

Media Advisory



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

This week's *C.A.R. Mortgage Update* contains information about mortgage rules for condo owners, foreclosure filings, new foreclosure-prevention projects, and current mortgage rates.

Tougher mortgage rules often leave condo sellers in a bind

The condominium segment of the market accounts for a large number of foreclosures because of its popularity among investors and first-time home buyers. Due to the rising number of foreclosures in these communities, many lenders are looking more closely at the makeup of the entire condo complex prior to extending loans to prospective buyers or to owners wanting to refinance.

New lending guidelines often require higher fees and larger down payments of condominium buyers. Because of the challenges associated with financing condos, some condo owners are finding it difficult to sell their units.

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-condos29-2009apr29,0,1238189.story>

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

Foreclosure filings in record jump

To read the full story, please click here:

http://money.cnn.com/2009/04/30/real_estate/March_Hope_Now/index.htm?postversion=2009043011

Foundation backs foreclosures project

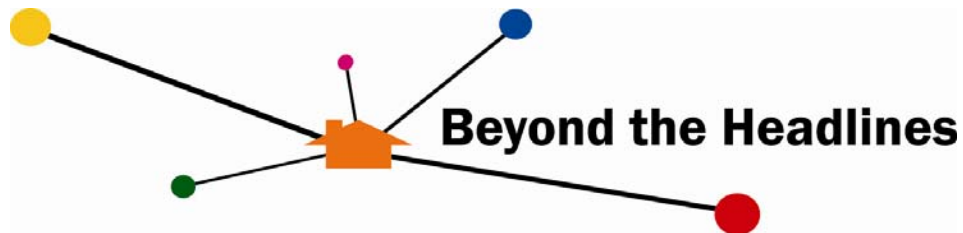
To view the full story, please click here:

<http://online.wsj.com/article/SB124113036635174911.html>

Mortgage rates rise, shy of record low

To view the full story, please click here:

<http://www.msnbc.msn.com/id/7148582/>



Los Angeles Times

House hunting? It's not a buyer's market everywhere

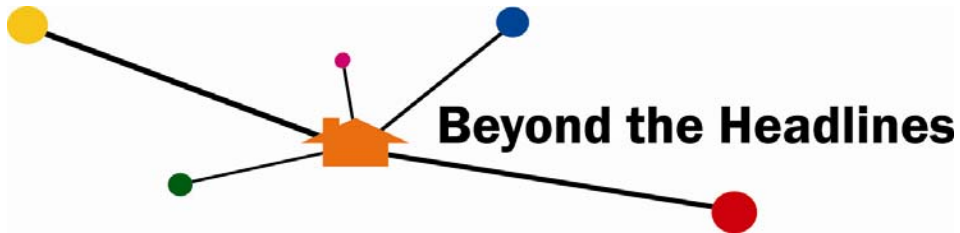
Some potential home buyers, especially first-time buyers, may be misinformed about today's market, believing that all sellers are desperate and will accept any offer. However, in many desirable, middle-class neighborhoods, bidding wars are prominent and buyers often have to make offers slightly above the asking price.

KEEP THIS IN MIND

- Although California's median home price – the price point where half of the homes sold for higher and half for lower -- was 39 percent lower in March than a year ago, many of the sales taking place are in areas, such as the Central Valley and the Inland Empire (Riverside and San Bernardino counties), which have higher foreclosure rates. These regions offer home buyers better opportunities to purchase homes at extremely low prices.
- The housing market is often characterized as having three pricing segments: under \$500,000, \$500,000 to \$1 million, and more than \$1 million. Homes in the under-\$500,000 segment have accounted for the majority of the state's price declines thus far.
- As real estate is local, a home in one neighborhood with the same square footage and amenities may not sell for the same price as a comparable home in a neighborhood one mile away. By working with a REALTOR® familiar with a specific area, home buyers should be able to submit reasonable offers that are more likely to receive seller approval.

To read the full story, please click here:

<http://www.latimes.com/classified/realestate/news/la-fi-cover3-2009may03,0,7623052.story>



The Wall Street Journal

A short sale may not mean you're home free

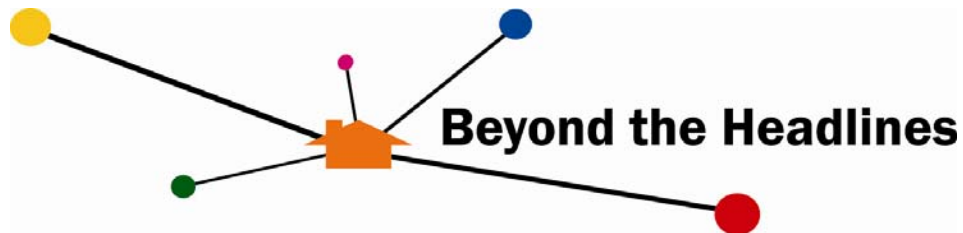
Some homeowners who sell their homes through short sales are finding their mortgage companies still try to collect some or all of the difference between the bank-approved short-sale price and the outstanding mortgage balance. Some mortgage companies also are taking legal action to recover unpaid amounts after a foreclosure is completed.

KEEP THIS IN MIND

- A lender tactic gaining popularity is for the holders of mortgages or home-equity loans to require borrowers in short sales to sign a promissory note -- a written promise to pay back a loan or debt.
- HSBC Finance has implemented a one-year moratorium on the collection of deficiency balances for short sales and foreclosures that occur after April 1, due to the "current economic environment," according to an official with the company.
- Not all borrowers who sell their homes through a short sale or lose their homes to foreclosure will receive a deficiency claim. Often, mortgage companies don't try to collect unpaid amounts either because state laws prohibit or limit such actions or the cost outweighs the potential return. California has anti-deficiency rules that prohibit lenders from pursuing borrowers after foreclosure, but California does not have anti-deficiency rules for a short sale.
- The borrower's situation often is the determining factor in whether the lender tries to collect the unpaid debt or not. The borrower's employment status, assets, whether the home was purchased as an investment, and the amount of debt owed are taken into consideration.
- It is important that sellers are informed of the lenders requirements, read the fine print, and ask questions when selling their home via a short sale. According to one real estate attorney who represents financially troubled homeowners, every short sale she has worked with has had a promissory note or terms giving the lender the right to collect a deficiency. Often, the terms are buried in the sale contract, according to the attorney.

To read the full story, please click here:

<http://online.wsj.com/article/SB124104990739271023.html>



The New York Times

Where home prices crashed early, signs of a rebound

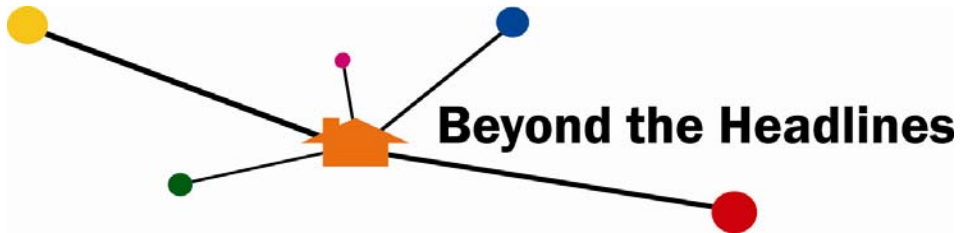
Hard-hit areas, such as Sacramento, Las Vegas, parts of Florida and California's Inland Empire, appear to be among the first cities in the nation to reach the early stages of recovery, as investors and first-time buyers compete for bargain-priced foreclosures.

KEEP THIS IN MIND

- By some indications, the market could be close to a bottom. Pending home sales – homes that are under contract, but have not yet closed – and construction spending rose in March.
- When a market reaches bottom, foreclosures usually stop piling up and banks become more willing to issue loans, confident that the collateral backing them will not continue to decrease in value.
- The first-time home buyer tax credits from the federal and state governments, coupled with favorable home prices and near record-low interest rates, led to an increase in home sales in March. Sales of existing, single-family homes rose 63.8 percent in March compared with the prior year. Monterey County reported a sales increase of 248.7 percent and the High Desert region saw sales increase 172.7 percent compared with last year, according to the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.).
- The median price for the state also increased in March, rising 2.2 percent in month-to-month comparisons. March marked the first monthly increase since August 2007, while the statewide median price has remained in the \$250,000 range for the past three months.

To read the full story, please click here:

http://www.nytimes.com/2009/05/05/business/economy/05turnaround.html?_r=1&hp



In Other News...



CNN

Optimism about economy grows - poll

To read the full story, please click here:

http://money.cnn.com/2009/04/29/news/economy/obama_economy_100days/index.htm?postversion=2009042911



Los Angeles Times

Credit unions are a good alternative to banks

To read the full story, please click here:

http://www.latimes.com/news/local/la-fi-perfin3-2009may03_0,5846434.column?track=rss



CNN

Surprise rise in construction spending

To read the full story, please click here:

http://money.cnn.com/2009/05/04/real_estate/March_construction_spending.reut/index.htm?postversion=2009050410

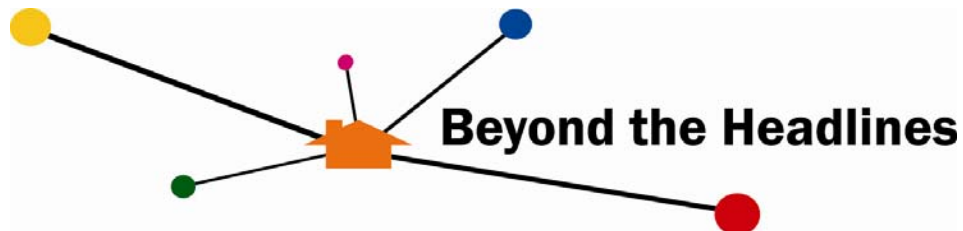


San Francisco Chronicle

Pending home sales up 3.2 percent in March

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2009/05/04/financial/f070156D68.DTL>



The Wall Street Journal

Tax hits on property short sales

To read the full story, please click here:

<http://online.wsj.com/article/SB124104224634570415.html>



San Francisco Chronicle

Home buyers can get early access to tax credit

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/05/03/REQO179NU4.DTL&type=realestate>



The Wall Street Journal

First housing markets to heal? Analyst bets on Sacramento, Washington

To read the full story, please click here:

<http://blogs.wsj.com/developments/2009/04/28/first-housing-markets-to-heal-analyst-bets-on-sacramento-washington/>

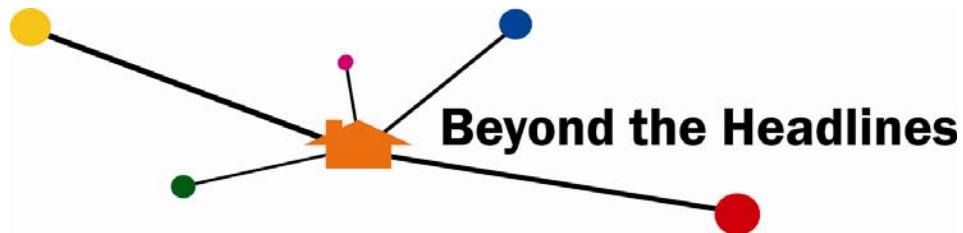


Los Angeles Times

Bernanke: Economy should grow again later in 2009

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-bernanke6-2009may06,0,347194.story>



What you should know about the market...

- Many municipalities now offer access to public records databases, enabling homeowners to obtain a copy of a deed quickly and without visiting a local public records office. Users can search for deeds and print out noncertified copies at home. The document may provide helpful information for estate planning and tax issues, including the purchase price or the nature of the owners' title. Certified copies of deeds can be ordered via mail from most public records offices for a nominal fee, or obtained in person.
- Many homeowners who purchased homes as short-term investments during the height of the market are underwater and/or in foreclosure. According to Kenneth Rosen, chairman of the Fisher Center for Real Estate and Urban Economics at the University of California, Berkeley, consumers should purchase homes as places to live, rather than view a home purchase as a short-term investment opportunity.