

## Media Advisory



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

This week's *C.A.R. Mortgage Update* contains information about new mortgage rates, "early workout" loan alterations, and loan modifications.

#### **Mortgage rates fall to new low**

The average rate on a 30-year, fixed-rate mortgage dropped to 5.14 percent last week to a new record low, according to Freddie Mac. A year ago, the rate was 6.17 percent for a comparable loan. As a result, mortgage applications last week jumped to the highest level in five years with more than 80 percent of the applications for refinancings. There also was an 11 percent increase in applications for home purchase loans.

To read the full story, please click here:

<http://www.washingtonpost.com/wp-dyn/content/article/2008/12/24/AR2008122401371.html>

#### **More lenders allow "early workout" loan alterations**

Borrowers with loans owned by Fannie Mae no longer have to be behind in payments in order to qualify for a loan modification. Borrowers facing financial difficulty, such as losing a source of income, now can apply for an "early workout" loan alteration. Under Fannie Mae's program, borrowers who qualify will enter into a trial period of reduced payments, usually for four months. If the reduced payments are made on time each month during the trial period, the modified mortgage terms may become permanent.

To read the full story, please click here:

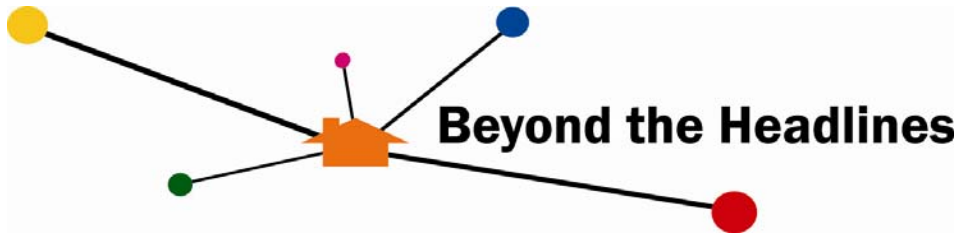
[http://www.latimes.com/business/la-fi-harney21-2008dec21\\_0\\_5965944.story](http://www.latimes.com/business/la-fi-harney21-2008dec21_0_5965944.story)

#### **Revising loan modifications**

As many as 53 percent of modified loans redefaulted within the first six months of the year, leading some critics to believe the modified loan payment was unaffordable for the majority of homeowners. Prior to agreeing to a mortgage modification, homeowners should create a firm budget to determine how much they can afford each month for a mortgage payment. To help create a realistic budget, consumers can visit the Internal Revenue Service's Web site, [www.irs.gov](http://www.irs.gov), and enter "collection financial standards" into the search box. The search will direct consumers to pages offering guidelines of what they can reasonably expect to pay for food, clothing, housekeeping supplies, out-of-pocket health care, utilities and transportation.

To read the full story, please click here:

[http://www.nytimes.com/2008/12/21/realestate/21mort.html?\\_r=1&ref=realestate](http://www.nytimes.com/2008/12/21/realestate/21mort.html?_r=1&ref=realestate)



[Wall Street Journal](#)

### **Tips for selling a home out of season**

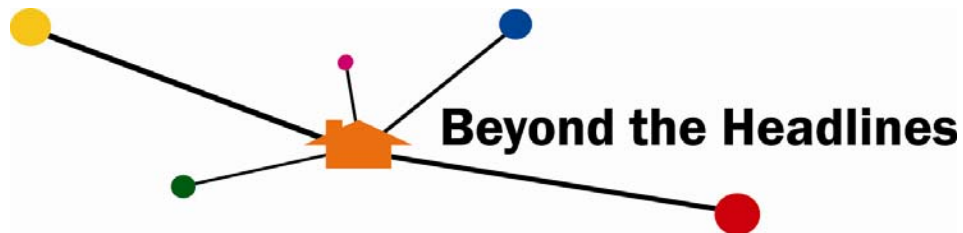
Although the traditional home-selling season has come to a close, sellers still may be able to sell their homes by making some minor adjustments that emphasize the home's attributes.

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

- Homeowners in areas with extremely cold weather should take additional precautions when preparing their home for sale during the winter months. Cleaning out gutters can help prevent icicles from forming and weather stripping windows will help to diminish drafts. If the house will be vacant, it is important that homeowners turn off and drain outside spigots so pipes do not freeze and burst.
- Although holiday lights and decorations can look festive, some home buyers may be discouraged if they do not hold the same religious beliefs as the seller. If the home is occupied, lighting a fire in the fireplace may be a better option for providing a comforting feeling.
- Energy efficiency is top of mind with many of today's home buyers. Providing a list of energy saving alterations, such as wrapping pipes with foam sleeves and replacing windows and appliances, can help draw more buyers. Providing a copy of recent utility bills also may be helpful. It's recommended that personal information, such as account numbers, be blacked out to guard against identity theft.
- Although the winter months mean spending more time indoors, sellers can showcase a beautiful garden or other outdoor draw by displaying photographs taken during the spring and/or summer. This can help illustrate to buyers the home's other valuable attributes.

To read the full story, please click here:

<http://online.wsj.com/article/SB123005162931830375.html>



[San Francisco Chronicle](#)

### **Here comes 2009**

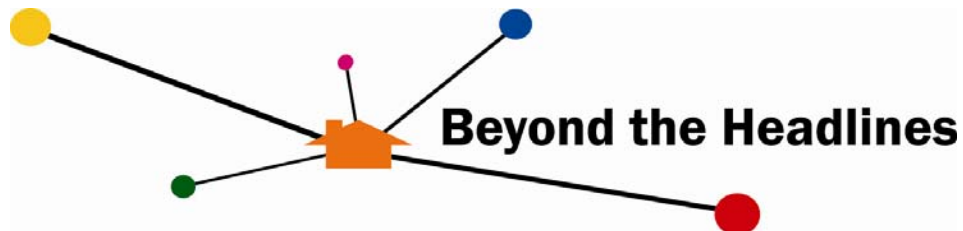
As 2008 comes to a close, many housing analysts are reflecting upon the year and forecasting what home buyers, sellers, and homeowners can expect for next year.

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

- According to Ken Rosen, chairman of the Fisher Center for Real Estate and Urban Economics, although the San Francisco Bay Area likely has joined the rest of the country in a recession, its homeowners have faced much smaller home price declines. Rosen believes the typical homeowner in the San Francisco Bay Area has seen a 12 percent decrease in their home's value, much lower than the rest of the country. In 2009, Rosen predicts the Obama administration is likely to bring forward a loan modification program and a tax credit for home buyers, while the Federal Reserve will take additional actions to restore the flow of credit.
- C.A.R. has projected a 32 percent decline in the statewide median home price in 2008 for an existing single-family home compared with 2007. The median home price in California will decline 6 percent to \$358,000 in 2009 compared with a projected median of \$381,000 this year, according to C.A.R.'s economists. C.A.R. also predicts a shift in the housing market during the second half of 2009, when sales are projected to increase 12.5 percent to 445,000 units, compared with 395,600 units (projected) in 2008.

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/12/28/RE2114US8F.DTL>



## In Other News...



[USA Today](#)

### **More bank customers think smaller institutions these days**

To read the full story, please click here:

[http://www.usatoday.com/money/industries/banking/2008-12-21-small-community-banks\\_N.htm](http://www.usatoday.com/money/industries/banking/2008-12-21-small-community-banks_N.htm)



[San Francisco Chronicle](#)

### **November existing home sales fall by 8.6 percent**

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2008/12/23/financial/f070436S29.DTL>



[Wall Street Journal](#)

### **Recession, tight credit compound housing woes**

To read the full story, please click here:

<http://online.wsj.com/article/SB123003859646029853.html>



[Contra Costa Times](#)

### **Is 2009 the time to buy home in the Inland Empire?**

To read the full story, please click here:

[http://www.contracostatimes.com/california/ci\\_11328565?nclick\\_check=1](http://www.contracostatimes.com/california/ci_11328565?nclick_check=1)

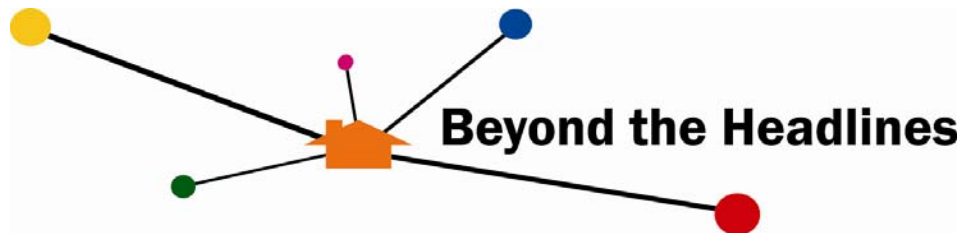


[Washington Post](#)

### **Recession should change tastes**

To read the full story, please click here:

<http://www.washingtonpost.com/wp-dyn/content/article/2008/12/27/AR2008122700088.html>



## What you need to know about the market

- An open house should showcase the potential for the home buyer and depersonalize the home as much as possible.
- Remove family photos, mementoes, and distinctive artwork to help home buyers visualize the home as their own.
- Additions, such as a fire in the fireplace, fresh towels and linens in all the baths, and fresh flowers throughout the home will provide an inviting appeal.