

CNN Money

Nab a real estate deal – while you still can

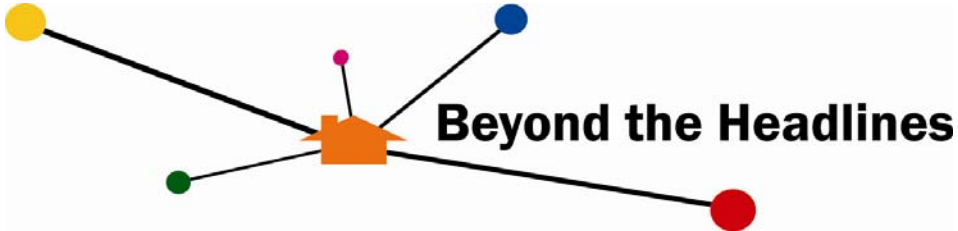
The combination of affordable home prices, low interest rates, and the federal tax credit for home buyers have created an opportune time for many buyers to purchase a home. Many real estate analysts also believe that most housing markets have stabilized, but that some markets may decline further.

KEEP THIS IN MIND

- Buyers should keep in mind that housing markets are local and can vary greatly from one neighborhood to the next. Working with a REALTOR® familiar with the area in which the buyer is searching can help the buyer select a house that best suits their needs.
- California's housing market has shown signs of stabilization since early last year. Sales of existing, single-family homes bottomed out in August 2007, and the median home price reached its trough in February 2009. In January, California's median home price was 17.2 percent above the low for the current cycle.
- The federal tax credit for home buyers was extended and expanded late last year. Qualified first-time buyers may be eligible to receive a tax credit of up to \$8,000 on homes purchased before April 30, 2010. Repeat buyers may be eligible for a tax credit of up to \$6,500. Visit <http://www.irs.gov/newsroom/article/0,,id=187935,00.html> for more information about the federal tax credit for home buyers, including eligibility requirements.
- The Federal Reserve has helped maintain low interest rates, which, in turn, has assisted home buyers. However, the agency plans to stop purchasing mortgage-backed securities at the end of this month, which likely will increase rates on 30-year fixed mortgages. Buyers may be able to lock in a low interest rate by working with their lender.

To read the full story, please click here:

http://money.cnn.com/2010/03/02/real_estate/real_estate_deals.moneymag/index.htm



In Other News...



The New York Times

Program will pay homeowners to sell at a loss

In an effort to end the foreclosure crisis, the Obama administration has been trying to keep defaulting owners in their homes. Now it will take a new approach: Paying some of them to leave.

To read the full story, please click here:

<http://www.nytimes.com/2010/03/08/business/08short.html?adxnnl=1&hpw=&adxnnlx=1268067879-FQJHM54HKNmCG0e+Ehk5Bq>



The Wall Street Journal

Home supply increased in February

The number of homes listed for sale increased in many metropolitan areas in February.

To read the full story, please click here:

http://online.wsj.com/article/SB10001424052748704869304575109704115522466.html?mod=WSJ_Real+Estate_LeftTopNews



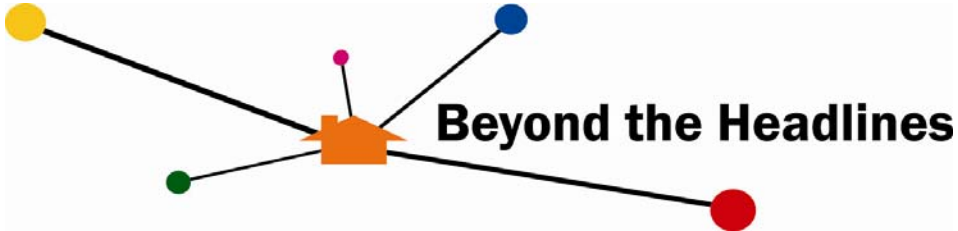
San Francisco Chronicle

Strategic defaults on homes on the rise

The number of people choosing to cut their losses on their homes continues to rise. Studies estimate about one-quarter of all defaults are voluntary “walkaways,” also known as strategic defaults and jingle mail (for the sound the abandoned keys make in the mailbox).

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2010/03/08/MNAO1C7TT1.DTL&type=realestate&tsp=1>



The Wall Street Journal

Home-saving loans afoot

Pressure is growing on U.S. banks to ease terms for distressed homeowners on home-equity loans and other second-lien mortgages.

To read the full story, please click here:

http://online.wsj.com/article/SB10001424052748704706304575107770265900644.html?mod=WSJ_Real+Estate_LeftTopNews



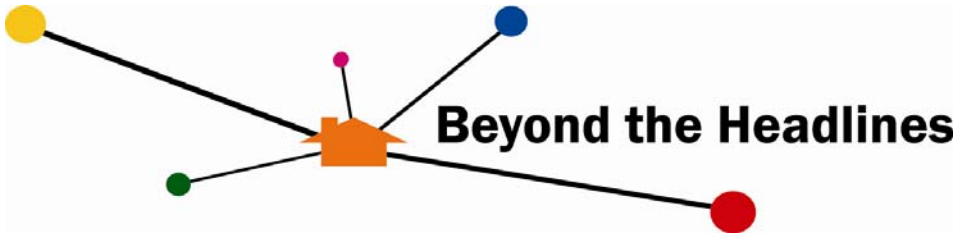
The Wall Street Journal

Borrowers miss out on billions in savings

The Federal Reserve has pushed mortgage rates to near half-century lows, but millions of U.S. homeowners haven't benefited from that because they can't—or won't—refinance.

To read the full story, please click here:

http://online.wsj.com/article/SB10001424052748704358004575096020101445724.html?mod=WSJ_Real+Estate_RIGHTTopCarousel



What you should know about the market...

- Homeowners wanting to pay off their mortgage earlier than planned can do so by making extra principal payments. One extra full principal and interest payment a year will reduce a 30-year loan to about 17 years, and adding the following month's principal payment to the current one will cut the loan almost in half. It is important that borrowers tell their lender the extra money is to be credited to principal. Homeowners should keep records of their payments and review it once a year to be certain the lender has followed directions.
- Private mortgage insurance (PMI) generally is required for home buyers whose down payment is less than 20 percent. PMI is added to the mortgage payment each month to protect the lender should the borrower default. By law, PMI must be canceled automatically when the loan balance reaches 78 percent of the home's original value. However, some lenders are allowing borrowers to cancel this coverage when the balance declines to 80 percent of the current value, as long as the loan is at least five years old. Borrowers who have made their payments on time each month for five years should contact their lender or loan servicer to obtain all the details on cancelling the coverage.