

Media Advisory



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

This week's *C.A.R. Mortgage Update* contains information about the effect of a reduction in the mortgage interest deduction; refinancing; loan modifications by bankruptcy judges; and the Mortgage Bankers Association's weekly mortgage application survey.

Obama's plan to limit write-offs provokes push-back

The Obama administration's first budget proposal included a provision to reduce the mortgage interest and local property tax deductions for those earning more than \$250,000.

The CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) and the National Association of REALTORS® (NAR) are strongly opposed to this provision and are working to convince lawmakers to oppose it as well.

Although the government predicts it could save billions of dollars by reducing the deductions, it also will negatively impact the California housing market; further erode opportunities for homeownership in the state; and will contribute to further price declines and diminished equity for homeowners.

Additionally, the devaluation would extend to lower- and middle-income homeowners and home buyers, who likely will start "pricing in" the lower tax benefits – discounting what they are willing to pay for a house given lower future deductions," according to the Mortgage Bankers Association and NAR.

To read the full story, please click here:

http://www.latimes.com/business/la-fi-harney8-2009mar08_0_3529649.story

A waiting game for refinancing

Many mortgage professionals are advising clients not to wait to refinance. Stricter loan underwriting standards and declining property values could result in some homeowners becoming ineligible for the Obama administration's "Making Home Affordable Refinance" program. As a result, many mortgage professionals are advising clients not to wait to refinance.

Refinances also are taking longer to complete. Whereas a refinance used to take three to four weeks to process, it now is taking as long as six weeks.

To read the full story, please click here:

http://www.nytimes.com/2009/03/08/realestate/08mort.html?_r=1&ref=realestate

To view additional articles about mortgages, please visit the following:

Questions, answers on bankruptcy mortgage rewrites

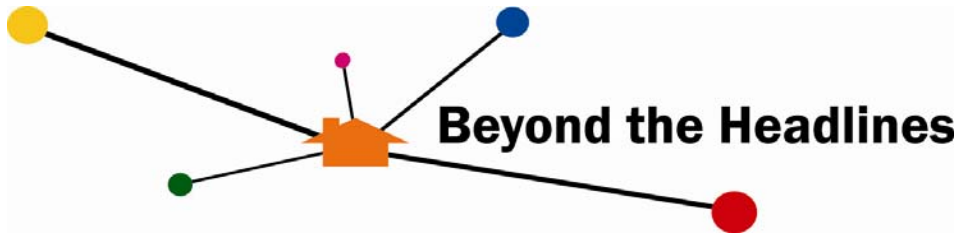
To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2009/03/06/national/w014822S31.DTL&type=realestate>

Mortgage applications jump 11%

To read the full story, please click here:

http://money.cnn.com/2009/03/11/real_estate/mortgage_applications.reut/index.htm?postversion=2009031107



[CNBC](#)

No Job? Can't Refinance? How to Talk to Your Bank

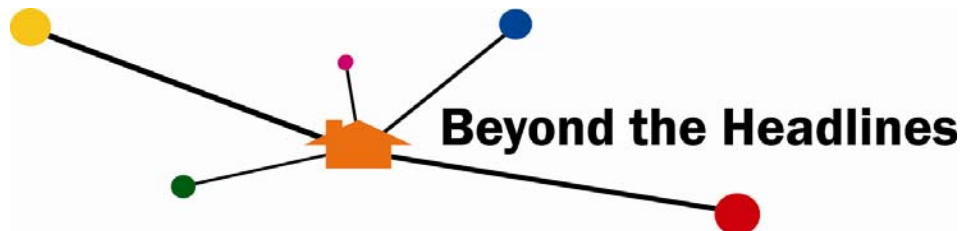
As unemployment rises in many states, more homeowners are finding it difficult to pay their mortgage each month. Although most unemployed homeowners do not qualify for refinancing, as they do not meet the minimum qualifying requirements such as proof of income, there are steps they can take to improve their chances of a successful refinance.

KEEP THIS IN MIND

- The first, and probably most important step in the refinance process, is to find out which company services the loan. The loan servicer may or may not be the company where the mortgage payment is sent each month. This step is crucial, because the loan servicer is generally the one that can modify the loan. If the loan servicer is not able to provide assistance, the owner of the mortgage may be able to help.
- Once a homeowner realizes he or she may no longer be able to pay the mortgage, the homeowner should contact the "loss mitigation department" of the lender. The "loss mitigation department" is where the refinance and/or loan modification process begins.
- After discussing options with the loss mitigation department, homeowners should write a forbearance letter, also known as a postponement of payment letter. This letter is sent to the servicer or lender and details the homeowner's current financial situation and hardship.
- Many government agencies and nonprofit organizations provide free services to homeowners and will serve as an intermediary between the lender/servicer and the homeowner. Some companies charge fees for the same services. Housing analysts caution homeowners to conduct research and due diligence prior to paying a company for loan modification and/or refinance assistance.

To read the full story, please click here:

<http://www.cnbc.com/id/29595747>



[Los Angeles Times](#)

State housing agencies get caught in credit crunch

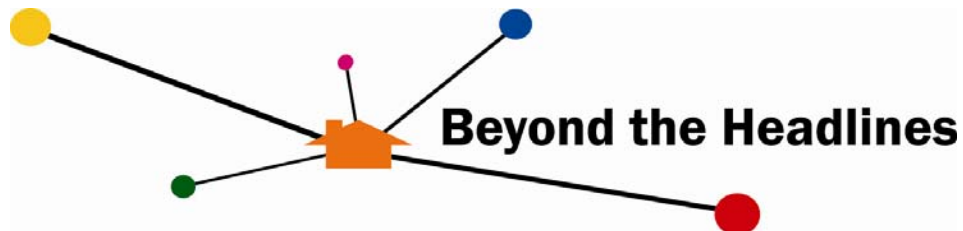
State housing-finance agencies operated by state governments that cater to first-time home buyers are curtailing their programs, while others such as the California Housing Finance Agency (CalHFA) have suspended their mortgage programs altogether.

KEEP THIS IN MIND

- Each state has a housing-finance agency, which either originates mortgage loans to state residents or guarantees loans made by lenders. As a result of the credit crunch and other economic factors, many housing finance agencies have lost funding.
- State housing finance agencies cater to moderate- and low-income borrowers; however, the borrower must have good credit and stable income to qualify for most state housing finance agency mortgages. Default rates and foreclosures on housing finance agency loans are low compared with loans originated by traditional financial institutions.
- To provide low cost loans with favorable interest rates to first-time home buyers, most state housing finance agencies sell a mix of tax-exempt and taxable bonds to investors. The proceeds from the sales are then used to fund mortgages. Typically, state housing finance agencies offer mortgage rates between 0.5 percent and 1 percent less than commercial lenders.
- President Obama has pledged to work with Fannie Mae and Freddie Mac to support the state housing finance agencies, but has not provided any further details.

To read the full story, please click here:

<http://online.wsj.com/article/SB123672728060988629.html>



In Other News...



[CNBC](#)

U.S. consumer confidence edges up in March

To read the full story, please click here:
<http://www.cnbc.com/id/29615319>



[MSN](#)

Have home prices bottomed out?

To read the full story, please click here:
<http://realestate.msn.com/article.aspx?cp-documentid=18279824>1=35000>



[The New York Times](#)

Ditch the Old (and Other Sales Tips)

To read the full story, please click here:
<http://www.nytimes.com/2009/03/08/realestate/08Lizo.html?ref=realestate>



[San Diego Union-Tribune](#)

12 pct. are behind on mortgage or in foreclosure

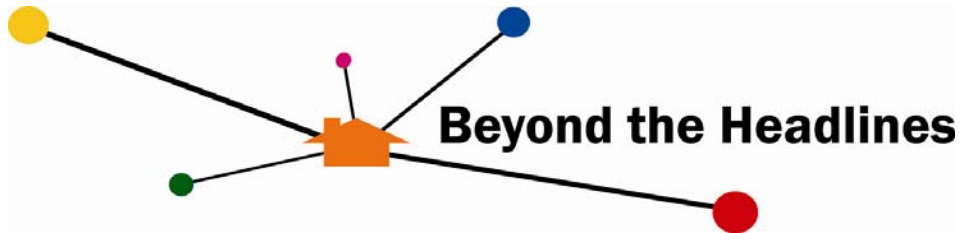
To read the full story, please click here:
<http://www3.signonsandiego.com/stories/2009/mar/05/states-foreclosures-030509/>



[The New York Times](#)

Bernanke Says Financial Rules Need an Overhaul

To read the full story, please click here:
<http://www.nytimes.com/2009/03/11/business/economy/11fed.html?ref=business>



What you should know about the market

- In some neighborhoods, many homes on the same street may be listed for sale. Sometimes home buyers become wary of purchasing a home in these neighborhoods, as they may think that something is wrong with the area. Homeowners in this situation are advised to “sell the whole neighborhood” and not just their own house. Including relevant information in a brochure, such as an active community social calendar, friendly neighbors, and details about the nearby school district, may help to alleviate home buyers’ concerns.
- Staging a home can help a house stand out from others in the neighborhood. This can include cleaning and decluttering a home, removing family photos, or stylizing a home with up-to-date designs. Some homeowners also may benefit from hiring a professional staging company. Fees for home stagers vary according to the level of service needed. Initial consultations, which generally include recommendations, can cost between \$100 and \$400.