

Media Advisory



[Los Angeles Times](#)

Fed Chairman Ben Bernanke supports stimulus plan

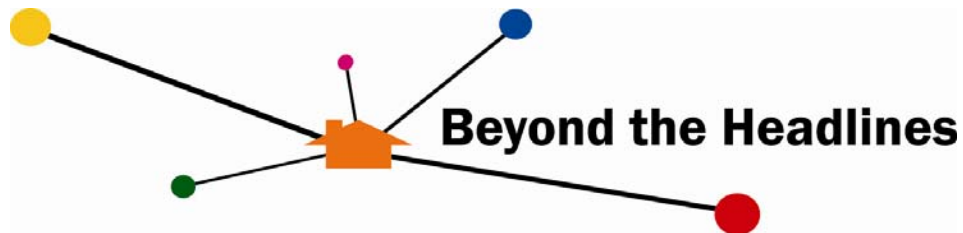
A new bipartisan economic stimulus plan received support Tuesday from Federal Reserve Chairman Ben Bernanke. The proposed \$150 billion stimulus package would include, among many components, a second issuance of rebate checks; extending unemployment and welfare benefits to unemployed workers whose federal benefits will soon end; increasing food-stamp benefits; making permanent the 2001 and 2003 tax breaks; and providing state governments with extra money to offset proposed spending cuts.

KEEP THIS IN MIND

- The NATIONAL ASSOCIATION OF REALTORS® (NAR) supports an economic stimulus plan, but also is advocating for additional provisions, including: removing requirements for first-time home buyers to pay back the \$7,500 tax credit and extending the tax credit to all home buyers of primary residences; making permanent the \$729,750 loan limit for Federal Housing Administration (FHA) and Government Sponsored Enterprise (GSE) loans; urging the government to use a portion of the allotted \$700 billion rescue plan to provide price stabilization for housing; and permanently prohibiting banks in real estate. Additionally, NAR is advocating for the U.S. Dept. of the Treasury to require banks to:
 - Extend credit down to Main Street, making credit more available to consumers and small businesses;
 - Expedite the process for short sales;
 - Expedite the resolution of banks' REO properties.
- One proposed component of the stimulus plan is to create new jobs to assist unemployed Americans. Currently the national unemployment rate is 6.1 percent, an increase of 1.4 percent from 4.7 percent a year earlier. If passed, the stimulus plan could provide new jobs to public-sector employees who have been affected by spending cuts; and create new jobs by making it easier for companies to initiate offshore oil drilling projects. Additional measures are being considered that also will create job opportunities.

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-econ21-2008oct21,0,6597090.story>



[Mercury News](#)

Foreclosures add to tight rental market

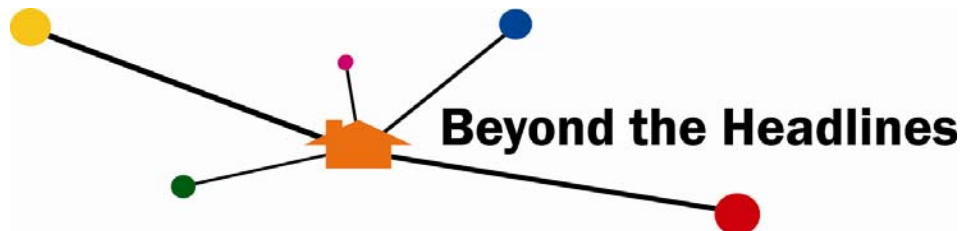
Rising rent coupled with investors purchasing foreclosed homes to use as rental properties has made it more difficult for many renters to find affordable rental housing.

KEEP THIS IN MIND

- The demand for rental housing is increasing as more former home owners, whose homes were foreclosed upon, enter the rental market. This is driving up rental prices and making it more difficult for renters to find affordable housing. Statewide rent in complexes of 100 units or more averaged \$1,449 in the second quarter, a year-over-year increase of 4.4 percent, according to RealFacts, a Novato, Calif.-based research firm.
- More investors than in previous years are purchasing foreclosed houses as investment properties and using them as rentals, rather than primary residences. This has negatively impacted traditional rental communities, as demonstrated by the slight decrease in occupancy rates. Apartment complexes were 95.6 percent occupied in the third quarter, a slight decrease from 96.7 percent a year ago.
- It is recommended that homeowners who have a foreclosure on their credit record continue to pay their other financial obligations and not accumulate more debt, which could adversely affect their ability to qualify for rental housing. Generally, landlords will consider renting to a tenant with a previous foreclosure on their credit record, if the renter otherwise has good credit and can explain the circumstances that led to the foreclosure.

To read the full story, please click here;

http://www.mercurynews.com/ci_10763983?nclick_check=1



[Reuters](#)

Fannie and Freddie back to basics as aid flows

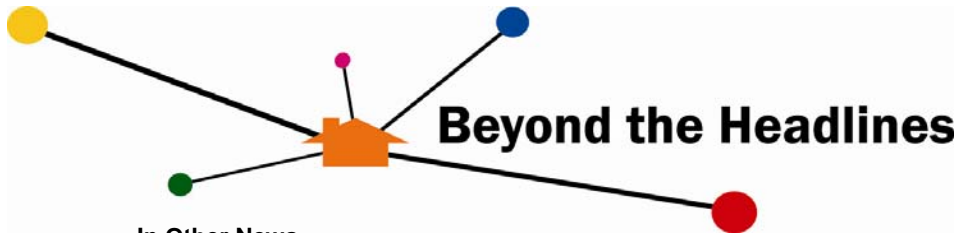
Government Sponsored Enterprises (GSEs) Fannie Mae and Freddie Mac have altered their focus from maximizing returns to investors to concentrating on servicing the secondary market. The GSEs now are searching for investments that will have a minimal return on capital in an attempt to shore up the financial market and help stabilize home prices.

KEEP THIS IN MIND

- When the GSEs were placed into a conservatorship, the newly appointed executives were tasked with the priority of making Fannie Mae and Freddie Mac solvent, while also increasing investments in the housing market.
- Fannie Mae and Freddie Mac currently have plans to eliminate some executive perks and to lower the costs of home buying. Some items, such as tickets to sporting events, will be reviewed to determine if the benefit should be eliminated. To help lower the costs of home buying, the GSEs announced they will not increase their loan processing fees, which would have negatively impacted home buyers.
- Freddie Mac also has increased its underwriting standards. Prior to the conservatorship, both Fannie Mae and Freddie Mac purchased loans that often were considered “no-doc” or “low doc,” meaning that the borrower did not provide proof of income, cash reserves, and/or employment. Some believe that “no doc” or “low doc” loans contributed to the current housing market downturn.

To read the full story, please click here:

<http://www.reuters.com/article/reutersEdge/idUSTRE49K0AJ20081021>



In Other News...



[San Diego Union-Tribune](#)

Credit crunch will last into '09, economists say

To read the full story, please click here:

<http://www.signonsandiego.com/news/business/20081019-9999-1n19credit.html>



[San Francisco Chronicle](#)

Getting mortgage easier than some other credit

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/10/19/RENU13G5D8.DTL>



[Los Angeles Times](#)

Despite the credit crunch, there's still plenty of mortgage money

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-harney19-2008oct19,0,1762478.story>



[San Diego Union Tribune](#)

Fallout from financial crisis hammers housing

To read the full story, please click here:

<http://www.signonsandiego.com/news/business/20081017-1453-financialmeltdown.html>



[MSNBC](#)

Home starts crawl to slowest pace since 1991

To read the full story, please click here:

<http://www.msnbc.msn.com/id/27236517/>

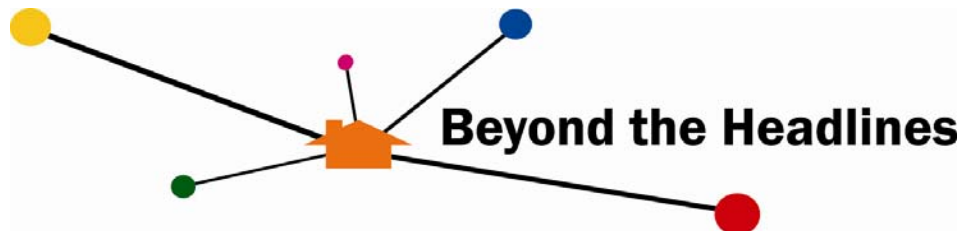


[Mercury News](#)

Southern California home sales jump 65 percent in September

To read the full story, please click here:

http://www.mercurynews.com/realestatenews/cj_10767921



Market Snapshot

C.A.R. recently introduced *Market Snapshot*, a monthly feature in *Market Matters*. Created by C.A.R.'s Research and Economics team, *Market Snapshot* offers information about the current market, and provides consumer-friendly charts and graphs. *Market Snapshot* can be found on C.A.R.'s Web site at www.car.org/economics/marketsnapshot.

This month's Market Snapshot features:

- California's housing market compared with the national market: Sales of existing single-family homes in California increased 57 percent year-over-year in August 2008, compared with an 11 percent decline nationwide.
- Differences in local housing markets: In some markets home prices may have decreased at a rapid pace, while other areas may have registered slight increases in recent months, demonstrating that housing markets are local and can vary greatly from one area to the next.

To read the complete version of *Market Snapshot*, please click here:

www.car.org/economics/marketsnapshot