

Media Advisory



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

This week's *C.A.R. Mortgage Update* contains information about President Obama's housing plan; a new resource guide; tax credits for home buyers; FHA loan limits; mortgage payment reductions; underwater homeowners; and mortgage applications.

C.A.R. Homeowner Affordability and Stability plan resource guide

The CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) has created a resource guide to help REALTORS® better understand the Obama Administration's new housing programs -- "Making Home Affordable Refinance" and "Home Affordable Modification."

This new resource guide provides a summary of the programs and links to a variety of sources for more detailed information.

The new C.A.R. resource guide can be found at www.car.org/governmentalaffairs/federal/hrlmp/

Details of \$75-billion housing plan unveiled.

President Obama unveiled details of his plan to stabilize the housing market, which could help up to 9 million homeowners refinance or modify their mortgages.

The plan has two main components, one for helping homeowners whose homes have lost value and have little or no equity to refinance, the second to help struggling borrowers by providing government incentives to lenders to lower mortgage payments to 31 percent of a borrower's monthly gross income.

To read the full story, please [click here](#)

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

Citigroup to cut mortgage payments for some unemployed customers

To read the full story, please [click here](#)

Speier plan would aid refinancing in Bay Area

To read the full story, please [click here](#)

FHA to raise loan limits in some areas

To read the full story, please [click here](#)

Home buyers in California can enjoy up to \$18,000 in tax credits

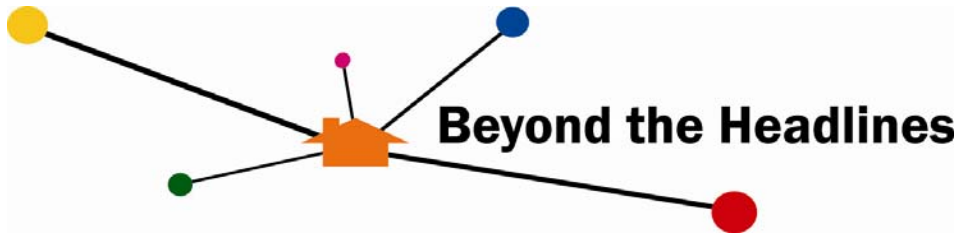
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U.S. mortgage demand off before Obama rescue details

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Report puts 20% of mortgages underwater

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[The Wall Street Journal](#)

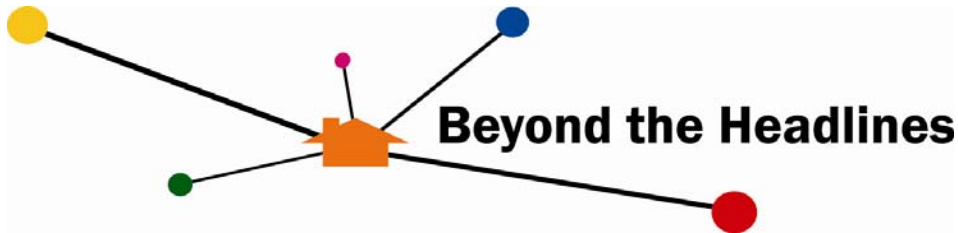
Renters lose edge on homeowners

Declining home prices are helping to close the gap between the costs of renting versus the cost of owning a home, making homeownership more appealing and affordable in many metropolitan markets.

KEEP THIS IN MIND

- Historically, after-tax mortgage payments have averaged 26 percent more than rent payments, according to Greet Street Advisors. At the peak of the current real estate cycle, mortgage payments reached as high as 66 percent more than rent payments. However, by the end of 2008, mortgage payments averaged just 24 percent more than rent payments, the narrowest gap since 2001.
- In Los Angeles, mortgage payments averaged 60 percent more than rent payments between 1990 and 2008, but have since fallen to only 30 percent more than rent payments.
- Some economists predict mortgage rates could fall to 4.5 percent, which could push mortgage payments to an average of 14 percent more than rent payments, a level last reached in 1998.
- In some markets, well-qualified home buyers are finding that they can pay less for a mortgage payment than they spend on rent.
- Although mortgage payments in some areas may be slightly higher than rent payments, the long-term benefits of homeownership outweigh the costs. Homeowners can deduct the interest they pay annually on their mortgage.
- Additionally, homeowners can build up equity in their homes over the long term. Historically, homeowners who remain in their homes for at least five years have an average annual rate of return of nearly 12 percent.
- Unlike rent payments, a mortgage can be paid off, enabling the homeowner to live in a house free and clear.

To read the full story, please [click here](#)



[L.A. Daily News](#)

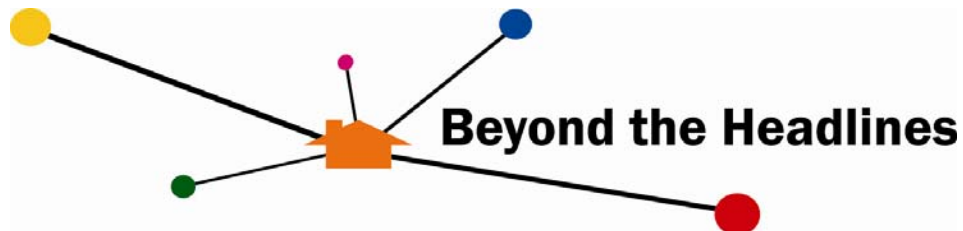
State home sales double as prices fall

Sales of existing, single-family homes soared 100.8 percent in January, while the median price declined 40.5 percent, according to the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.).

KEEP THIS IN MIND

- The strength in California home sales in recent months signifies that the market is gradually working its way through the large numbers of distressed sales that have followed in the wake of the troubled mortgage problem. With favorable home prices and historically low mortgage rates, affordability in the California housing market is now at its highest level since the start of the decade.
- Closed escrow sales of existing, single-family detached homes in California totaled 624,940 in January at a seasonally adjusted annualized rate. The statewide sales figure represents what the total number of homes sold during 2009 would be if sales maintained the January pace throughout the year. It is adjusted to account for seasonal factors that typically influence home sales.
- The median price of an existing, single-family detached home in California during January 2009 was \$254,350, a 40.5 percent decrease from the revised \$427,200 median for January 2008. On a month-to-month comparison, the median price declined 9.5 percent compared with December 2009.
- C.A.R.'s Unsold Inventory Index for existing, single-family detached homes in January 2009 was 6.7 months, compared with 16.6 months (revised) for the same period a year ago. The index indicates the number of months needed to deplete the supply of homes on the market at the current sales rate.
- The median number of days it took to sell a single-family home was 49.9 days in January 2009, compared with 70.8 days (revised) for the same period a year ago.

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In Other News...



[MSNBC](#)

Stumped home sellers look to make a trade

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[CNN](#)

JPMorgan warns of more housing woes

To read the full story, please [click here](#)



[Los Angeles Times](#)

Economy posts worst performance since '82

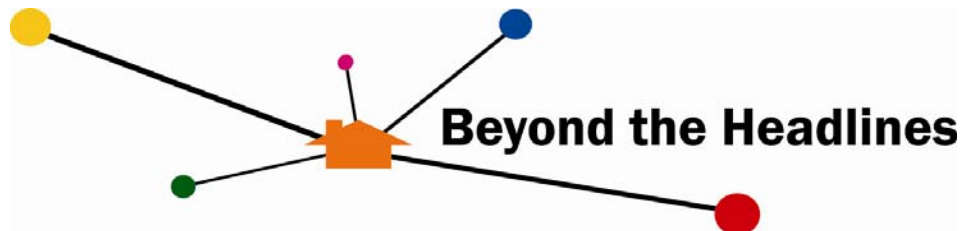
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[CNN](#)

Boomers: 30% underwater

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[MSNBC](#)

U.S. tries to boost confidence in markets

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[Reuters](#)

Foreclosures drove up 2008 U.S. home sales: index

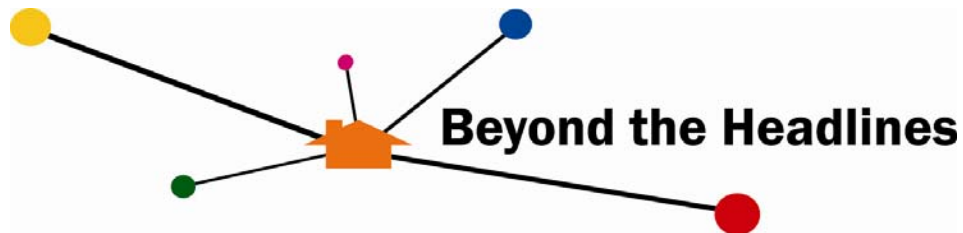
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[CNN](#)

New home sales at all-time low

To read the full story, please [click here](#)



What you should know about the market...

- The Mortgage Bankers Association estimates that approximately half of all mortgage applications are being denied due to a variety of factors: credit worthiness, amount of debt owed, or applying for a loan with too high of a limit. Paying down credit cards and/or personal loans, applying for a reduced loan amount, or cleaning up blemishes on a credit report may help a borrower be approved.
- Installing window treatments, such as blinds, shades or curtains can do more than help dress up a room; they also can help cut cooling bills in the summer and heating bills in the winters. Window treatments can run anywhere from \$5 for inexpensive pull-down blinds to as high as \$150 or more for shutters that are professionally installed. Homeowners also may realize a savings in their energy bills in as little as one year.