, defaults on the loan or neglects to adequately insure the property. Sellers also should work with an experienced loan servicer who can collect payments and keep records.

To read the full story, please click here;  
<http://online.wsj.com/article/SB122376508247826199.html>



[Los Angeles Times](#)

**California REALTORS® forecast lower home prices, rising sales in 2009**

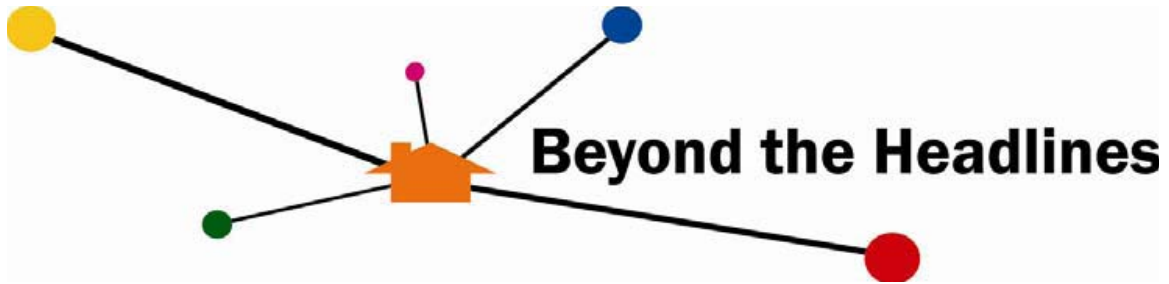
The CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) on Wednesday presented its “2009 Housing Market Forecast,” at CALIFORNIA REALTOR® EXPO 2008 in Long Beach, Calif. The annual forecast drew a crowd of more than 1,200 real estate industry professionals who learned what consumers and the real estate industry can expect for California’s housing market next year.

**KEEP THIS IN MIND**

- Sales of existing single-family homes are expected to increase in 2009 by 12.5 percent, to 445,000 units. In August, sales were 85 percent above the monthly low for the current cycle and for the first time this year were ahead of 2007 in year-to-date terms.
- Although the median home price is expected to decline by 6 percent in 2009, to \$358,000, the lower home price likely will increase the state’s affordability rate, currently at 48 percent, enabling more first-time home buyers to enter the market. C.A.R. anticipates home prices will stabilize once inventory thins out. In August, the Unsold Inventory Index stood at 6.7 months, down from 16.9 months in January 2008, meaning that it would take approximately 6.7 months to deplete the market at the current sales rate.
- The ability of consumers to obtain financing continues to play a vital role in stabilizing home prices. Currently, buyers with at least 10 percent available for a down payment, proof of income and excellent credit scores may qualify for conforming loans – mortgage loans that are \$729,750 or less.

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-forecast16-2008oct16,0,2039636.story>



[Wall Street Journal](#)

### **No quick fix for Housing Prices**

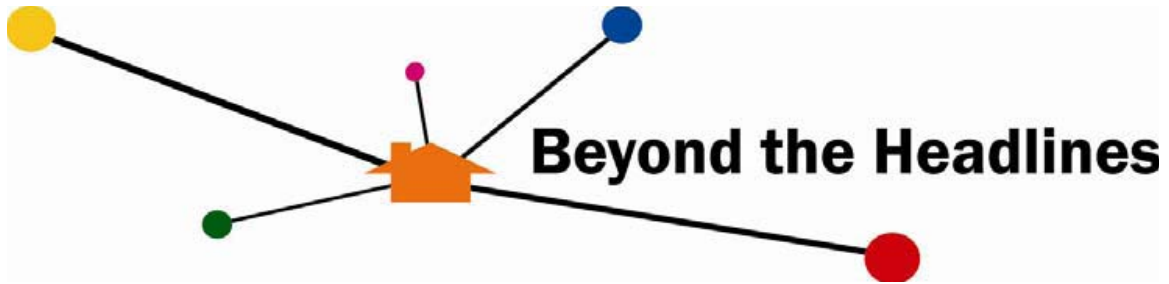
The recently enacted government rescue plan, which includes the U.S. government taking stakes in major financial institutions and temporarily guaranteeing new bank debt, is expected to help stabilize the economy. However, some economists believe that additional measures are needed to help stimulate the demand for housing and reduce mortgage delinquencies and foreclosures.

#### **KEEP THIS IN MIND**

- In July, the government approved a permanent loan limit increase -- from \$417,000 to \$625,500 -- on mortgages backed by the Federal Housing Administration (FHA), which some analysts believe is helping more homeowners obtain mortgages, especially in high-cost areas like California. In September, 28 percent of home purchases were financed with FHA mortgages, an increase from 19 percent in August. This year, more than twice as many home buyers sought government-backed mortgages than did those who did so last year.
- Although the government program, Hope for Homeowners, aims to assist homeowners by helping them refinance their current mortgage loans into more affordable ones in exchange for the homeowners sharing price appreciation with the government, some experts believe that the program will not assist enough homeowners. Hope for Homeowners will help 400,000 homeowners who are in default or foreclosure; however, some estimates show that there are nearly 12 million Americans who owe more on their mortgages than their homes are currently worth. Homeowners at risk of defaulting on their mortgage should contact their mortgage company as soon as possible to explore options including loan modification.
- Some economists believe that mortgage rates, although still at historic lows, need to decline to 5.25 percent in order to attract more home buyers and deplete the current supply of homes on the market.

To read the full story, please click here:

<http://online.wsj.com/article/SB122402709018134389.html>



#### In Other News...



[San Francisco Chronicle](#)

#### **Mortgage last loan people pay, study finds**

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/10/12/REJD13BM5A.DTL&type=realestate>



[Sacramento Bee](#)

#### **Local builders find few looking to buy new homes**

To read the full story, please click here:

<http://www.sacbee.com/142/story/1303000.html>



[CNN](#)

#### **Credit tight, but key lending rate eases**

To read the full story, please click here:

[http://money.cnn.com/2008/10/13/markets/bondcenter/credit\\_markets/index.htm?postversion=2008101308](http://money.cnn.com/2008/10/13/markets/bondcenter/credit_markets/index.htm?postversion=2008101308)



[Los Angeles Times](#)

#### **Errors in loan documents can save strapped homeowners**

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-lew12-2008oct12,0,701114.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>