

The Wall Street Journal

Nabbing a bargain-basement mortgage before rates rise

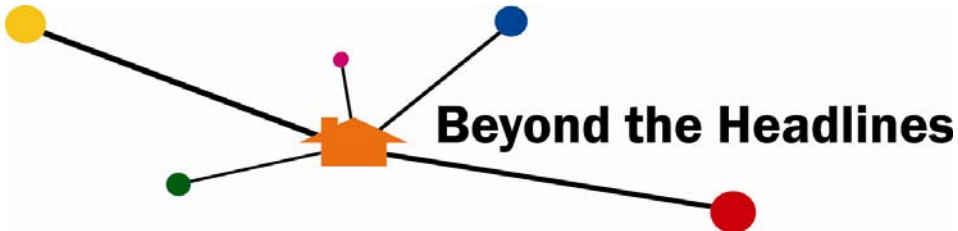
The Federal Reserve has been purchasing mortgage-backed securities guaranteed by Fannie Mae and Freddie Mac since early last year. The purchase program has helped maintain low interest rates for borrowers. As planned, the Fed this week announced it will stop purchasing these securities at the end of this month. Many analysts anticipate this will result in a slight rise in rates by year's end.

KEEP THIS IN MIND

- Interest rates have hovered at or near historic lows for much of the past 18 months, resulting in lower payments for many borrowers. With the Fed discontinuing its purchase program, some analysts believe a rise in interest rates could range from 0.25 percent to as much as 1 percent by the end of 2010.
- The federal tax credit for home buyers also is scheduled to end April 30. The tax credit combined with the expectation interest rates will increase has created a sense of urgency for many home buyers. In fact, 23 percent of California home buyers purchased a home in 2009 due to the perception that interest rates will rise and they would be priced out of the market, according to C.A.R.'s 2009 Survey of California Home Buyers.
- Rising interest rates will have an effect on home buyers. For example, a qualified couple with a combined pretax income of \$100,000 per year and debt obligations (excluding mortgage) of \$500 who receive a mortgage rate of 5 percent could qualify for a loan of up to \$590,000, assuming a 20 percent down payment. If the interest rate were to rise to 6 percent, as analysts at Barclays Capital predict, the same couple could only qualify for a mortgage of \$540,000.

To read the full story, please click here:

http://online.wsj.com/article/SB10001424052748704655004575113711943683500.html?mod=WSJ_Real+Estimate_LeftTopNews



In Other News...



CNN Money

Green homes face a red light

Lots of people, especially those trying to battle high utility bills, believe in energy-efficient homebuilding. But there's something holding green technology back: It simply costs more to include it than it adds to resale value.

To read the full story, please click here:

http://money.cnn.com/2010/03/10/real_estate/green_homes_redlight/index.htm



The Wall Street Journal

Is California's high-end housing market in trouble?

While sales of low-priced foreclosed homes are sparking bidding wars in some areas and there's talk of healing in California, a huge storm cloud hovers over the Golden state: The high-end real estate market.

To read the full story, please click here:

<http://blogs.wsj.com/developments/2010/03/12/is-californias-high-end-housing-market-in-trouble/>



San Diego Union-Tribune

First-timers snap up 47 percent of homes

Nearly half of home purchases statewide last year went to first-time buyers, the highest since 1995, the CALIFORNIA ASSOCIATION OF REALTORS® reported.

To read the full story, please click here:

<http://www.signonsandiego.com/news/2010/mar/11/first-timers-snap-up-47-of-homes/>



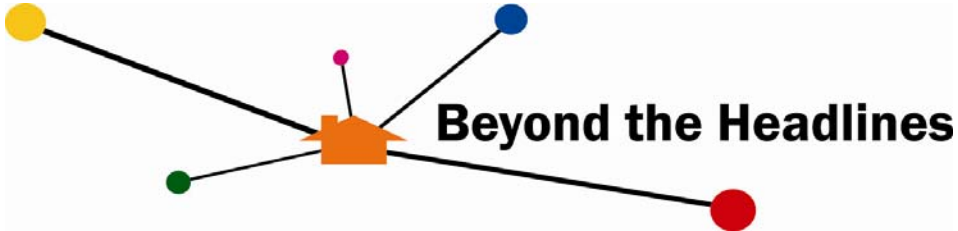
The Wall Street Journal

Home buyers check out apps

Just in time for spring house-hunting season, smart-phone applications that provide information to home buyers are proliferating.

To read the full story, please click here:

http://online.wsj.com/article/SB20001424052748704869304575109593428854262.html#mod=todays_us_marketplace



Time

The subprime-lending business survives, even thrives

Poor credit? It's still no problem for some lenders.

To read the full story, please click here:

<http://www.time.com/time/business/article/0,8599,1971237,00.html>



The Los Angeles Times

Permanently modified mortgages grow by 45 percent, government says

The Obama administration Friday said its mortgage modification program continued to make progress, with the number of homeowners receiving permanently reduced monthly payments in February increasing by 45 percent to 168,708.

To read the full story, please click here:

http://www.latimes.com/business/la-fi-mortgage-modifications13-2010mar13_0,3087265.story



The Mercury News

Foreclosure rates up by smallest amount in four years, RealtyTrac says

The foreclosure crisis isn't over, but the pace of growth may finally be slowing down.

To read the full story, please click here:

http://www.mercurynews.com/real-estate-news/ci_14654970



The Wall Street Journal

Mortgage fraud declines but remains virulent

First American CoreLogic, a real estate information supplier, compiles an index of the rate of fraud on home mortgages. A version of the index that excludes subprime loans peaked in 2007 at about 112 (on a scale that equates the early-2005 level to 100). It has since dropped to 84.

To read the full story, please click here:

http://blogs.wsj.com/developments/2010/03/15/mortgage-fraud-declines-but-remains-virulent/?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+wsj%2Fdevelopments%2Ffeed+%28WSJ.com%3A+Developments+Blog%29&mod=WSJ_Real+Estate_BLOGSDEVELOPMENTSFEED



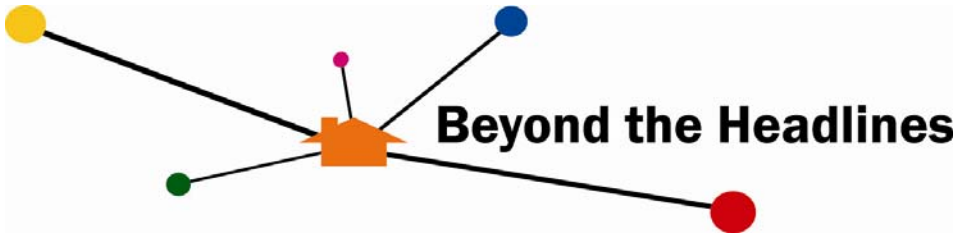
The New York Times

Even high-score borrowers at risk of mortgage default

A high credit score won't necessarily insulate borrowers from the home-foreclosure crisis, according to a new study from FICO, which creates the credit-scoring formula used by most lenders.

To read the full story, please click here:

<http://www.nytimes.com/2010/03/14/realestate/14Mort.html?ref=economy>



What you should know about the market...

- In today's economy, many homeowners are looking for ways to reduce spending. One way to do so is by reviewing their homeowner's insurance policy and looking for ways to cut costs without adversely affecting coverage. Raising the deductible from \$500 to \$1,000, reducing coverage on the "household contents" portion of the policy, and installing home security devices could save as much as 25 percent every month on premiums, according to the Insurance Information Institute.
- First-time home buyers easily can become overwhelmed with the many loan choices available to them. Experts recommend first-time home buyers apply for a loan with an interest rate fixed for the length of time the buyer plans to live in the home. Hybrid loans may be an option worth considering, as they are fixed for a set period and later change to an adjustable-rate mortgage. This may be a viable option for a buyer planning to stay in the home for just a few years or the length of the fixed-rate period. However, most buyers should give serious consideration to a 30-year fixed-rate loan.