

The Washington Post

### **Good real estate news: Home equity is rising again**

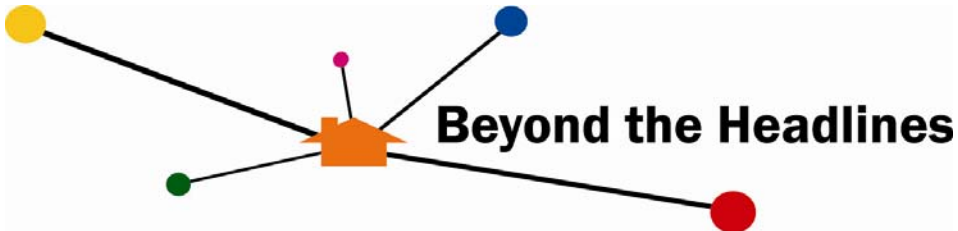
Numerous articles have reported that homeowners are underwater and that strategic defaults are increasing. However, a little known statistic by the Federal Reserve shows that home equity again is on the rise.

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

- The Federal Reserve conducts substantial research on mortgage balances and home-value changes in hundreds of local markets nationwide and reports its findings quarterly. According to the Fed's most recent "flow of funds" survey, homeowners' net equity increased by nearly \$1 trillion compared with the recession's lowest point between the first and third quarters of 2009. From June 30 to Sept. 30, net equity rose by \$418 billion.
- According to a report by Zillow.com, the overall negative equity rate among U.S. homeowners remained flat in the fourth quarter at 21.4 percent. This report, combined with other housing factors and studies, may indicate that the unprecedented reduction in home equity is shifting.
- Some homeowners, especially those in areas with high foreclosure rates, are choosing to strategically default on their mortgages, even though they can afford the mortgage. Many homeowners who choose this approach do so because they do not see an economic rationale in continuing to make their mortgage payments. Homeowners considering this option should be aware of the negative effect it will have on their credit status. Foreclosures can remain on credit reports for up to seven years, likely increasing the interest rates the consumer pays for credit, and making it more difficult to receive approval on a new mortgage loan.

To read the full story, please click here:

[http://www.washingtonpost.com/wp-dyn/content/article/2010/02/11/AR2010021105251.html?wprss=rss\\_business](http://www.washingtonpost.com/wp-dyn/content/article/2010/02/11/AR2010021105251.html?wprss=rss_business)



## In Other News...



The Wall Street Journal

### **More households benefit from loan-mod program**

The U.S. Treasury said its foreclosure-prevention program has cut mortgage payments for about 947,000 households, at least temporarily.

To read the full story, please click here:

[http://online.wsj.com/article/SB10001424052748704398804575071003049650906.html?mod=WSJ\\_Real+Estae\\_LeftTopNews](http://online.wsj.com/article/SB10001424052748704398804575071003049650906.html?mod=WSJ_Real+Estae_LeftTopNews)



The San Francisco Chronicle

### **Mortgage rates poised to jump as Fed cuts funds**

The Federal Reserve is poised to turn off a major money spigot that has helped sustain the ailing real estate sector, as an extraordinary program under which the Fed has pumped \$1.25 trillion into the mortgage market is slated to end March 31.

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2010/02/15/MNSP1BVILP.DTL>



The Sacramento Bee

### **Investors plunking down cash for homes**

Investors paying cash for houses accounted for one in four home sales during the past year in Sacramento County and West Sacramento, becoming dominating players in a distressed market and squeezing out scores of first-time buyers, 2009 statistics now show.

To read the full story, please click here:

<http://www.sacbee.com/business/story/2537544.html>



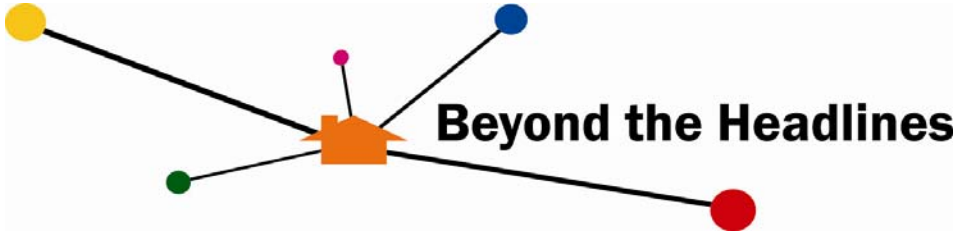
The Wall Street Journal

### **Foreclosures seen still hitting prices**

More waves of foreclosures will keep downward pressure on home prices in parts of the U.S. over the next several years, two new studies project.

To read the full story, please click here:

[http://online.wsj.com/article/SB10001424052748703562404575067452797224606.html?mod=WSJ\\_hpp\\_MIDDLENexttoWhatsNewsSecond](http://online.wsj.com/article/SB10001424052748703562404575067452797224606.html?mod=WSJ_hpp_MIDDLENexttoWhatsNewsSecond)



The Mercury News

#### **Mortgage delinquencies tick higher in U.S.**

The percentage of homeowners late with mortgage payments hit another record during the last three months of 2009, and the pace at which they fell behind took a turn for the worse, a new report says.

To read the full story, please click here:

[http://www.mercurynews.com/real-estate-news/ci\\_14411882](http://www.mercurynews.com/real-estate-news/ci_14411882)



MSN Money

#### **1st housing affordability index at 65 percent in Q4**

The first-time buyer “housing affordability index” – the percentage of households that could afford an entry-level home in California – stood at 64 percent in the fourth quarter, according to a report Friday by the CALIFORNIA ASSOCIATION OF REALTORS®.

To read the full story, please click here:

<http://news.moneycentral.msn.com/provider/providerarticle.aspx?feed=ACBJ&date=20100212&id=11116322>



The San Francisco Chronicle

#### **Resale prices steady for San Francisco condos**

San Francisco’s median resale condominium prices from November through January stayed steady from the same period a year ago, leading some analysts and real estate agents to conclude that values have settled into a range where they are likely to remain for some time.

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2010/02/15/BUG11C0P37.DTL>



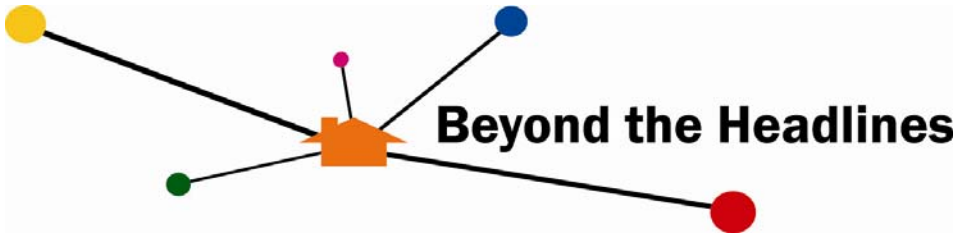
The Sacramento Bee

#### **Home foreclosures bringing blight; cities want owners more accountable**

Beginning March 1, an Elk Grove ordinance will require owners of vacant homes to register them with the city when they are empty more than 30 days.

To read the full story, please click here:

<http://www.sacbee.com/ourregion/story/2537371.html>



## What you should know about the market

- While accurately pricing a home for sale continues to be the most important factor in whether or not a home sells, homeowners can take steps to raise the salability of the home. Many professional home stagers and REALTORS® recommend homeowners add furniture to empty rooms to give the home an inviting feeling. Replacing dark carpeting and paint with more neutral tones also can make rooms look larger and more appealing to a wider variety of home buyers.
- The current housing market offers many opportunities for buyers, especially first timers. However, all buyers must consider the stability of their employment situation prior to purchasing a home. With California's unemployment rate as 12.4 percent, many buyers could find themselves unemployed at some point. To provide a layer of security when purchasing a home, the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) is offering a Mortgage Protection Program (MPP) to qualified first-time buyers. Offered by C.A.R.'s Housing Affordability Fund, MPP provides up to \$1,500 per month for up to 6 months to qualified buyers who lose their jobs due to layoffs. For more information about the C.A.R.H.A.F. MPP, contact a California REALTOR®, or visit <http://www.car.org/members/hafmainpage/carhafmortgageprotection/>