

#### C.A.R. Mortgage Update

This week's *C.A.R. Mortgage Update* contains information about finding a home loan, reverse mortgages, FHA loans, and current mortgage rates.

#### **Best way to find a home loan**

During the height of the real estate market, most borrowers who applied for a mortgage received one. However, in today's lending environment, consumers should be more cautious about where they apply for a loan and from which Web sites they receive quotes.

Borrowers should be cautious about sites that request a Social Security number and address upfront. The site may pull the consumer's credit report, which could have a negative impact on their FICO score should they not apply for the mortgage.

It's also important that consumers ensure that all fees are clearly disclosed on a site's rate quote. Otherwise they may be surprised when receiving the paperwork from the lender.

Borrowers who are unsure of which type of mortgage is best for them and their situation should contact a mortgage broker. Those in the market for a jumbo loan or financing an investment property may best be served by working with an experienced broker.

To read the full story, please click here:

[http://money.cnn.com/2009/06/29/real\\_estate/home\\_mortgages.moneymag/index.htm?postversion=2009062903](http://money.cnn.com/2009/06/29/real_estate/home_mortgages.moneymag/index.htm?postversion=2009062903)

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#### **Reverse mortgages for home purchases**

To read the full story, please click here:

<http://www.nytimes.com/2009/06/28/realestate/28mort.html?ref=realestate>

#### **F.H.A. loans help sales**

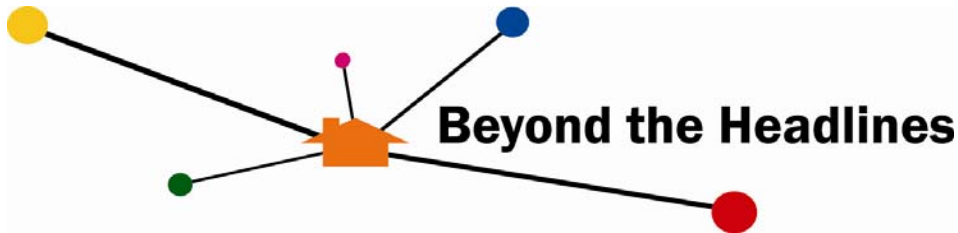
To read the full story, please click here:

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#### **U.S. mortgage rates drop to 5.32%, Freddie Mac says**

To read the full story, please click here:

<http://www.bloomberg.com/apps/news?pid=20601213&sid=a5WJtkeFK5yU>



CNN

### **Searching for a bottom in the housing market**

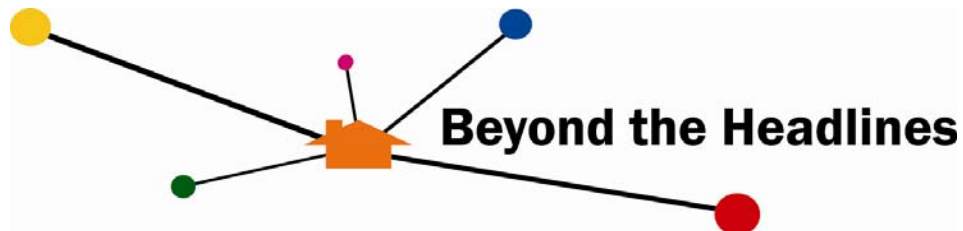
With consumer confidence rising in May to its highest level in eight months, housing starts increasing more than 17 percent in May compared with the previous month, and sales of existing homes climbing 2.9 percent in April nationwide, it appears that the housing market may be stabilizing.

#### **KEEP THIS IN MIND**

- Although sales of existing, single-family homes rose 35.2 percent in May in California, compared with a year ago, the median price declined 30.4 percent. Some industry analysts predict that as specialized adjustable-rate mortgages, known as option ARMS and Alt-A mortgages, reset over the next 18 to 24 months, prices could decline further before stabilizing.
- “We are seeing strong buying activity, particularly in those boom and bust markets, where prices have declined significantly. Buyers are coming in and fighting over properties – there is multiple bidding in California and Florida,” says Lawrence Yun, chief economist with the NATIONAL ASSOCIATION OF REALTORS®.
- Sales of existing homes are soaring as many investors and first-time buyers purchase distressed properties. Yun estimates that about 50 percent of current sales involve distressed properties, and he expects the trend to continue as foreclosures rise in the months ahead.
- Although some economists predict home prices will continue to decline in the coming months, California’s median home price rose for the third consecutive month in May, posting the largest monthly increase on record for the month of May.
- Some buyers are trying to time the bottom of the market and purchase once it appears that prices are consistently and steadily rising. Many housing forecasters advise against this approach as buyers should not view their homes solely as investment opportunities. Historically, the average annual rate of return on a home lived in for five years or more is nearly 12 percent, based on data C.A.R. has collected over the last 40 years.

To read the full story, please click here:

[http://money.cnn.com/2009/06/18/real\\_estate/housing\\_market\\_bottom.fortune/index.htm?postversion=2009061904](http://money.cnn.com/2009/06/18/real_estate/housing_market_bottom.fortune/index.htm?postversion=2009061904)



## In Other News...



The Wall Street Journal

### **McMansions out of favor, for now**

To read the full story, please click here:

<http://online.wsj.com/article/SB124630276617469437.html>



The Los Angeles Times

### **Home prices post 18.1% annual drop, but market appears to be stabilizing**

To read the full story, please click here:

[http://www.latimes.com/business/la-fi-homes1-2009jul01\\_0,793187.story](http://www.latimes.com/business/la-fi-homes1-2009jul01_0,793187.story)

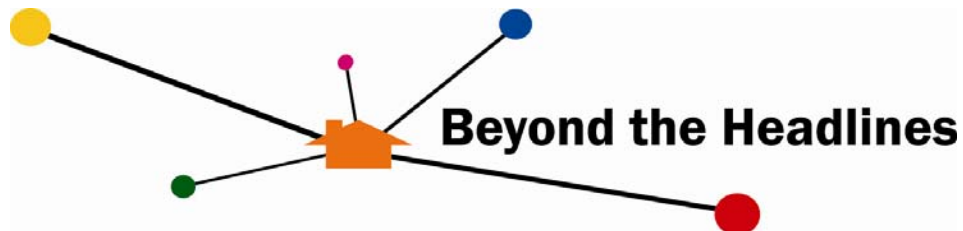


The Mercury News

### **Not paying the mortgage, yet stuck with the keys**

To read the full story, please click here:

[http://www.mercurynews.com/realestatenews/ci\\_12682822](http://www.mercurynews.com/realestatenews/ci_12682822)



The Los Angeles Times

### **No end to foreclosures is in sight**

To read the full story, please click here:

<http://www.latimes.com/classified/realestate/news/la-fi-blog28-2009jun28.0.2866475.story>



The Wall Street Journal

### **Unemployment vexes foreclosure plan**

To read the full story, please click here:

<http://online.wsj.com/article/SB124597797525957807.html>



Reuters

### **U.S. pending home sales rise 0.1 percent in May**

To read the full story, please click here:

<http://www.reuters.com/article/ousiv/idUSTRE56038Q20090701>