

Media Advisory



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

This week's *C.A.R. Mortgage Update* contains information about foreclosure suspension; new fees being instituted by Fannie Mae and Freddie Mac; common loan modification programs; and mortgage rate changes.

Lenders declare foreclosure halt

Fannie Mae, Freddie Mac, JPMorgan Chase & Co., Morgan Stanley, and Bank of America Corp. announced they are halting foreclosures through March 6, while President Obama works out the details of his housing plan. Citigroup said it will halt foreclosures until the administration has completed the details of the program or March 12, whichever is earlier.

The banks are suspending foreclosures on owner-occupied homes; Fannie Mae is suspending foreclosure sales and evictions for occupied properties; and Freddie Mac is suspending foreclosure sales and evictions on properties with up to four units.

To read the full story, please click here:

http://www.pe.com/business/realestate/stories/PE_Biz_S_foreclose14.3f0e808.html

Home buyers to be dinged with new fees

Beginning April 1, Fannie Mae and Freddie Mac will increase mandatory fees and toughen credit-score and down-payment rules.

Under the new guidelines, applicants will be charged more for down payments of less than 30 percent. Home buyers with FICO scores between 700 and 720 will pay an extra three-quarters of a point. Applicants who purchase a condominium and do not have a 25 percent down payment also will pay a three-quarter point add-on penalty, regardless of their FICO score, for purchasing a condominium instead of a single-family home.

The two Government Sponsored Enterprises (GSEs) said the additional fees are to counter higher risks and losses associated with certain loan products, buyer equity stakes, and credit scores.

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/02/15/RE3F15Q74A.DTL>

To view additional articles about the mortgages please visit:

Common loan modification programs offered by banks

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-coveroptions15-2009feb15.0,5333821.story>

IndyMac buyers hope to profit from its loan-modification expertise

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-indymac13-2009feb13.0,7780289.story>

U.S. banks tell lawmakers will help homeowners, for now

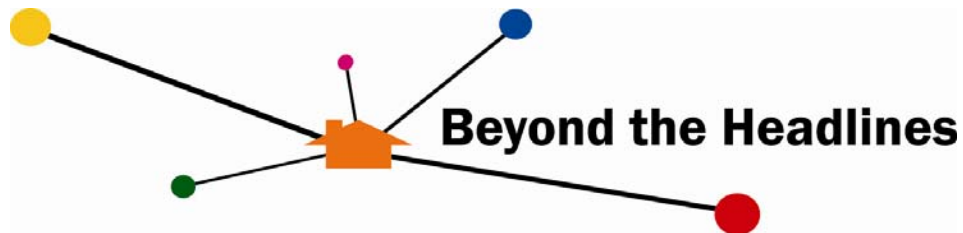
To read the full story, please click here:

<http://www.reuters.com/article/gc03/idUSTRE51B02P20090212>

Mortgage rates slide

To read the full story, please click here:

http://money.cnn.com/2009/02/12/real_estate/mortgage_rates/index.htm?postversion=2009021212



[The Wall Street Journal](#)

For some, it's finally time to dive into housing market

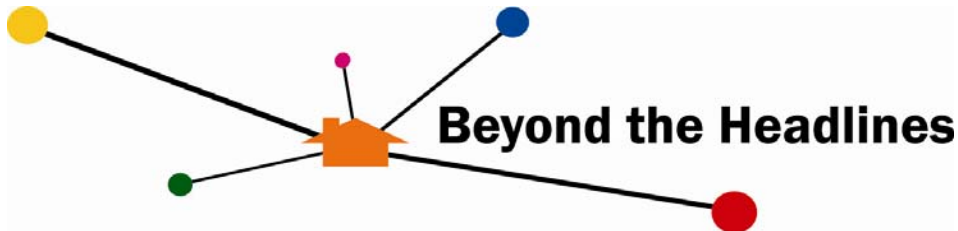
With home prices down approximately 25 percent from their peak levels in some markets, many first-time home buyers are finding they now can purchase a home that previously may have been out of reach. According to a recent survey from the NATIONAL ASSOCIATION OF REALTORS®, first-time home buyers accounted for 41 percent of all buyers at the end of 2008, up from 36 percent in 2006.

KEEP THIS IN MIND

- As homes stay on the market longer, some sellers are becoming more willing to negotiate the sales price than they were a few months ago. This is providing home buyers, especially first-time home buyers, with more opportunities than were previously available. Nationwide in 2008, the typical first-time home buyer purchased a home costing \$165,000 nationwide.
- Although lower home prices mean more options for home buyers, it is important that home buyers still meet the minimum qualifications to qualify for a mortgage loan. Qualifications may include a FICO score of 720 or higher, and a 20 percent down payment.
- In California, 59 percent of the state's households could afford to purchase an entry level home in the fourth quarter, compared with only 33 percent during the same time period the year before. The median price of an entry-level home during the fourth quarter was \$248,030. Typically, first-time home buyers purchase a home equal to 85 percent of the prevailing median price.
- To help educate first-time home buyers about the home-buying process, including various loan options, credit scores, and finding and working with a REALTOR®, the CALIFORNIA ASSOCIATION OF REALTORS® and the *Los Angeles Times* have partnered for the second-annual Southern California Home Buyers Fair. The free event will feature more than 50 free educational seminars and more than 65 exhibit booths to help home buyers. The 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. For more information, please visit www.homebuyersfair.com.

To read the full story, please click here:

<http://online.wsj.com/article/SB123431356988570855.html>



[Washington Post](#)

Obama signs \$787 billion economic stimulus bill

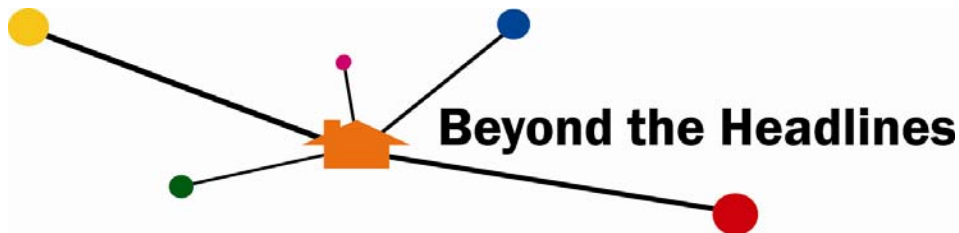
The U.S. House of Representatives and Senate last week passed a \$787.2 billion stimulus bill to help create millions of jobs, spur consumer spending, and stimulate the economy. On Tuesday, President Obama signed the bill into law.

KEEP THIS IN MIND

- The historical American Recovery and Reinvestment Act of 2009 contains a provision to increase the Fannie Mae, Freddie Mac, and FHA loan limits in every county in the state to 2008 levels. C.A.R. has long advocated for higher conforming loan limits, and believes this stimulus package is a step in the right direction for California's homeowners. The conforming loan limits in high-cost areas will be increased from \$625,500 to \$729,750, enabling more home buyers to purchase at favorable interest rates.
- The bill also increases the first-time home buyer credit from \$7,500 to \$8,000, and removes the requirement that the credit be paid back if the buyer stays in the home for at least three years. It also extends the expiration date for the credit from July 1 to Dec. 1, 2009. Home buyers must have purchased a home after Jan. 1, 2009, and before Dec. 1, 2009, to be eligible for the \$8,000 credit.
- The stimulus package also contains \$308.3 billion in appropriations spending, including \$120 billion on infrastructure and science and more than \$30 billion on energy-related infrastructure projects. It also allocated an additional \$267 billion for direct spending, including increased unemployment benefits and food stamps; and provides \$212 billion in tax breaks for individuals and businesses.

To read the full story, please click here:

<http://www.washingtonpost.com/wp-dyn/content/article/2009/02/17/AR2009021700221.html?hpid=topnews>



[Wall Street Journal](#)

Housing Plan Could Help Up to 9 Million People

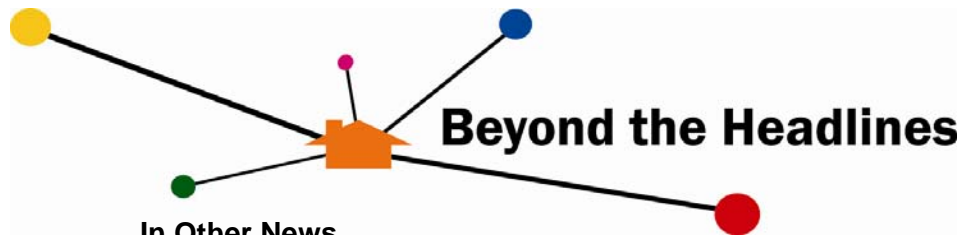
The U.S. Treasury Dept. unveiled the Obama Administration's new plan this week to help stabilize the housing market, by making it easier for as many as nine million homeowners to rework or refinance their mortgages.

KEEP THIS IN MIND

- Under the "Homeowner Affordability and Stability Plan," government incentives will be offered to separately entice homeowners, mortgage companies, and mortgage investors to rework loans. A variety of homeowners will be assisted, including those who are current on their mortgages, but whose homes have lost value.
- Fannie Mae and Freddie Mac will play a prominent role in the Obama plan. Previously, Fannie and Freddie were prohibited from owning or guaranteeing mortgages that exceeded 80 percent of a home's value, as these types of loans are considered to be higher risk.
- Fannie Mae and Freddie Mac also will receive an increase in their portfolio limits, raising the limits to \$900 billion each from \$850 billion. This will help keep mortgage rates low for all buyers and could lead to even lower rates.
- The White House plan will not help speculators, and instead will be aimed at keeping homeowners in their homes. For a loan to qualify for modifications, lenders would need to bring the monthly mortgage payment down to 38 percent of a borrower's monthly income. The government would then match further reductions until the debt-to-income ratio is 31 percent.

To read the full story, please click here:

<http://online.wsj.com/article/SB123496582087411241.html>



[San Francisco Chronicle](#)

Homeowners emerge from denial on falling values

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/02/11/BUL515RIJ7.DTL&tsp=1>



[Press Enterprise](#)

Inland area has winners and losers as housing prices fall

To read the full story, please click here:

http://www.pe.com/business/local/stories/PE_Biz_S_devalued15.3c31c05.html



[Los Angeles Times](#)

Median home prices fell nationwide in fourth quarter

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-homeprice13-2009feb13,0,6798473.story>



[The Wall Street Journal](#)

Homebuyers go green to cut bills

To read the full story, please click here:

<http://online.wsj.com/article/SB123439855114975189.html>



[San Francisco Chronicle](#)

Foreclosures fall from December to January

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2009/02/11/financial/f210136S01.DTL&type=realestate>

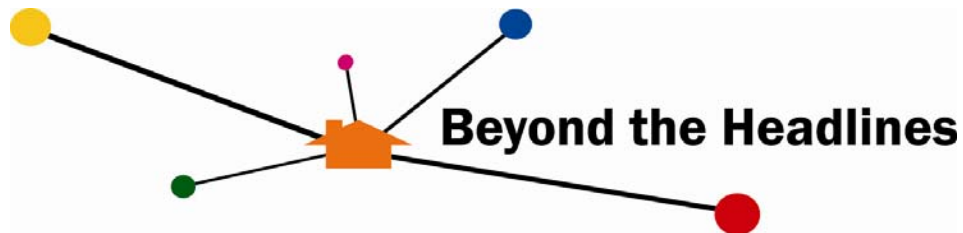


[Los Angeles Times](#)

Experian to stop selling FICO scores to consumers

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-fico13-2009feb13,0,6470593.story>



What you should know about the market

- Homeowners thinking of remodeling are advised to start seeking bids now, as the faltering economy is allowing many homeowners to save a significant amount of money on various projects. As one homeowner found, an exterior paint job that was originally quoted in 2005 has now dropped by more than half.
- While buying and installing a set of solar panels can cost a homeowner tens of thousands of dollars, leasing the same system can be a cost-effective alternative. Many companies -- most of them in California -- will install solar panels, and then charge for the power generated by the panels. The rate is often lower than a regular utility rate.