

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

This week's *C.A.R. Mortgage Update* contains information about monetizing the first-time buyer tax credit; rising mortgage rates; locking in a mortgage rate; mortgage fraud; and mortgage delinquencies.

Get your \$8,000 HUD tax credit now

Qualified, first-time home buyers using a Federal Housing Administration (FHA)-insured mortgage now can apply the \$8,000 federal tax credit toward their down payments, the U.S. Dept. of Housing and Urban Development (HUD) recently announced.

Currently, borrowers applying for an FHA-insured mortgage are required to issue minimum down payments of 3.5 percent. Buyers still must issue the mandatory 3.5 percent down payment, but the tax credit now can be used as an additional down payment, or for other closing costs, which can help lower principal balances and monthly payments.

To read the full story, please click here:

http://money.cnn.com/2009/05/29/real_estate/tax_credit_as_downpayment/index.htm?postversion=2009060109

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Low mortgage rates are going, going...

To read the full story, please click here:

<http://online.wsj.com/article/SB124381108186970343.html>

Mortgage rates jump: lock in now, or wait?

To view the full story, please click here:

<http://moneyfeatures.blogs.money.cnn.com/2009/05/29/mortgage-rates-jump-lock-in-now-or-wait/>

Congress funds mortgage fraud crackdown

To view the full story, please click here:

http://www.latimes.com/classified/realestate/news/la-fi-harney31-2009may31_0,3019413.story

Mortgage delinquencies hit record in first quarter

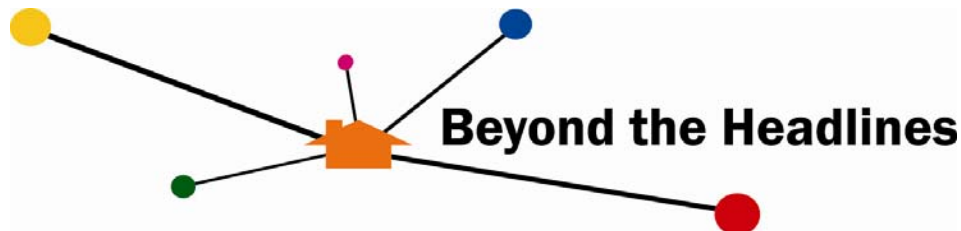
To view the full story, please click here:

http://www.latimes.com/business/la-fi-mortgage-delinquencies29-2009may29_0,260044.story

Why do borrowers default? Hint, it's not because of high mortgage payments

To view the full story, please click here:

<http://blogs.wsj.com/developments/2009/05/28/why-do-borrowers-default-hint-not-because-of-high-mortgage-payments/>



Wall Street Journal

Housing picture brightens in California

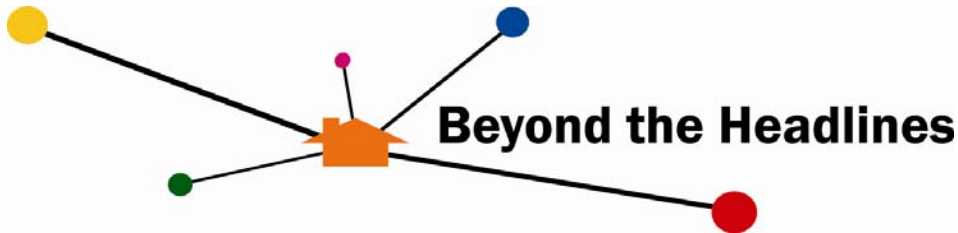
With the state's median price rising for the second consecutive month in April, and sales of existing, single-family homes remaining above the 500,000 level for the eighth month in a row, California is being closely watched as a barometer of the economy. Some economists believe these two factors indicate the state's median price could be at or near the bottom.

KEEP THIS IN MIND

- Sales of existing, single-family homes increased 49.2 percent in April in California compared with the same period a year ago, according to the CALIFORNIA ASSOCIATION OF REALTORS®' (C.A.R.) April sales and price report.
- As the level of unsold inventory declines, the state's median price will likely stabilize. Inventory levels for homes in the under \$500,000 segment shrank to nearly three months in April, compared with almost 10 months a year ago, while unsold inventory in the more than \$1 million segment rose to approximately 17 months, compared with roughly 10 months in April 2008.
- The median price of an existing, single-family detached home in California during April 2009 was \$256,700, an increase of 1.4 percent compared with the prior month, but a 36.5 percent decrease from the revised \$404,470 median of a year ago.
- Favorable home prices in many parts of the state have led to an increase in affordability for first-time buyers. In the first quarter of 2009, affordability rose to 69 percent, enabling many to take advantage of first-time buyer programs and near record-low interest rates.

To read the full story, please click here:

<http://online.wsj.com/article/SB124353047811163187.html>



In Other News...



Los Angeles Times

Pending home sales rise 6.7 percent in April

To read the full story, please click here:

http://www.latimes.com/business/la-fi-homes3-2009jun03_0,2759273.story



Press Enterprise

State foreclosure consultants face new rules

To read the full story, please click here:

http://www.pe.com/localnews/inland/stories/PE_News_Local_S_foreclosure02.4670170.html



Mercury News

Change in rules regarding home-buyer tax credit likely to spur housing market

To read the full story, please click here:

http://www.mercurynews.com/realestatenews/ci_12480568



Bloomberg

New-home sales in U.S. climbed 0.3% to 352,000 pace

To read the full story, please click here:

http://www.bloomberg.com/apps/news?pid=20601068&sid=a_syIHolWEnY&refer=home



San Diego Union-Tribune

Construction spending posts surprising gain

To read the full story, please click here:

<http://www3.signonsandiego.com/stories/2009/jun/01/us-construction-spending-060109/?business&zIndex=109014>