

Media Advisory



[CALIFORNIA ASSOCIATION OF REALTORS® \(C.A.R.\)](#)

C.A.R. launches mortgage protection plan for first-time home buyers

The CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) today launched the C.A.R. Housing Affordability Fund Mortgage Protection Program (C.A.R.H.A.F. MPP), for first-time home buyers.

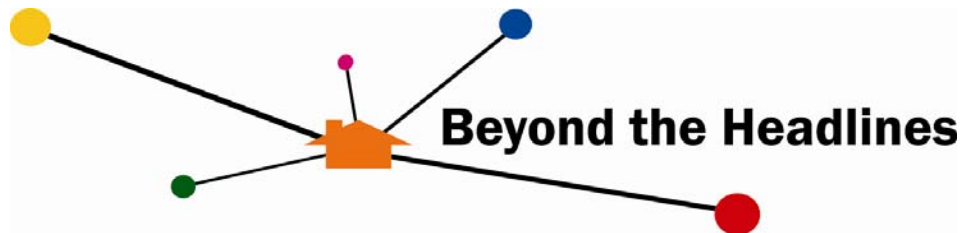
Through the Housing Affordability Fund Mortgage Protection Program, first-time home buyers who lose their jobs due to layoffs may be eligible to receive up to \$1,500 per month, for six months, to help make their mortgage payments. A qualified co-buyer also can participate in the program, and receive a monthly benefit of \$750 per month for up to six months. Program benefits also include coverage for accidental disability and a \$10,000 death benefit.

C.A.R.'s Housing Affordability Fund is dedicating \$1 million toward its Mortgage Protection Program, and estimates that as many as 3,000 families will benefit from the program this year.

To qualify for the Mortgage Protection Program, applicants must:

- Be a first-time home buyer – someone who has not owned a home in three or more years
- Open escrow April 2, 2009, or later, and close on or before Dec. 31, 2009
- Use a California REALTOR® in the transaction
- Purchase the property in California
- Be a W-2 employee (cannot be self-employed)

To apply for the program, home buyers must request an application for the H.A.F. Mortgage Protection Program from their REALTOR®.



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

This week's *C.A.R. Mortgage Update* contains information about mortgage rates; mortgage refinancing; how to get the best refinancing deal; mortgage-help programs; jumbo loans; and cashing out.

Mortgage rates drop to record low

Rates on 30-year, fixed-rate mortgages averaged 4.85 percent for the week ending March 26, following an announcement by the Federal Reserve that it is launching a new effort to assist the U.S. housing market. The rate marked a record low in the history of the Freddie Mac survey. The previous low was 4.96 percent set during the week of Jan. 15.

To read the full story, please click here:

http://hosted.ap.org/dynamic/stories/M/MORTGAGE_RATES?SITE=CARIE&TEMPLATE=BUSINESS.html&SECTION=HOME

Get the best refinancing deal

The recent declines in interest rates on 30-year, fixed-rate mortgages have resulted in many homeowners seeking to refinance. Due to the large number of requests to refinance, some homeowners are experiencing difficulty in trying to reach their lender. According to Fannie Mae's chief economist, it may take as long as three months for the mortgage industry to start working at full capacity.

To ensure they receive the best refinancing deal possible, consumers should be patient and follow a few tips from industry experts:

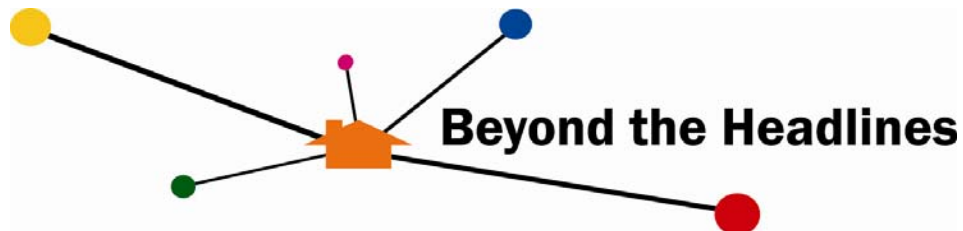
First, consumers should recognize there is opportunity for significant savings by refinancing. Rates currently are hovering around 4.6 percent, but historically hover around 8 percent.

Second, homeowners should be aware that Fannie Mae and Freddie Mac have increased their fees, so borrowers could be paying extra fees of 1 percent or more of the total loan amount.

To qualify for the best rates, most borrowers must have at least 20 percent equity in their homes and FICO scores of 720 or higher.

To read the full story, please click here:

http://money.cnn.com/2009/03/25/pf/saving/mortgage_willis/index.htm?postversion=2009032512



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

Foreclosures spike – so do mortgage-help plans

To read the full story, please click here:

http://money.cnn.com/2009/03/30/real_estate/February_Hope_Now/index.htm?postversion=2009033010

'Jumbo' mortgage still costly – and harder to get

To read the full story, please click here:

<http://www.cnbc.com/id/29836875>

Mortgage refinancings seen rising

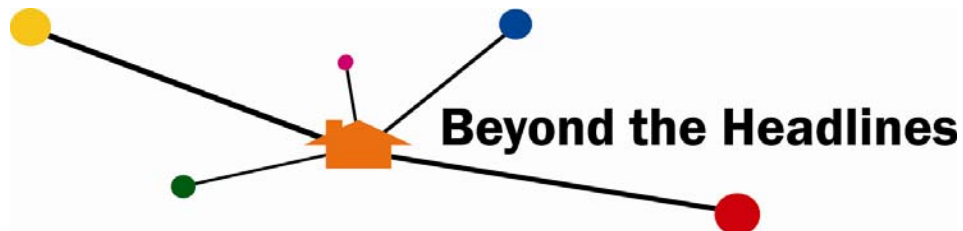
To read the full story, please click here:

<http://online.wsj.com/article/SB123794433924233255.html>

'Cashing out' is now harder

To read the full story, please click here:

http://www.nytimes.com/2009/03/29/realestate/29mort.html?_r=1&ref=realestate



[Reuters](#)

U.S. renters turn buyers as homes become affordable

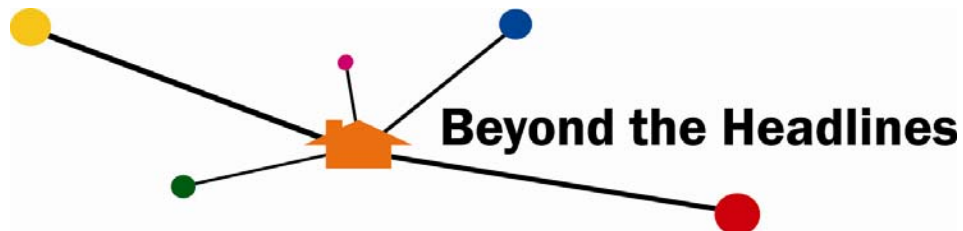
Record-low interest rates and favorable home prices have resulted in some first-time home buyers realizing that it costs the same or less to own a house as it would to rent a comparable place to live.

KEEP THIS IN MIND

- According to an executive at John Burns Real Estate Consulting, out of the 76 metropolitan area markets across the U.S. tracked by the company, approximately 50 percent show that a person can buy a house for less than renting when considering the after-tax cost of homeownership.
- In some areas of California, especially in Riverside and San Bernardino counties, monthly mortgage payments on single-family detached homes are significantly lower than apartment rents.
- By most measures, affordability is at a record high. The NATIONAL ASSOCIATION OF REALTORS®' housing affordability index rose 13.6 percentage points in January to 166.8; the highest since tracking began in 1970. The CALIFORNIA ASSOCIATION OF REALTORS®' (C.A.R.) First-time Buyer Housing Affordability Index stood at 59 percent in the fourth quarter of 2008, meaning that more than half of California households could afford to purchase an entry-level home in the state.

To read the full story, please click here:

<http://www.reuters.com/article/gc03/idUSTRE52M3MS20090325?pageNumber=1&virtualBrandChannel=0>



In Other News...



[The Wall Street Journal](#)

Fed features: Ads at movies warn against scams

To read the full story, please click here:

<http://online.wsj.com/article/SB123810611159052151.html>



[Reuters](#)

U.S. home sales climb at fastest pace in 10 months

To read the full story, please click here:

<http://www.reuters.com/article/GCA-Economy/idUSN2541536220090325>



[The Wall Street Journal](#)

Home prices rose in January

To read the full story, please click here:

<http://online.wsj.com/article/SB123790736606125797.html>



[Reuters](#)

U.S. realtors see some light at end of tunnel

To read the full story, please click here:

<http://www.reuters.com/article/gc03/idUSTRE52N5GY20090324>

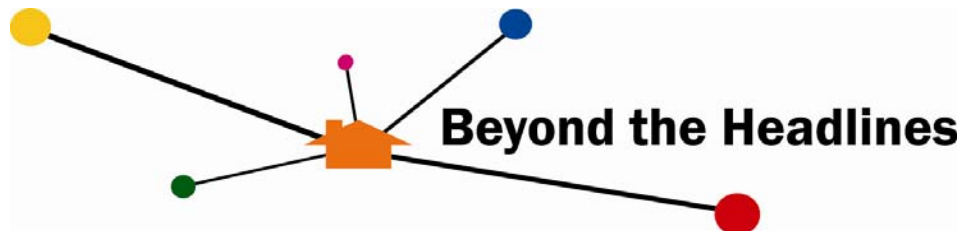


[San Francisco Chronicle](#)

Upbeat housing reports provide some optimism

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/03/26/BUFA16MSUM.DTL>



[San Francisco Chronicle](#)

Home building permits rise – concerns linger

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/03/25/BUF216MC9J.DTL&type=realestate>



[The Wall Street Journal](#)

Growing hope for Spring selling season

To read the full story, please click here:

<http://blogs.wsj.com/developments/2009/03/26/growing-hope-for-spring-selling-season/>



[Los Angeles Times](#)

Consumer spending up for second straight month

To read the full story, please click here:

<http://www3.signonsandiego.com/stories/2009/mar/27/economy-032709/>



[CNBC](#)

U.S. consumers' mood improves but remains near low

To read the full story, please click here:

<http://www.cnbc.com/id/29913204>

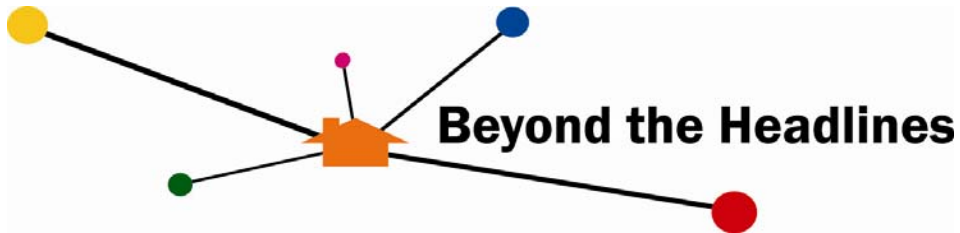


[San Francisco Chronicle](#)

Consumer confidence holds steady in March

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2009/03/31/financial/f070147D29.DTL&type=business>



What you should know about the market

- A silver lining in the current housing market is the increase in affordability. According to the Center for Housing Policy, between 1996 and 2006, all major categories of homeowner expenses increased faster than incomes. Mortgage payments increased 46 percent; utilities, 43 percent; property taxes, 66 percent; and property insurance, 83 percent. By contrast, homeowner incomes increased by 36.3 percent. However, the decline in home prices is enabling home buyers, especially first-time buyers, the ability to purchase homes at favorable prices. The NATIONAL ASSOCIATION OF REALTORS® (NAR) affordability index rose 13.6 percent in January to 166.8, the highest since tracking began in 1970. The CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) First-time Buyer Housing Affordability Index stood at 59 percent in the fourth quarter of 2008, meaning that more than half of California households could afford to purchase an entry-level home in the state.
- A change in tax code provides homeowners who sell their homes through short sales some added relief. As of 2007, if the mortgage on a foreclosed home is higher than the proceeds realized on the property, the debt is forgiven, and is not considered taxable income. Prior to 2007, the difference between the sales price and the amount the lender accepted was considered taxable income to the seller.
- Underlying strength in the U.S. economy, record-low interest rates, and the expansion of mortgage credit have led to a surge in homeownership since 2000. After averaging 1.15 million per year between 1995 and 2000, the Joint Center for Housing Studies reports household growth rose to 1.37 million annually between 2000 and 2006.