

Media Advisory



[C.A.R.'s Mortgage Update](#)

This issue of *Mortgage Update* contains news and updates on foreclosure assistance programs for borrowers with mortgages issued through Citigroup, and mortgages owned or guaranteed by Fannie Mae and Freddie Mac.

KEEP THIS IN MIND

- Citigroup is expanding its foreclosure prevention efforts by establishing a new program, Citi Homeowner Assistance Program, which only is available to homeowners who are current on their mortgage payments, but at risk of defaulting. Citi Homeownership Assistance Program will reduce monthly payments, including property taxes and insurance, to 40 percent or less of the borrower's income. The mortgage modification program will freeze or reduce interest rates, extend the terms of the loan, and possibly reduce the loan principal.

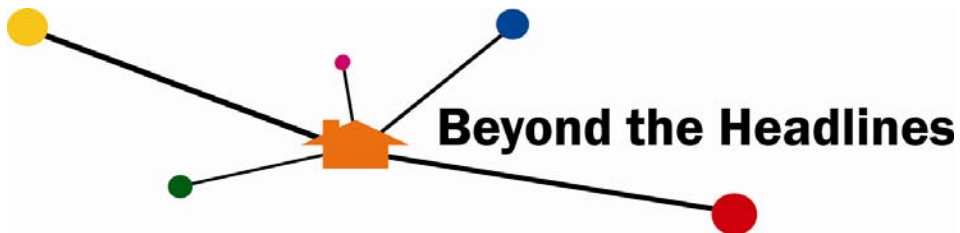
To read the full story, please click here:

http://www.bloomberg.com/apps/news?pid=20601087&sid=aXh_NhG7OLoY&refer=home

- The Federal Housing Finance Agency (FHFA) this week announced a new government program to help mitigate foreclosures on loans owned or guaranteed by Fannie Mae and Freddie Mac. The program is targeted toward borrowers who are at least 90 days delinquent in their mortgage payments and have a high loan-to-value ratio. Reduced interest rates and longer terms of as much as 40 years may be offered to qualified borrowers. Some economists believe that areas such as California, Florida, and other high-cost areas will benefit the most from the program due to larger debt loads and higher rates of nontraditional mortgages.

To read the full story, please click here:

http://money.cnn.com/2008/11/10/real_estate/Citi_steps_up_foreclosure_help/index.htm



[San Francisco Chronicle](#)

The market for homeowners looking to sell

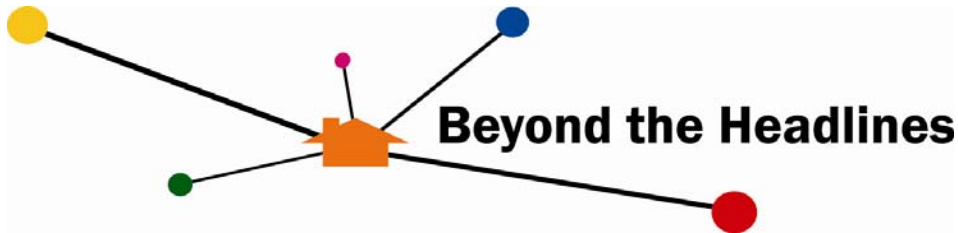
Despite declining home values, the market is still providing opportunities to sellers. In September, the median number of days it took to sell a single-family home was 46.1 days, compared with 56.7 days for the same period a year ago. By following a few guidelines sellers can be successful in selling their home.

MAKING SENSE OF THE STORY FOR CONSUMERS

- Accurate pricing continues to be a key factor in selling a home, especially in today's market. The median home price is expected to decline 31.7 in 2008 in California, according to C.A.R.'s 2009 Housing Market Forecast. Sellers who are expecting to receive offers similar in value to 2005-2006 offers should work with their REALTOR® to ensure that a home is priced accurately and that the current market can support the asking price.
- Pre-housing boom, many homes did not require a lot of marketing. Some homes could be listed on an MLS and sell within days. Today's market is rapidly changing and the majority of homes for sale require more marketing than in previous cycles. Some sales agents are offering traditional marketing plans such as creating flyers, while others are opting for more elaborate options including catered lunches during an open house for brokers and potential buyers.
- Some economists believe that President-elect Barack Obama will aggressively work to restore the nation's housing market. Proposals from his administration are likely to include tax credits for first-time home buyers, more loan modification programs, and reductions in down payments for loans owned or guaranteed by Fannie Mae and Freddie Mac. These proposed changes would enable more home buyers to purchase houses and help reduce the inventory of homes on the market.
- The current market and declining home prices are enabling many home buyers to move up by purchasing homes that previously would have been out of their price range. Some sellers, especially those who are seeking move-up opportunities, are accepting lower offers on their current home due to the reduced amount they are spending on their new home.

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/11/09/REFR13VJHL.DTL&type=realestate>



[Reuters](#)

U.S. conforming loan limit unchanged for 2009: FHFA

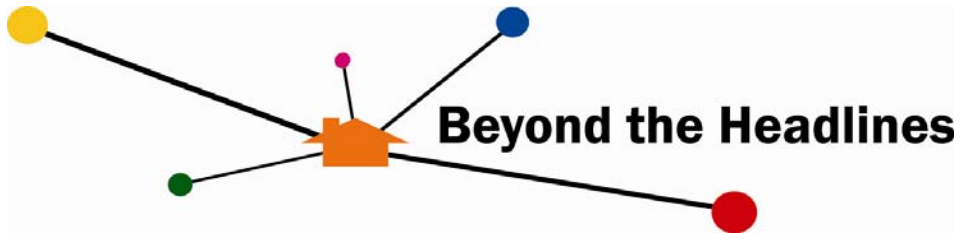
The Federal Housing Finance Agency (FHFA) earlier this week announced its 2009 conforming loan limits for mortgages owned or guaranteed by Fannie Mae and Freddie Mac.

KEEP THIS IN MIND

- The FHFA conforming loan limit in many areas of the country will remain at \$417,000, unchanged since 2006. Loan limits for high-cost areas, including California, will be capped at \$625,500. The “new” limits are a decrease from the previous \$729,750 limit, which was established earlier this year by the Economic Stimulus Act of 2008. In California, the new conforming loan limits for metropolitan areas range from \$474,950 in the Sacramento-Arden-Arcade-Roseville metropolitan area, covering El Dorado, Placer, Sacramento and Yolo counties; to \$625,500 in the Los Angeles-Long Beach-Santa Ana metropolitan area.
- The conforming loan limit determines the maximum size of a mortgage that Government Sponsored Enterprises (GSEs) Fannie Mae and Freddie Mac can buy or guarantee. Non-conforming or jumbo loans typically carry a higher mortgage interest rate than a conforming loan, increasing the monthly payment and negatively impacting affordability for households in California.
- The CALIFORNIA ASSOCIATION OF REALTORS® hopes Congress will make permanent the current \$729,750 conforming loan limit before the end of the year as one of the provisions in an economic stimulus package. Last week, the board of directors of the NATIONAL ASSOCIATION OF REALTORS® (NAR) formally signed off on a real estate stimulus proposal, which also supports a permanent increase.
- Many lenders recommend that home buyers who are applying for loans above \$625,500, but below \$729,750 complete the application process by the end of November. This will help ensure that the loan is processed and funded by the Dec. 31 deadline and that the home buyer does not have to qualify for a jumbo loan at a higher interest rate.

To read the full story, please click here:

<http://www.reuters.com/article/gc03/idUSTRE4A65G220081107>



[CNN Money](#)

The best time to buy a home

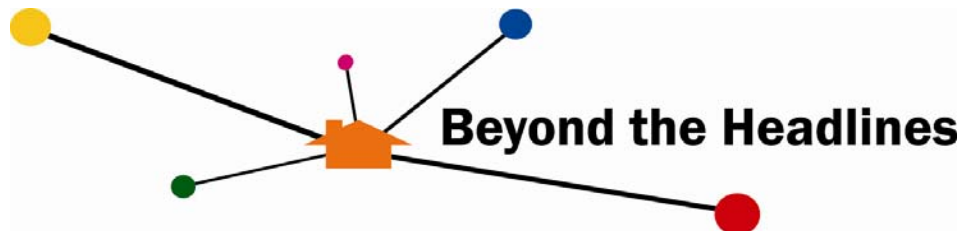
Recent economic reports and the continued decline of home prices have caused some home buyers to stay on the sidelines and try to time the market so they can purchase a home at an affordable price that will not reduce in value, and will appreciate quickly. However, many housing advisors recommend that home buyers not try to time the market, but instead purchase a home when they are ready.

KEEP THIS IN MIND

- Despite rising foreclosures, delinquencies, and unemployment rates, and declining home prices, sales of new and existing homes are improving, which is causing some home buyers to try to “time the market.” Many housing analysts advise potential home buyers not to base their homebuying decision on economic reports, but rather to take their time finding the right house and to focus on getting their financing in place.
- Most economists believe that home prices will continue to decline during 2009. C.A.R. predicts that the median home price in California will decline an additional 6 percent next year. Home buyers need to remember that real estate markets are local and prices differ neighborhood to neighborhood. Many REALTORS® advise their clients to visit communities that interest them, and to talk to homeowners, business owners, and financial institutions to become familiar with the area.
- Credit restrictions and loan underwriting standards tightened during the credit crunch, resulting in mortgage loans taking longer to process and fund. Most lenders are requiring more information about income, assets, and expenses than in previous years, so home buyers are advised to get preapproved for their mortgage loan instead of applying once they have identified their ideal home.

To read the full story, please click here:

<http://asktheexpert.blogs.money.cnn.com/2008/11/04/the-best-time-to-buy-a-home/>



In Other News...



[San Francisco Chronicle](#)

Mortgage rates fall farther to 6.2 percent

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/11/09/REQR13VJLL.DTL>



[Bloomberg](#)

Pending Sales of Existing Homes in U.S. Fall 4.6% in September

To read the full story, please click here:

<http://www.bloomberg.com/apps/news?pid=20601087&sid=awq3yJZ0NBLk&refer=home>



[Contra Costa Times](#)

Tougher credit rules for consumers

To read the full story, please click here:

http://www.contracostatimes.com/cj_10906553?nclick_check=1

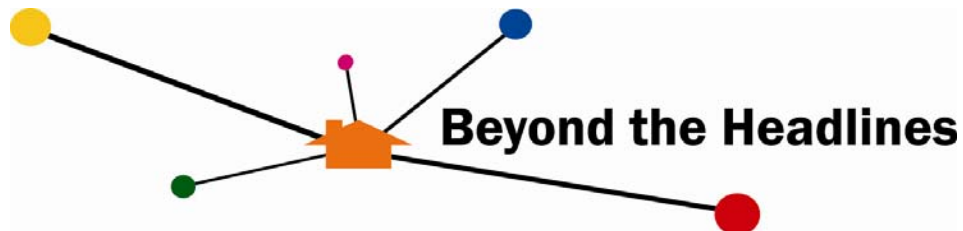


[Los Angeles Times](#)

What stays, what goes in a home sale

To read the full story, please click here:

http://www.latimes.com/business/la-fi-lew9-2008nov09_0,44714.story



[CNN Money](#)

Mounting job losses fueling foreclosures

To read the full story, please click here:

http://money.cnn.com/2008/11/04/real_estate/job_losses_fuel_foreclosure/index.htm?postversion=2008110705

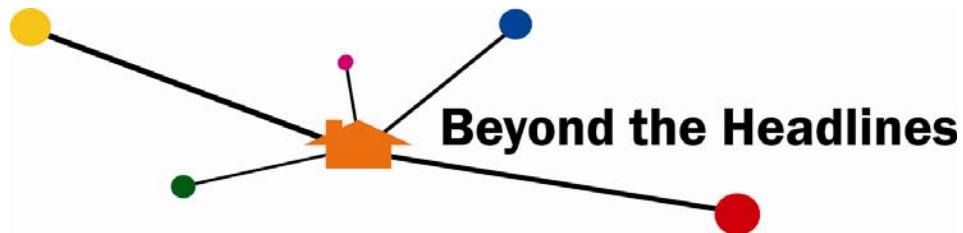


[San Diego Union-Tribune](#)

Survey: Almost half buying homes for first time

To read the full story, please click here:

<http://www.signonsandiego.com/news/business/20081108-1100-newhomesales-nationalassociationofrealtors.html>



What you need to know about the market

- Even though foreclosures are on the rise in some areas, many properties in favorable locations are attracting numerous offers. Some economists recommend that home buyers who are seeking a bargain price on a foreclosed home take the “time on market” into consideration. Foreclosureradar.com says that if a foreclosed home has been on the market for several weeks, then it is likely overpriced. According to Foreclosureradar.com, banks may be more willing to accept a low offer to remove the loan from their books, especially at the end of a quarter. Home buyers should work with their REALTOR® to craft a realistic offer.
- Many banks selling foreclosed homes follow a formula enabling the bank to entertain low offers only after the house doesn’t sell for a specified period of time. Home buyers who find an attractively priced foreclosed home in a favorable area often are advised to make an offer close to the list price or offer a quick escrow. Sometimes banks will accept a quick escrow over an offer with a slightly higher price. If the property is in an especially desirable neighborhood, it may be necessary to offer both a strong price and a quick escrow.