

Media Advisory



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

This week's *C.A.R. Mortgage Update* contains information about qualifying for an FHA loan, jumbo loans, and reverse mortgages.

Qualifying for a low-down FHA loan

With low down-payment requirements, competitive rates, and less stringent credit score requirements, more home buyers are choosing mortgages insured by the Federal Housing Administration (FHA). Mortgages insured by the FHA account for 20 percent of the total dollar volume in home loans – up from just 3 percent in 2006.

Some benefits to FHA loans include: a better loan modification program; ability to easily and often less expensively refinance; low rates; and acceptance of borrowers with credit scores as low as 620.

FHA loans are targeted to low- and moderate-income borrowers, but there are not any income restrictions. However, these loans do restrict the amount that can be borrowed. In high-cost areas, such as California, the maximum amount that a mortgage applicant can borrow is \$729,750.

Additionally, borrowers must pay an up-front insurance premium totaling 1.75 percent of the loan, which goes into FHA's fund for repaying lenders if borrowers default. This is in addition to other usual closing costs.

In previous years, few lenders would originate FHA loans due to strict qualifications. That all changed a few years ago when the Dept. of Housing and Urban Development (HUD), which oversees the FHA, reworked its guidelines. The number of authorized FHA lenders has soared by 500 percent over the past two years.

To find an authorized FHA lender, visit HUD's Web site at www.hud.gov.

To read the full story, please click here:

http://money.cnn.com/2009/04/03/real_estate/FHA_loans/index.htm?postversion=2009040615

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

The return of jumbo mortgage

To read the full story, please click here:

<http://online.wsj.com/article/SB123889296585690021.html>

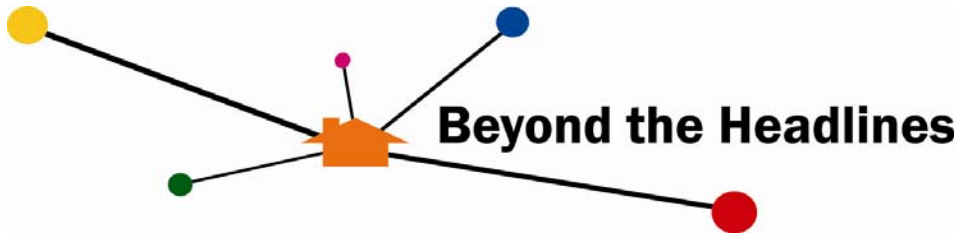
Reverse mortgage variation is aimed at seniors looking to downsize

To read the full story, please click here:

http://www.latimes.com/classified/realestate/news/la-fi-lew12-2009apr12_0,7862133.story

Mortgage rates fall to just shy of record lows

http://www.mercurynews.com/breakingnews/ci_12156265?nclick_check=1



[The Washington Post](#)

Foreclosure sales stalled by red tape

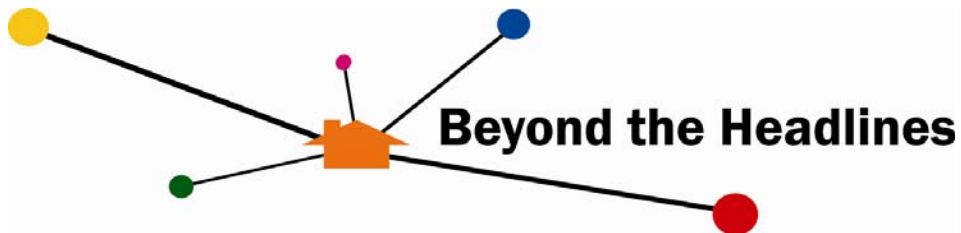
Many home buyers looking for bargains are turning to foreclosures and discovering that the toughest challenge is not finding the property, but dealing with the banks that repossessed the homes. Although most banks are quick to accept a bid and write a contract, some buyers report that as closing approaches, issues, such as liens and rights to the property, arise.

KEEP THIS IN MIND

- Purchasing a home from a bank is much different than buying from a homeowner. If a problem is found during the home-buying process, it may take the bank longer to resolve the issue than it would a homeowner. As with short sales, home buyers need to be aware that foreclosures can take longer because most banks are overwhelmed with properties and do not have enough qualified staff to handle all requests.
- In previous years, when home prices were increasing, banks didn't have to keep foreclosed homes on their books long. Often, investors would purchase the foreclosures through court auctions. However, as home prices declined, especially in the past two years, many investors decided to delay purchasing new properties. Banks then had to concentrate their efforts on selling to the general public, which often takes longer.
- When a bank repossesses a home, it typically engages a lawyer to determine whether there are other claims on the property. Generally, the lawyer only is paid to look at the time from when the owners took out the mortgage to the time the bank repossessed the house. Any pre-existing problems, or new ones, usually surface at closing time, when a more thorough search is performed.
- Buyers should be aware that banks usually sell homes in an "as-is" condition, and on their own terms. Although buyers are informed prior to beginning the home-buying process, some are unwilling to agree to the bank's terms when it's time to finalize the deal and sign addendums to the contract.
- To learn more about finding and purchasing foreclosures, short sales, and REOs, attend the second annual Southern California Home Buyer's Fair this weekend at the Los Angeles Convention Center. The FREE event will feature more than 50 "how-to" seminars designed to help home buyers navigate today's real estate market with confidence and peace of mind. The Southern California Home Buyer's Fair will be open 10 a.m. to 5 p.m. Saturday, April 18, and 11 a.m. to 4 p.m., Sunday, April 19. For more information, please visit www.homebuyersfair.com.

To read the full story, please click here:

<http://www.washingtonpost.com/wp-dyn/content/article/2009/04/12/AR2009041202537.html>



[Wall Street Journal](#)

Economists see a rebound in September

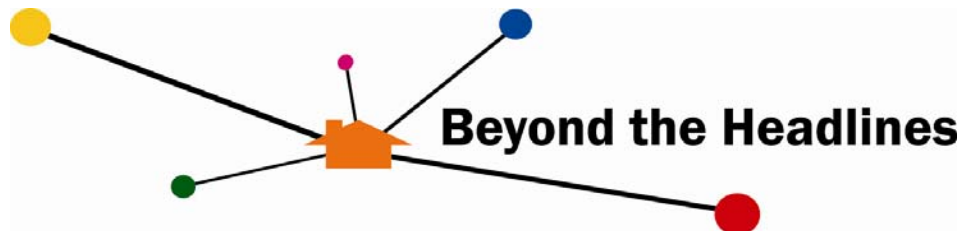
Economists surveyed in the latest *Wall Street Journal* forecasting survey expect the recession to end in September. However, the majority also believe that the economy will not begin to grow until the second half of 2010, which is when they expect the unemployment rate to go down.

KEEP THIS IN MIND

- Many economists surveyed by the *Wall Street Journal* predict the labor market will remain weak. Just 12 percent of the economists expect the unemployment rate to fall this year. More than one-third of respondents expect the jobless rate to peak in the first half of 2010, while about half don't see unemployment declining until the second half of 2010. The economists do see the rate of decline slowing, forecasting 2.6 million job losses in the next 12 months, compared with 4.8 million jobs lost in the previous period. According to Joseph Lavorgna of Deutsche Bank Securities Inc., the economy would have to grow an average of about 4 percent for six years to get back to the sub-5 percent unemployment rates seen in 2007.
- Economists are seeing more signs of a recovery in the broader economy this year. On average, the economists expect the recession to end in September, compared with the October forecast last month. This marked the first time since the start of the recession that the economists didn't push the date of recovery further into the future.

To read the full story, please click here:

<http://online.wsj.com/article/SB123921340472201877.html>



In Other News...



[Los Angeles Times](#)

L.A. starts buying up foreclosed homes with federal aid

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-foreclose9-2009apr09,0,2274235.story>



[The New York Times](#)

With advocates' help, squatters call foreclosures home

To read the full story, please click here:

http://www.nytimes.com/2009/04/10/us/10squatter.html?_r=1&hp



[Sacramento Bee](#)

Fewer empty new homes means supply, demand in balance

To read the full story, please click here:

<http://www.sacbee.com/736/story/1769716.html>



[Los Angeles Times](#)

Bernanke sees 'tentative signs' of improvement

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-bernanke15-2009apr15,0,6968618.story>

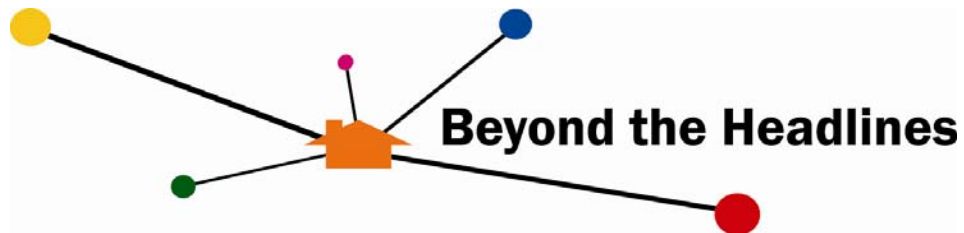


[Press Enterprise](#)

San Bernardino, Riverside counties home surplus is easing

To read the full story, please click here:

http://www.pe.com/business/realestate/stories/PE_Biz_S_housing11.38b4166.html



[The New York Times](#)

Houses, decked out for a sale, are burglarized

To read the full story, please click here:

<http://www.nytimes.com/2009/04/13/us/13burglar.html?ref=realestate>

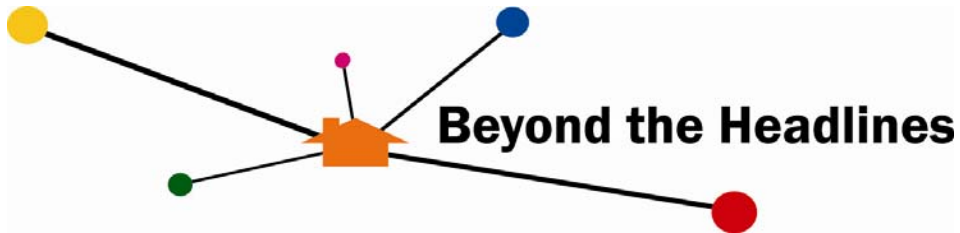


[The Wall Street Journal](#)

Older borrowers, out in the cold

To read the full story, please click here:

<http://online.wsj.com/article/SB123967085817315655.html>



What you should know about the market...

- Troubled borrowers seeking foreclosure-prevention and mortgage modification should be aware that many scam artists have popped up in recent months. To ensure the servicer is not a scam artist, borrowers should ask questions such as how much does the service cost, how long has the organization performed foreclosure-prevention counseling, and does the counselor have a direct pipeline to the servicer's mortgage-modification department. Borrowers must remember that legitimate foreclosure-prevention and mortgage modification counselors do not charge fees, and those that do often are profit-driven and not interested in helping consumers.
- Foreclosure-prevention and mortgage modification organizations should be fully up to speed on how to handle various issues of their clients. The longer an organization has been around, the better the chances that its counselors are experienced and will know how to resolve particular concerns and problems.
- Many foreclosure counselors have established working relationships with the mortgage-modification specialists at various lending institutions. If counselors already are talking to a servicer several times a week, they know what the servicer requires and which workouts are likely to be offered.