

Media Advisory



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

This week's *C.A.R. Mortgage Update* contains new details on the Obama administration's foreclosure-prevention plan; and information about Fannie and Freddie purchasing jumbo loans; online FICO help for troubled borrowers; mortgage defaults; mortgage rates; mortgage payment protection programs; and mortgage modifications.

U.S. expanding foreclosure prevention plan

The Obama administration yesterday announced additional efforts to stem foreclosures by offering lenders and homeowners incentives to cut payments on second mortgages, write down balances on first mortgages that are underwater, and repay loans in a timely fashion. The U.S. Treasury Dept. also wants lenders and their customer-service agents to agree to modify both first and second mortgages as part of a comprehensive solution.

Details of the foreclosure prevention plan include:

- Decreasing second-mortgage interest rates to as low as 1 percent for five years for some borrowers.
- Reviving a Federal Housing Administration effort to persuade lenders to reduce loan balances so that borrowers again have equity in their homes.
- Funding from the program will come from a previously authorized \$50 billion allocation from the \$700-billion Treasury Dept. rescue fund established by Congress last year.
- The plan would provide cash incentives to both loan officers and borrowers for successful second-mortgage modifications. A loan officer would receive \$500 upfront, plus \$250 annually for up to three years as long as the loan remains current. Borrowers who make payments on time will receive \$250 a year for up to five years.

To read the full story, please click here:

http://www.latimes.com/business/la-fi-hud29-2009apr29_0_504513.story

Rates on bigger mortgages finally should come down

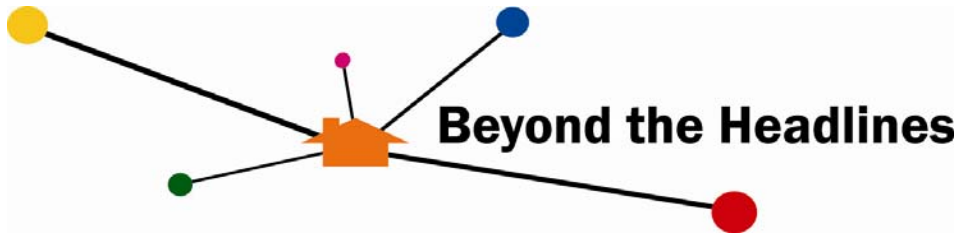
Fannie Mae and Freddie Mac recently issued loan underwriting criteria and will start buying loans of up to \$729,750 from lenders on May 4, which some industry analysts believe will result in lower rates.

This week, Wells Fargo started offering conforming loans of up to \$729,750, and Bank of America will begin offering them by mid-May

Historically, rates on loans higher than \$417,000 – often referred to as jumbo conforming loans -- are one-fourth to one-third of a percentage point higher than rates on \$417,000 or lower loans.. By Fannie Mae and Freddie Mac agreeing to guarantee loans of up to \$729,750, rates on jumbo conforming loans likely will be comparable to the rates offered on loans of \$417,000 and lower.

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=c/a/2009/04/23/BUEL1777HH.DTL&type=realestate>



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

Credit scoring agency offers online help to homeowners facing trouble

To view the full story, please click here:

<http://www.sacbee.com/business/story/1806107.html>

Mortgage defaults rise but homeowners stay put

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-foreclose23-2009apr23,0,7383726.story>

Mortgage rates move lower

To read the full story, please click here:

<http://online.wsj.com/article/SB124054653644152165.html>

As unemployment grows, mortgage payment protection programs gain popularity

To read the full story, please click here:

<http://www.latimes.com/classified/realestate/news/la-fi-harney26-2009apr26,0,4657817.story>

A reality check on mortgage modification

To read the full story, please click here:

<http://www.nytimes.com/2009/04/26/business/26gret.html?ref=realestate>

Inland foreclosures surge in March after law's delay expires

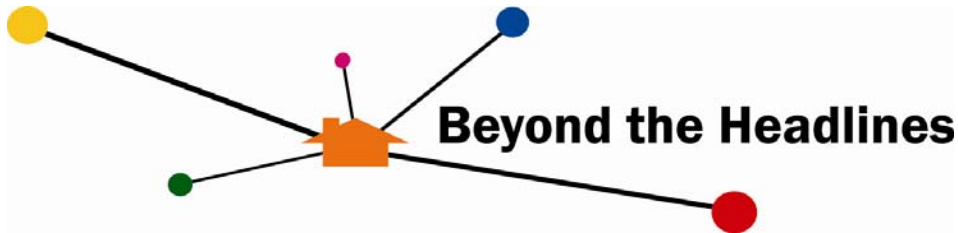
To read the full story, please click here:

http://www.pe.com/business/local/stories/PE_Biz_S_realtytrac16.3eb7399.html

Mortgage applications fall

please click here:

http://money.cnn.com/2009/04/29/real_estate/mortgage_applications.reut/index.htm?postversion=2009042907



The Wall Street Journal

Bidding wars are emerging on foreclosures

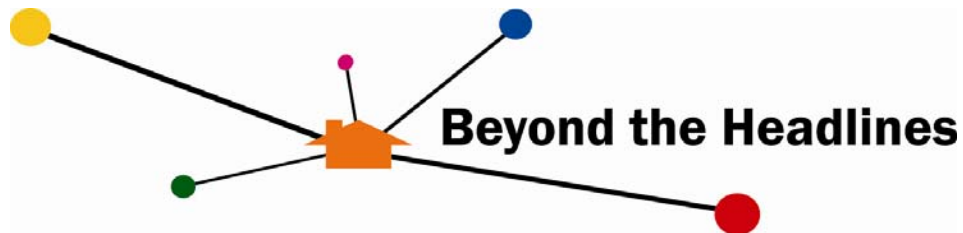
Real estate industry experts are reporting that favorable home prices in many parts of the country, including California, have ignited bidding wars as first-time buyers compete with investors for many of the same foreclosed properties.

KEEP THIS IN MIND

- While the inventory of homes for sale still outpaces demand in many areas, inventory is shrinking and some middle class neighborhoods are running into shortages of moderately priced homes. C.A.R.'s Unsold Inventory Index (UII) stood at 5 months in March in California, compared with 12.2 months in March 2008.
- Although home prices in most areas of the country are still lower than a year ago, the Federal Housing Finance Agency (FHFA) reported last week that home prices nationwide rose a seasonally adjusted 0.7 percent in February from January, led by gains on the West Coast. While this is a positive sign for the market, it could mean that the window of opportunity for first-time home buyers is narrowing.
- Many economists and housing analysts predict that the most hard-hit areas of the country, such as Sacramento and San Diego, will be among the first to recover. According to an executive with Lyon Real Estate, if sales of foreclosed homes in Sacramento maintain its current pace, the supply will be exhausted in about one month. For non foreclosures, the executive at Lyon Real Estate speculates that the inventory will be exhausted in about eight months.
- It is important to note that many banks and sellers favor all-cash bids or offers from buyers who seem certain to qualify for financing. In some cases, sellers may choose the offer least likely to fall through rather than the highest bid.
- In some instances, buyers should make offers that are at or above the asking price of a home. If the home is extremely desirable or in a neighborhood that previously was out of many buyers' price ranges, putting in an offer slightly higher than the asking price may help to seal the deal.

To read the full story, please click here:

<http://online.wsj.com/article/SB124044612611045827.html>



BusinessWeek

Home prices edge upward?

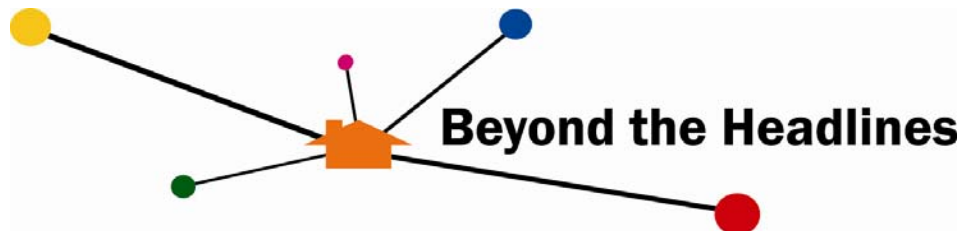
Although it's too early to say the market has bottomed out, there are some indicators that prices may be stabilizing.

KEEP THIS IN MIND

- The median price for existing, single-family homes rose 2.2 percent in March in California, according to the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). March marked the first month since August 2007 that the state's median sales price rose in month-to-month comparisons. According to the C.A.R. sales and price report, the median price of existing, single-family homes stood at \$253,040 in March.
- Sales in California have soared in recent months, with existing, single-family home sales increasing 63.8 percent in March to a seasonally adjusted rate of 522,980 on an annualized basis.

To read the full story, please click here:

http://www.businessweek.com/lifestyle/content/apr2009/bw20090423_974367.htm



In Other News...



MSNBC

New home sales data show encouraging signs

To read the full story, please click here:
<http://www.msnbc.msn.com/id/30386322>



Daily Finance

Is housing hitting bottom?

To read the full story, please click here:
<http://www.dailyfinance.com/2009/04/24/is-housing-hitting-bottom/>



Press Enterprise

Patience, tax perks pay off for first-time Inland home buyers

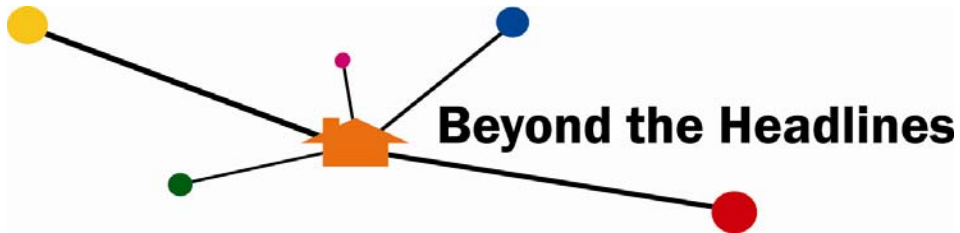
To read the full story, please click here:
http://www.pe.com/business/local/stories/PE_Biz_S_firsttimers26.30b072e.html



CNN

Home prices edge up in February

To read the full story, please click here:
http://money.cnn.com/2009/04/22/real_estate/home_prices.reut/index.htm?postversion=2009042211



The Wall Street Journal

Fewer in U.S. move as economy falters

To read the full story, please click here:

<http://online.wsj.com/article/SB124042434548044425.html>



CNN

Consumer confidence gets a boost

To read the full story, please click here:

http://money.cnn.com/2009/04/28/news/economy/consumer_confidence_April.reut/index.htm?postversion=2009042810



CNN

Home prices down, but rate of loss eases

To read the full story, please click here:

http://money.cnn.com/2009/04/28/real_estate/February_home_prices/index.htm?postversion=2009042810



The Wall Street Journal

More homes in California are selling

To read the full story, please click here:

<http://online.wsj.com/article/SB124087905185761701.html>