

Media Advisory



[Southern California Home Buyer's Fair](#)

Whether you are a first-time home buyer, interested in moving from your current home to a larger one, or downsizing to a smaller house, you will want to attend the second annual Southern California Homebuyer's Fair. Presented by the CALIFORNIA ASSOCIATION OF REALTORS®, and sponsored by the *Los Angeles Times*, the free, two-day, event is designed to help consumers navigate today's real estate market with confidence and peace of mind.

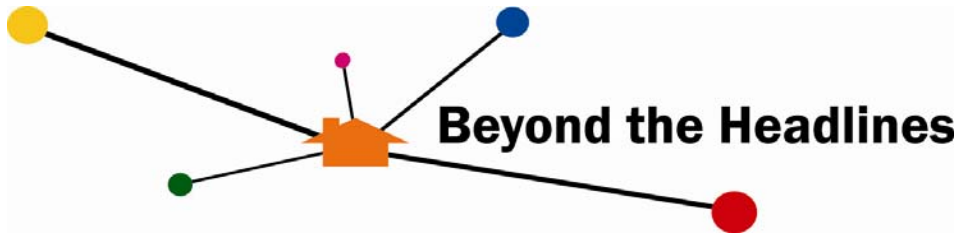
The second annual Southern California Home Buyers Fair is scheduled for Saturday, April 18 and Sunday, April 19 at the Los Angeles Convention Center in downtown Los Angeles.

The event is free to the public, and will feature more than two dozen educational how-to seminars presented in both English and Spanish, including:

- How to Find and Work With a REALTOR®
- How to Qualify for a Home Loan
- How to Buy Your First Home
- How to Monitor and Fix Your Credit
- How to Avoid Mortgage Fraud
- How to Buy a Home in Foreclosure
- How to Invest in Real Estate
- Understanding the Home Inspection Process
- How to Avoid Foreclosure
- How to Save for a Home of Your Own
- What You Need to Know About Homeowner's Insurance

The Southern California Home Buyer's Fair also will feature more than 65 exhibit booths where attendees can obtain information from industry experts about a vast range of programs pertaining to homeownership and the home-buying process.

For more information, please visit www.homebuyersfair.com/.



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

This week's *C.A.R. Mortgage Update* contains information about loan limits, paying down a mortgage, mortgage rates, refinancing, home loan applications, and foreclosure suspensions.

Will loan limits rise?

Congressional leaders from both parties have been lobbying President-elect Obama to increase the limits of conforming loans – mortgages eligible to be purchased by Government Sponsored Enterprises (GSEs), like Fannie Mae and Freddie Mac – in high cost areas from \$625,500 to \$729,750 as part of an economic stimulus package. Qualified borrowers with conforming loans receive the best interest rates, because many in the financial industry believe conforming loans carry less risk.

Last year, as part of the federal government's economic stimulus package, the conforming loan limit was temporarily increased to \$729,750 in high-cost areas. Beginning Jan. 1, 2009, the conforming loan limit was lowered to its original level of \$625,500 for high-cost areas.

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.

To read the full story, please click here:

http://www.nytimes.com/2009/01/11/realestate/11mort.html?_r=1

Paying down mortgage faster can make sense – sometimes

Homeowners who find themselves with extra cash may be considering paying down their mortgage. While this can help some people in certain situations, like seniors close to retirement age or those with adjustable-rate mortgages, it may not be the best choice for all homeowners. Paying down the mortgage more quickly can save homeowners a significant amount in interest in the long run. However, some financial experts advise clients, especially those with fixed-rate loans at favorable interest rates, to use extra money to pay down high-interest debt and build up an emergency fund.

To read the full story, please click here:

<http://www.washingtonpost.com/wp-dyn/content/article/2009/01/10/AR2009011000173.html>

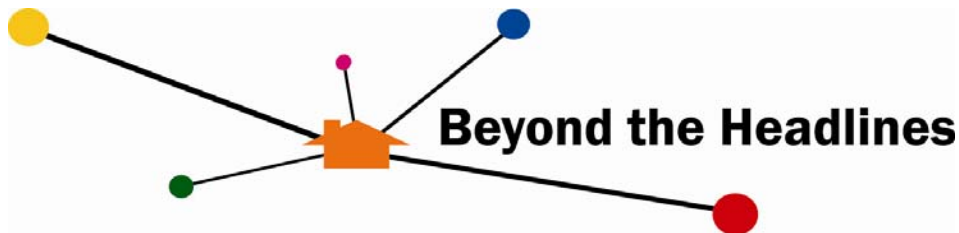
Mortgage rate relief might not last long

The Federal Reserve's announcement that it's purchasing up to \$500 billion of securities backed by Fannie Mae, Freddie Mac, and Ginnie Mae, has contributed to a reduction in mortgage rates to record lows. However, some mortgage experts warn that the low rates may not last long and could actually rise as early as this summer.

According to Celia Chen, senior director of housing economics at Moody's Economy.com, in the second half of this year, the Federal Reserve's program will have run its course and other issues will move to the forefront, which could push mortgage rates higher.

To read the full story, please click here:

<http://www.reuters.com/article/ousiv/idUSTRE5077SJ20090108>



Lenders backlogged by refinancing rush

Lower mortgage rates have led to a flurry of homeowners seeking to refinance, but limited staff at many banks has resulted in processing and approval delays. Due to the large number of applications to refinance, Wells Fargo no longer is allowing its loan offers to lock in rates for less than 90 days. The 90-day lock is designed to allow enough time to close the loans.

The record-low rates that have led many homeowners to refinance are typically for 30-year, fixed-rate mortgages that meet the purchase requirements of Fannie Mae and Freddie Mac. Because so many factors determine the interest rate a borrower is actually offered, some banks may not post rates on their Web sites.

It is important to note that a lower rate accompanied by higher points and/or fees may not be the best option. Many times, a slightly higher rate with no points and/or fees is the better choice.

To read the full story, please click here:

<http://www.washingtonpost.com/wp-dyn/content/article/2009/01/08/AR2009010803493.html>

U.S. banks offer mortgages below 5% after Fed action

After the government started purchasing mortgage-backed securities, interest rates at some of the nation's top banks started falling below 5 percent. On Jan. 8, JPMorgan Chase & Co. was offering 30-year mortgages as low as 4.75 percent on its Web site; Wells Fargo & Co. was advertising rates of 4.875 percent; and Bank of America Corp. at 5 percent. All posted offers were for borrowers with excellent credit – FICO scores of 720 and higher – and with a 20 percent down payment.

To read the full story, please click here:

<http://www.bloomberg.com/apps/news?pid=20601213&sid=aQvKPt2cYGBs&refer=home>

Fixed-mortgage rates fall below 5%

The average interest rate on 30-year, fixed-rate mortgages for the week ending Jan. 9, decreased to 4.89 percent from 5.07 percent, according to the most-recent survey from the Mortgage Bankers Association.

Credit restrictions, negative or minimal amounts of home equity, and high levels of outstanding debt have resulted in the denial of nearly 70 percent of borrowers' applications to refinance.

To read the full story, please click here:

<http://www.chicagotribune.com/business/chi-biz-mortgage-rates-below-5-percent-jan15,0,7714045.story>

Fewer apply for home loans; credit line delinquencies increase

A report by the American Bankers Association (ABA) said record numbers of borrowers missed payments on home equity lines of credit (HELOC) during the third quarter. Delinquencies on car loans that banks made indirectly through auto dealers reached the highest levels ever recorded by the ABA. However, according to the same report from ABA, fewer consumers missed payments on credit cards.

To read the full story, please click here:

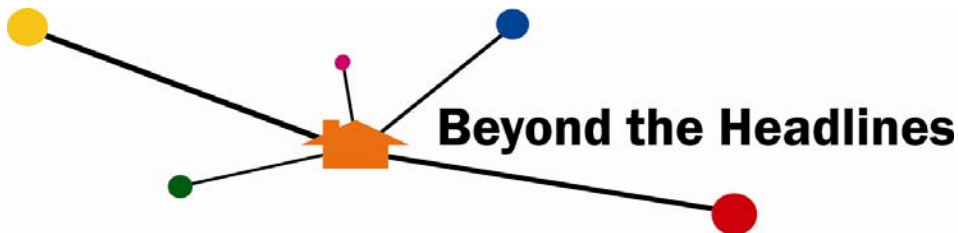
<http://www.latimes.com/business/la-fi-mortgage8-2009jan08,0,5122126.story>

Mortgage giants extend suspensions of foreclosures

Fannie Mae and Freddie Mac last week announced they will extend the suspension of foreclosure sales and evictions from single-family homes through the end of January. The extension will allow borrowers facing foreclosure to remain in their homes while the companies work with mortgage servicers to find options for troubled mortgage holders under the Streamlined Modification Program.

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2009/01/08/financial/f080330S21.DTL>



[Orlando Sentinel](#)

That house may fit your budget now

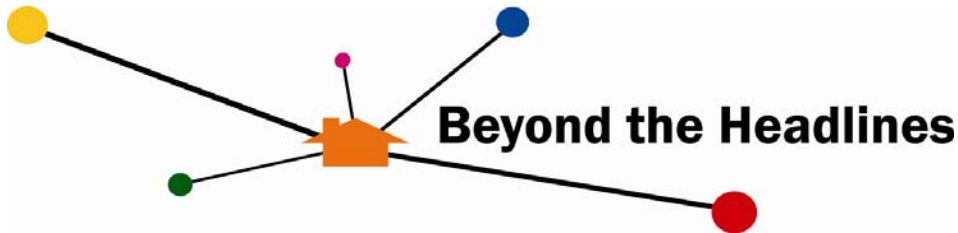
With home values in many areas declining, the market is providing an opportunity for many home buyers to purchase homes that previously may have been out of reach. With increased affordability, families can now purchase homes with more square footage, in desirable neighborhoods, and in closer proximity to amenities and public transportation.

KEEP THIS IN MIND

- In California, the median price of an existing home declined to \$285,680 in November 2008, down 41.8 percent from November 2007 when the median price of an existing, single-family home was \$490,511.
- The average rate for 30-year, fixed-rate mortgages was 5.01 percent for the week ending Jan. 8, according to Freddie Mac. Lower interest rates coupled with lower home prices can lead to more affordable mortgage payments, enabling some homeowners to move up, and first-time home buyers to enter the market.
- To qualify for the record-low interest rates, borrowers will need a down payment of at least 20 percent and a FICO score of 700 or higher. In California, a 20 percent down payment on a median-priced home would be \$57,136. Additionally, home buyers will need to pay for any closing costs not paid by the seller.
- The large number of foreclosures on the market also is presenting an opportunity to purchase a home at a favorable price. However, some foreclosed homes may be in disrepair and may require additional work to make the property livable. A program offered by the Federal Housing Administration, 203K Streamline, allows home buyers to borrow as much as \$35,000 more than the mortgage to pay for certain renovations, such as new paint, carpeting and appliances that a foreclosed home may need.
- To calculate how much house is affordable, consumers should follow the general principle of dedicating no more than 28 percent of their gross monthly income to covering the monthly mortgage payment, including property taxes and homeowners insurance. All debt payments combined, including mortgage, credit cards, car payments, student loans, etc., should be less than 35 percent of the gross monthly income.
- Using a home-loan calculator also can be helpful to determine how much house is affordable based on a borrower's income. Many Web sites offer home-loan calculators including www.ginniemae.gov, www.bankrate.com, www.realestate.yahoo.com/calculators/afford.html, and www.fhainfo.com/calculators.htm.

To read the full story, please click here:

http://www.orlandosentinel.com/business/custom/thrifty/orl-housing1309jan13_0_4537245.story



[Orlando Sentinel](#)

First-time home buyer? You're in luck.

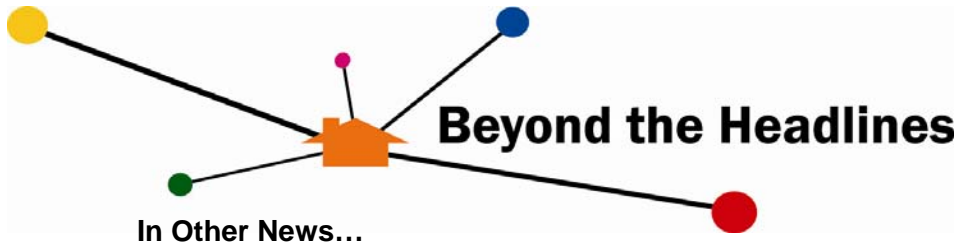
Lower home prices and favorable interest rates are providing an ideal time to purchase a home for first-time home buyers. First-time home buyers also have the benefit of not having to sell their current home before closing on a new one.

KEEP THIS IN MIND

- The percentage of households that could afford to buy an entry-level home in California stood at 53 percent in the third quarter of 2008, compared with 24 percent for the same period a year ago, according to the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) First-Time Buyer Housing Affordability Index (FTB-HAI). The FTB-HAI measures the percentage of households that can afford to purchase an entry-level home in California.
- The minimum household income needed to purchase an entry-level home at \$287,760 in California in the third quarter of 2008 was \$56,100, based on an adjustable interest rate of 5.91 percent and assuming a 10 percent down payment. First-time buyers typically purchase a home equal to 85 percent of the prevailing median price. The monthly payment including taxes and insurance was \$1,870 for the third quarter of 2008.
- At \$56,100, the minimum qualifying income was 44 percent lower than a year earlier when households needed \$100,500 to qualify for a loan on an entry-level home. Recent decreases in home prices and mortgage rates have brought affordability into better alignment with income levels of typical California households, where the median household income is \$59,160.
- First-time home buyers also can take advantage of the federal tax credit for primary residences purchased by July 1, 2009. The credit reduces the borrower's income tax dollar for dollars as much as \$7,500 and serves as an interest-free loan. The amount of the tax credit varies depending on the home's purchase price.

To read the full story, please click here:

http://www.orlandosentinel.com/business/custom/thrifty/orl-housing1109jan11_0,3357593.story



[Los Angeles Daily News](#)

Signs of a come back for the California housing market

To read the full story, please click here:

http://www.dailynews.com/search/ci_11424873?IADID=Search-www.dailynews.com-www.dailynews.com



[Bloomberg](#)

No recovery for real estate as speculators dominate sales

To read the full story, please click here:

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



[Los Angeles Times](#)

Home equity tapped out? Here are income options for seniors

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-retire11-2009jan11,0,844950.story>



[Orlando Sentinel](#)

Sell short, refinance, but try not to lose your home

To read the full story, please click here:

<http://www.orlandosentinel.com/business/custom/thrifty/orl-housing1209jan12,0,3947419.story>



[Bloomberg](#)

Consumer borrowing in U.S. falls record \$7.9 billion

To read the full story, please click here:

<http://www.bloomberg.com/apps/news?pid=20601087&sid=axj76tlrsttg&refer=home>

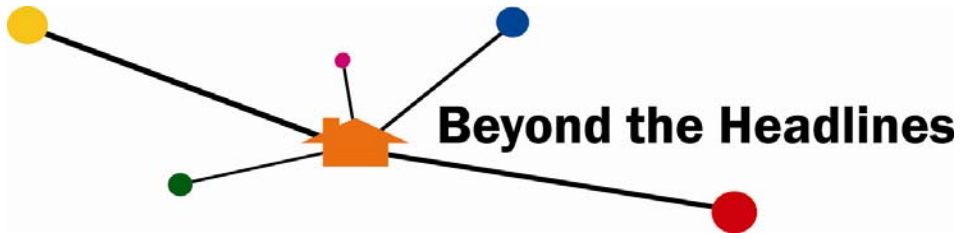


[Los Angeles Times](#)

Housing industry a good environment for eco-friendly claims

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-lew11-2009jan11,0,4965541.story>



What you need to know about the market

- With approximately one in five homeowners “underwater” – owing more on their home than it is currently worth – some homeowners are deciding to walk away from their house and the mortgage, often resulting in the lender foreclosing on the property. A foreclosure is considered one of the most serious defaults on a credit history, in the same category as a bankruptcy or a tax lien. According to a spokesman for Fair Isaac Corp., which developed FICO, the nation’s most widely used credit scoring system, for a borrower with pristine credit, a foreclosure could mean an immediate drop of 200 points. With an unfavorable credit score, a borrower may find it difficult to rent an apartment, secure certain jobs, obtain lines of credit, and purchase a house for years to come.
- When considering a remodel, it is important to keep the neighborhood in mind. Although adding cherry wood cabinets, granite countertops, and stainless steel appliances improves the appearance, upgrades should reflect the level of amenities common in the neighborhood. The same is true with converting garages to offices, playrooms, or bedrooms. If the majority of the other homes on the block have garages, chances are home buyers in that area prefer garage space over additional livable space.