

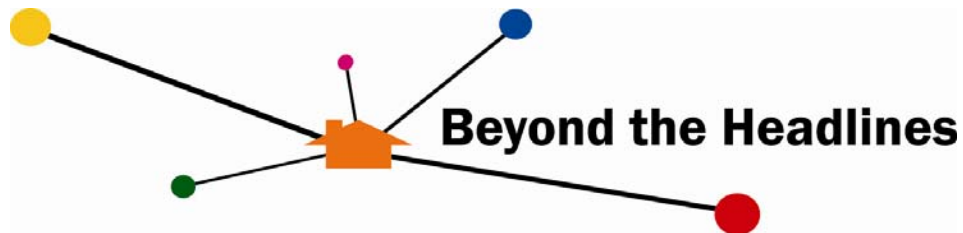
Media Advisory



[C.A.R. Resource Guide](#)

REALTORS® throughout the state have a long-standing tradition of community involvement and making a difference in the neighborhoods they serve. The recent wildfires throughout Southern California have devastated many families and caused a great deal of property damage in many Southern California communities. C.A.R. has compiled information in the REALTORS® Care section of [car.org](#). There, REALTORS® and consumers will find a list of resources, including what to do and who to contact after a fire or other natural disaster, as well as insurance-related information.

For a complete list of fire-related resources, please visit:
<http://www.car.org/aboutus/realtorscare/firedisaster/>



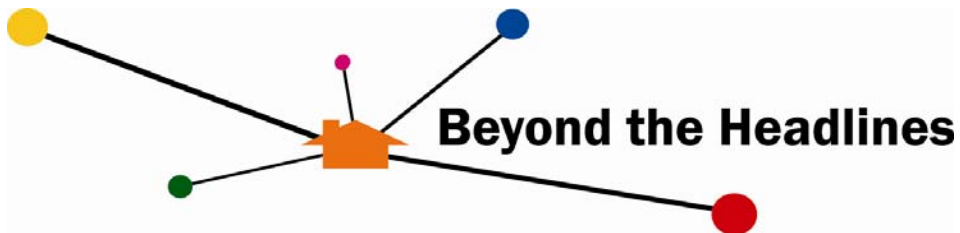
[C.A.R. Mortgage Update](#)

The CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) has created consumer information sheets detailing the various mortgage modification programs available through the larger lenders and government entities, and also has created an easy-to-use reference chart about available programs.

- The consumer sheets contain information such as eligibility requirements; who to contact to apply; costs associated with the program; and other vital data. In general, the loan modification programs on the chart and consumer information sheets are intended for primary residences only.
- Mortgage loan modifications typically are handled on a case-by-case basis. Homeowners having difficulty meeting their mortgage obligation or interested in finding out more about a loan modification program should start by contacting their lender. Prior to calling a lender or loan servicer, homeowners should have the following information available: loan number; income information and documentation; most recent mortgage statement; bank statements; and a letter demonstrating financial hardship.

To download the mortgage modification sheets, please visit:

<http://www.car.org/legal/mortgage-workout-programs/?view=Standard>



[Wall Street Journal](#)

What if you don't qualify?

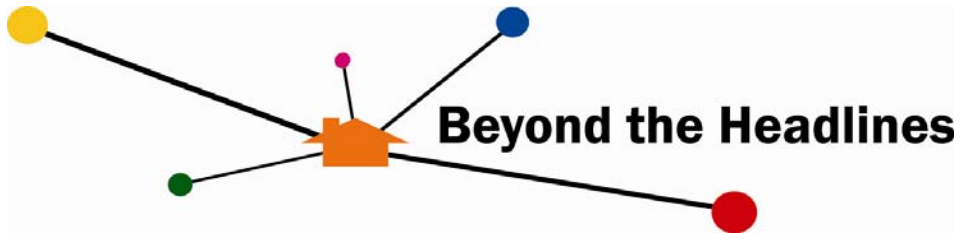
The majority of the mortgage modification programs from the larger lenders only are available to homeowners who either already are in default or are at risk of defaulting on their primary residences. However, some homeowners, in particular those who may default on a vacation home or an investment property, have some options available.

KEEP THIS IN MIND

- Homeowners who are in default or at-risk of defaulting should contact a reputable credit counseling agency to discuss possible options other than foreclosure. When calling a credit counseling agency, the homeowner should have their loan number, most recent mortgage statement, bank statements and a letter demonstrating financial hardship. To find a credit counselor, visit the U.S. Dept. of Housing and Urban Development's (HUD) Web site at <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=CA> or the non-profit organization National Foundation for Credit Counseling at <http://www.nfcc.org/>.
- Homeowners should contact their loan servicer as soon as possible to try to work out potential solutions. According to the Federal Housing Finance Agency (FHFA), some borrowers who do not meet the requirements for an existing mortgage modification program may still be considered for a loan adjustment based on personal circumstances.
- If a mortgage modification is not possible, homeowners may want to consider a short sale -- sell the home for less than the amount of the mortgage. Although a short sale enables a homeowner to avoid foreclosure and often causes less damage to the homeowner's credit score than a foreclosure, the lender must agree to accept the loss and in some cases the homeowner may have to pay taxes on the difference. Also, many lenders are overwhelmed by the large number of short sales being submitted by homeowners, so it could take longer than usual to receive a short-sale acceptance from the lender.
- If a homeowner cannot qualify for a mortgage modification or a short sale, some lenders will consider a deed in lieu of foreclosure, where the homeowner transfers the title to the lender in exchange for debt forgiveness. Properties that have additional debt, such as home equity lines of credit or additional mortgages, may not qualify for a deed in lieu of foreclosure. Homeowners who have additional debt tied to the property must share this information with their lender for consideration when applying for a short sale.

To read the full story, please click here:

<http://online.wsj.com/article/SB122643638528218301.html>



[Wall Street Journal](#)

HUD Issues New Consumer Protection Rules on Mortgages

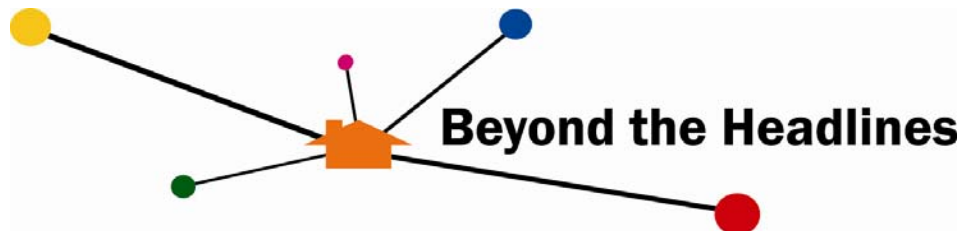
The U.S. Dept. of Housing and Urban Development (HUD) has announced updates to the Real Estate Settlement Procedures Act (RESPA), including the requirement of a three-page "good-faith estimate" that provides borrowers with rates, fees, prepayment penalties, and possible increases in monthly payments for every mortgage transaction.

KEEP THIS IN MIND

- The Real Estate Settlement Procedures Act (RESPA) is a 1974 law that sets standards for home-purchase transactions. The purpose of RESPA is to provide consumers with information about the real estate mortgage transaction and the costs associated with it and to prohibit certain practices, such as referral fees between settlement service providers, that often result in higher costs and reduced quality to consumers
- A key change to RESPA is the creation of a standardized good-faith estimate (GFE) -- an itemized list of fees and costs associated with a mortgage loan. Currently, there are several good-faith closing estimate forms available, which can make it difficult for borrowers to compare rates and offers. Beginning in 2010, the U.S. Dept. of Housing and Urban Development (HUD) will require all lenders and mortgage brokers to use the standardized form. HUD officials estimate that the change will save home buyers as much as \$700 at closing, due in part to a requirement limiting the increase between the good-faith closing cost estimate and actual fees to 10 percent. The new three-page good faith estimate also will outline rates, fees, any prepayment penalties, and the possibility of later increases in monthly payments.
- HUD also has created a new page on the HUD-1 Settlement Statement to help homebuyers better understand what they are being charged at closing and how these charges compare to the GFE issued by their lender. The new GFE is designed to help mitigate future foreclosures by ensuring home buyers thoroughly understand their loan terms. Many housing analysts believe the current number of foreclosures is due to many borrowers making "uninformed decisions" during the homebuying process. The new, standardized GFE and revised HUD-1 will not be required until Jan. 1, 2010.

To read the full story, please click here:

<http://online.wsj.com/article/SB122651207372121253.html>



In Other News...



[Press Enterprise](#)

Fewer Inland default filings from September to October

To read the full story, please click here:

http://www.pe.com/business/local/stories/PE_Biz_S_realtytrac13.4585ca0.html



[Washington Post](#)

Beyond White Walls and Empty Rooms

To read the full story, please click here:

<http://www.washingtonpost.com/wp-dyn/content/article/2008/11/14/AR2008111401468.html?hpid=smartliving>

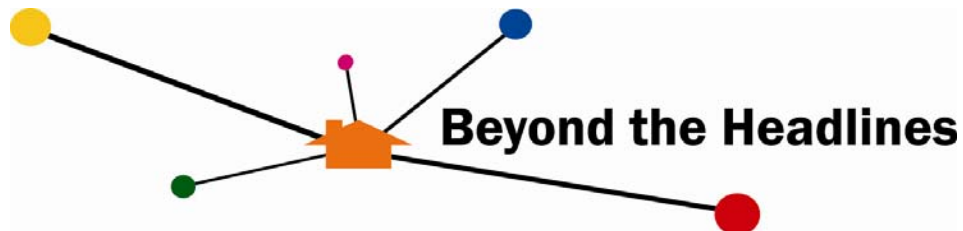


[Bloomberg](#)

Credit Score More Important Than Ever for Best U.S. Loan Rates

To read the full story, please click here:

<http://www.bloomberg.com/apps/news?pid=20601213&sid=aiqk5pwd36ts&refer=home#>



[San Francisco Chronicle](#)

Bay Area homeowners owe more than home's worth

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/11/11/MNN0142MCG.DTL&type=business&tsp=1>



[Los Angeles Times](#)

Credit card holders squeezed as issuers cut credit limits

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-creditcard18-2008nov18.0,1390093.story>

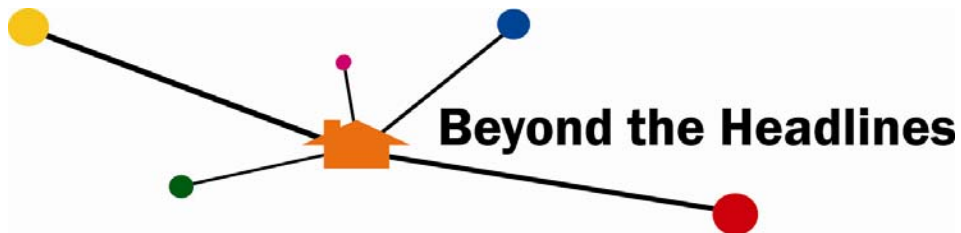


[CNBC](#)

Median home prices fall around US in Q3

To read the full story, please click here:

<http://www.cnbc.com/id/27785390>



What you should know about the market

- When searching for a home inspector, consumers should seek recommendations and referrals from their REALTOR®, as well as other recent home buyers. It is recommended that consumers interview at least three potential candidates during this process. Home inspectors are not regulated as closely as other industries; so home buyers should consider choosing one that belongs to the American Society of Home Inspectors. The American Society of Home Inspectors requires its members to complete at least 250 inspections. Consumers also should inquire about fees, and whether the inspector is bonded and insured.
- As credit underwriting guidelines tighten and down payment requirements increase, some home buyers – especially first-time home buyers – are finding it more difficult to qualify for a mortgage loan offered by a traditional financial institution. One viable option for some first-time home buyers, or those with challenged credit, is to apply for a home loan with the Federal Housing Administration (FHA). These loans are mortgages issued by a private lender but insured by the FHA. They often require smaller down payments and offer fixed-rate or adjustable-rate loans. However, not all home buyers will qualify. The FHA requires verification of income and assets along with a full home appraisal. While consumers with credit scores as low as 580 may qualify, home buyers should contact an FHA lender for an accurate assessment of their situation and ability to qualify.