

## Media Advisory



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

This week's *C.A.R. Mortgage Update* contains information about how to avoid foreclosure scams; assistance for struggling homeowners; a home appraisal's affect on home sales; mortgage applications; jumbo loans; and Fannie Mae and Freddie Mac refinance programs.

#### **Bank opens 'homeownership centers' to help**

JPMorgan Chase is opening "homeownership centers" staffed with counselors who meet one-on-one with Chase, Washington Mutual, or EMC customers at risk for foreclosure. Counselors collect financial information and send the data to banks for evaluation. Customers are notified within 30 days if they qualify for loan modifications.

The company currently has homeownership centers open in Oakland and Santa Clara. It plans to open two dozen centers nationwide by April, including seven more elsewhere in California.

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/03/18/MN7B16I9OV.DTL>

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

#### **U.S. mortgage applications spike on refinance demand**

To read the full story, please click here:

<http://www.reuters.com/article/newsOne/idUSTRE52H2O220090318>

#### **BofA seeks more jumbo mortgages: report**

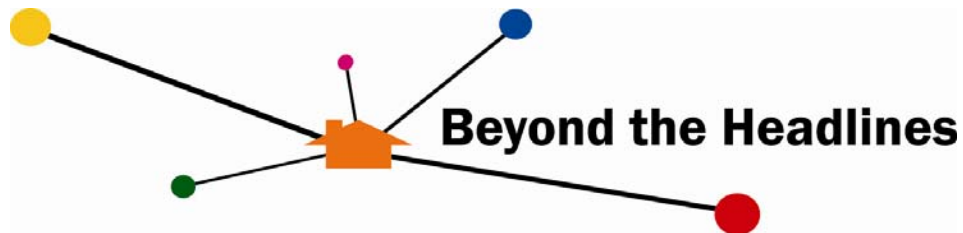
To read the full story, please click here:

<http://www.reuters.com/article/topNews/idUSTRE52C1OE20090313>

#### **Second homes, investment properties could get Fannie, Freddie refis**

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-harney15-0-5437082.story>



[BusinessWeek](#)

### **Signs of Life from the Real Estate Market**

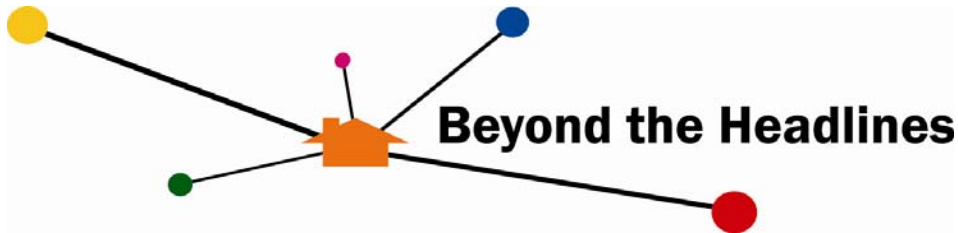
Some housing markets, especially those with the highest rates of foreclosure, are receiving multiple offers on properties, as declining home prices enable more first-time home buyers to enter the market, and investors are enticed by the opportunity to purchase properties at favorable prices.

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

- Some homeowners who are underwater also are at risk of foreclosing, enabling home buyers to purchase these homes at favorable prices. Often, lenders are more willing to negotiate a short sale on a property if it will cost less money than a foreclosure. While this should create an opportunity for home buyers to negotiate the sales price of the home, in some cases distressed properties are receiving multiple bids, especially those in highly desirable neighborhoods.
- Home sales in areas near government, defense contractor, healthcare, biotech, and university jobs are flourishing, as more people relocate to these areas for employment opportunities.

To read the full story, please click here:

[http://www.businessweek.com/lifestyle/content/mar2009/bw2009035\\_187650.htm](http://www.businessweek.com/lifestyle/content/mar2009/bw2009035_187650.htm)



[The Wall Street Journal](#)

### **Cracking a Valuable Homebuyer Credit**

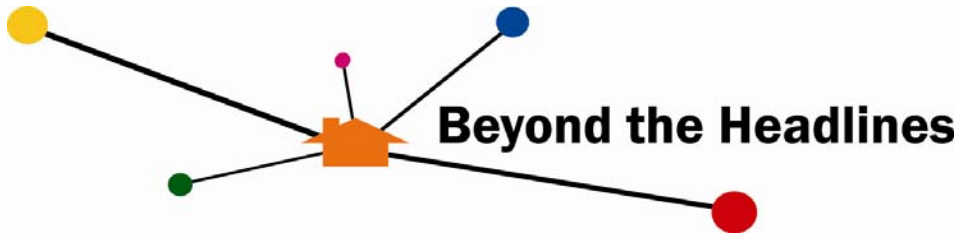
Officials at the Internal Revenue Service (IRS) and tax specialists have reported an increase in call volume from home buyers who are confused about the qualifications for the \$8,000 federal tax credit for first-time home buyers. Some also need assistance understanding the differences between the \$7,500 tax credit signed into law last year, and the \$8,000 tax credit added this year.

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

- First-time home buyers – those who have not owned a principal residence for three or more years – received two tax credits over the last two years. One was passed and signed into law in 2008, the other in 2009.
- The 2008 credit is a tax credit for first-time home buyers who purchased a house between April 8 and Dec. 31, 2008. The home buyer may claim 10 percent of the home's purchase price, as a credit, capped at \$7,500. Although called a "tax credit," this homeowner benefit actually is a 15-year interest-free loan, which must be paid back in equal installments over a 15-year period.
- The 2009 credit is for 10 percent of the home's purchase price, capped at \$8,000. This credit is for first-time home buyers who purchase a house between Jan. 1 and Nov. 30 of this year. The \$8,000 tax credit does not have to be repaid.
- In both cases, the home buyer may choose to claim the tax credit on either the 2008 or 2009 federal tax return.
- The tax credits are offered on a sliding scale, based on income. Individuals with annual incomes of \$75,000 or less may be eligible for the full amount of the tax credit. Married couples filing jointly must earn less than \$150,000 to qualify for the full amount. Individuals earning between \$75,000 and \$95,000, and married couples filing jointly who earn between \$150,000 and \$170,000, may be eligible for a smaller portion of the tax credit, but not the full amount. The tax credit is not available to individuals who earn more than \$95,000 or married couples filing jointing who earn more than \$170,000.
- Nonresident aliens, homes outside of the United States, and homes inherited, gifted, or acquired from a relative are exempt from the tax credits.

To read the full story, please click here:

<http://online.wsj.com/article/SB123732757823462281.html>



[The Washington Post](#)

### **A Higher Bar for Those Low Mortgage Rates**

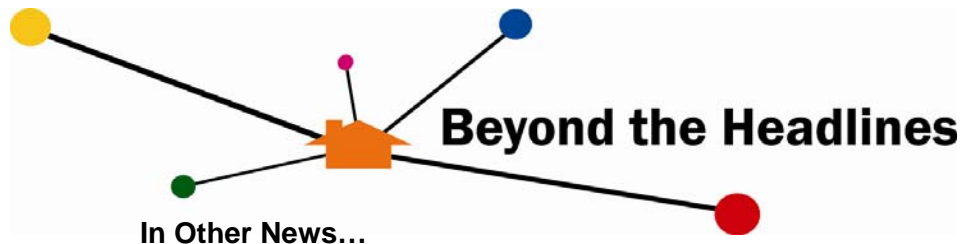
Mortgage rates are near historic lows, spurring an increase in mortgage applications and applications to refinance. However, most financial institutions have tightened their loan underwriting standards, making it more difficult for home buyers to qualify for the best rates. In many cases, borrowers must issue a down payment of at least 20 percent; borrow \$729,750 or less; have a credit score of at least 720; carry low debt relative to reliable income; buy in an area where home prices are relatively stable; and use a community bank rather than a national bank, to qualify for the best rates.

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

- Most of the risky loan packages, such as “stated income” loans, where borrowers were not required to document their income, and option adjustable-rate mortgages, where consumers could choose to pay less than the interest due, are no longer available. Some financial institutions offer interest-only loans, but they can be quite costly.
- The majority of today’s mortgage loans are through Fannie Mae, Freddie Mac, and the Federal Housing Administration (FHA). Combined, the government sector accounts for 87 percent of mortgages. Purely private financing is rare.
- The government entities purchase and/or guarantee loans up to a certain limit. In high-cost areas, such as most areas of California, the conforming loan limit is \$729,750. The best interest rates are offered on conforming loans. Jumbo loans – those that exceed \$729,750 – are more expensive and can cost a quarter-point to a full percentage point more.
- Fannie Mae and Freddie Mac also have added a quarter-point “adverse market delivery charge” due to declining home prices. They also have instituted “risk-based pricing,” which raises fees on borrowers with credit scores of less than 720. Borrowers purchasing a condominium and putting down less than 15 percent also will pay more for a Fannie Mae or Freddie Mac loan.
- Borrowers with a down payment of less than 20 percent also are required to take out private mortgage insurance. Premiums have increased in most parts of the country, including California.
- Consumers without a 20 percent down payment may be eligible for a mortgage loan through the FHA, which accepts down payments as low as 3.5 percent. The FHA charges an upfront mortgage insurance premium of 1.75 percent, which can be added to the loan, in addition to a monthly premium.
- Although rare, the U.S. Dept. of Veterans Affairs (VA) and U.S. Dept. of Agriculture offer loans in rural areas with no down payment or mortgage insurance requirements.

To read the full story, please click here:

<http://www.washingtonpost.com/wp-dyn/content/article/2009/03/14/AR2009031400055.html>



[Los Angeles Times](#)

### **Southland median home price holds to \$250,000 in February**

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-homes18-2009mar18,0,472405.story>



[Press Enterprise](#)

### **Inland counties' plans to use federal funds for housing relief put in place**

To read the full story, please click here:

[http://www.pe.com/business/local/stories/PE\\_News\\_Local\\_S\\_supes18.3c5eda6.html](http://www.pe.com/business/local/stories/PE_News_Local_S_supes18.3c5eda6.html)



[The Wall Street Journal](#)

### **Frank prepares bill to revamp Fannie, Freddie**

To read the full story, please click here:

<http://online.wsj.com/article/SB123731839854160139.html#articleTabs%3Darticle>

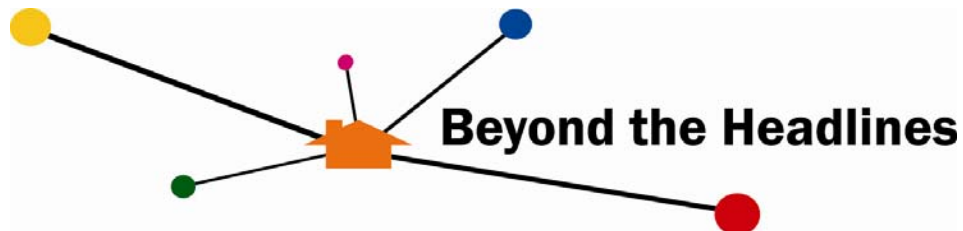


[Los Angeles Times](#)

### **Rate of mortgage fraud falls in California**

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-mortgage-fraud17-2009mar17,0,1098124.story>



[The Wall Street Journal](#)

**Safe havens: Credit unions earn some interest**

To read the full story, please click here:

<http://online.wsj.com/article/SB123708535764231521.html>



[The Wall Street Journal](#)

**Housing plan creates opening for scammers**

To read the full story, please click here:

<http://online.wsj.com/article/SB123673412204590481.html>

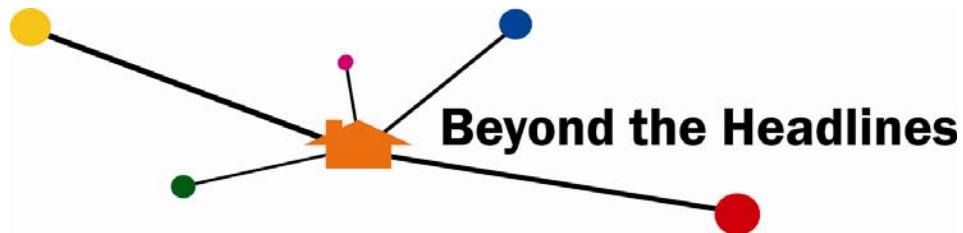


[CNNMoney](#)

**Housing starts unexpectedly surge**

To read the full story, please click here:

[http://money.cnn.com/2009/03/17/real\\_estate/housing\\_starts/index.htm?postversion=2009031709](http://money.cnn.com/2009/03/17/real_estate/housing_starts/index.htm?postversion=2009031709)



### What you should know about the market...

- Homeowners who currently do not qualify for aid under the federal housing-rescue plan still may qualify for tax credits on energy-efficient upgrades. As part of the stimulus plan signed into law by President Obama, homeowners may qualify for up to \$1,500 in tax credits for adding qualifying windows, doors, insulation, roofs, heating and cooling equipment, water heaters, and wood and pellet stoves. The installations must take place in 2009 or 2010 to qualify for the tax credit.
- Accurately pricing a home continues to be a top factor in determining which homes sell quickly. Working with a REALTOR® to determine the right price is key, as real estate markets are local and REALTORS® are most qualified to recommend an accurate price, based on experience and recent sales in the area.