

C.A.R. Mortgage Update

This week's *C.A.R. Mortgage Update* contains information about securing a jumbo loan, mortgage scammers, and expanded eligibility for the Obama administration's refinance program.

Securing a jumbo: No small task

Qualifying for a jumbo loan—those with loan amounts higher than the conventional conforming loan limit of \$729,750 in high-cost areas—is more difficult than it was a few years ago.

While rates on jumbo mortgage historically have been higher than rates on conforming loans, jumbo loans still are available, but often come with stringent underwriting requirements. Prior to the credit freeze, borrowers of jumbo mortgages could qualify for loans with a 5 percent down payment, credit scores of 620 and enough money in the bank to cover two months of payments. Now, borrowers typically must have six months' reserves, a 700 credit score, and a down payment of at least 20 percent.

To read the full story, please click here:

http://www.nytimes.com/2009/07/05/realestate/05mort.html?_r=1&ref=realestate

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In California, mortgage scammers find easy pickings

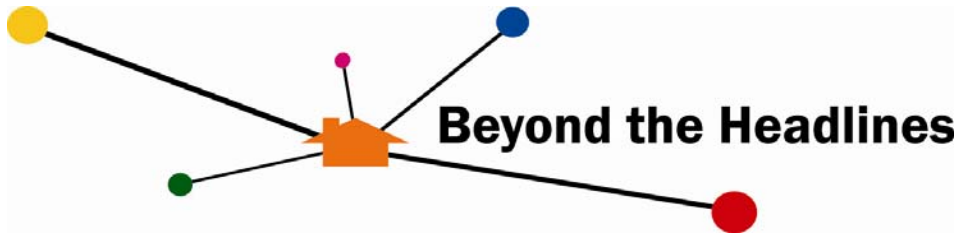
To read the full story, please click here:

<http://www.latimes.com/business/la-me-mortgage-fraud6-2009jul06,0,1643135.story>

Eligibility for home refinance program is expanded

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-refi2-2009jul02,0,5925640.story>



Sacramento Bee

Falling prices, low rates prod California homebuyers

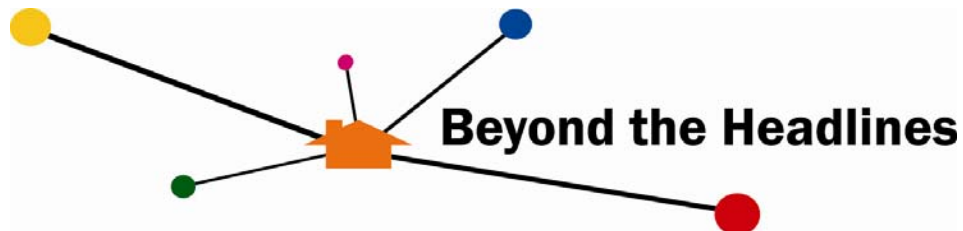
Favorable home prices, record-low interest rates, and the belief that rates will rise in the near future were the primary motivators leading home buyers to purchase, according to the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) "2009 Survey of California Home Buyers".

KEEP THIS IN MIND

- Sixty-eight percent of buyers said price decreases motivated them to buy a home, while 39 percent reported low interest rates helped them move to a better location. Twenty-three percent claimed the likelihood that rates will move up as the motivating factor.
- Housing affordability has improved dramatically in response to the decline in home prices along with historically low mortgage rates, creating a tremendous opportunity for home buyers in California. Home sales in California rebounded in 2008 and early 2009, reflecting the combination of favorable prices, low mortgage rates, and home buyer tax credits, fueled primarily by sales of distressed properties that accounted for more than half of the state's transactions.
- Forty-nine percent of all buyers purchased a home through a traditional market sale, while 38 percent purchased a REO/bank-owned property, according to the survey. Reflecting the difficulty in closing short sales--properties selling for less than the loan amount--only 13 percent of buyers purchased a short-sale property.
- Home buyers who purchased a REO or bank-owned property experienced the highest level of difficulty in obtaining financing, compared with a more traditional transaction. They rated the level of difficulty as 8.9 (on a scale of 1 to 10 with 10 representing the greatest level of difficulty in obtaining financing) compared with a 7.7 for home buyers with a traditional market sale and 7.6 for short-sale home buyers.

To read the full story, please click here:

<http://www.sacbee.com/topstories/story/2008114.html>



In Other News...



MSNBC.com

Luxury home market hit hard by slump

To read the full story, please click here:

http://www.msnbc.msn.com/id/31782625/ns/business-real_estate/



Los Angeles Times

Scam artists pay with fraudulent Treasury “promissory” notes

To read the full story, please click here:

<http://www.latimes.com/classified/realestate/news/la-fi-lew5-2009jul05.0.1548871.story>



San Diego Union-Tribune

City under gun to ease blight fight

To read the full story, please click here:

<http://www3.signonsandiego.com/stories/2009/jul/07/city-under-gun-ease-blight-fight/?metro&zIndex=127828>



The Chicago Tribune

Home foreclosures expected to surge in coming months

To read the full story, please click here:

<http://www.chicagotribune.com/business/chi-mon-foreclosures-0706-jul06.0.145094.story>

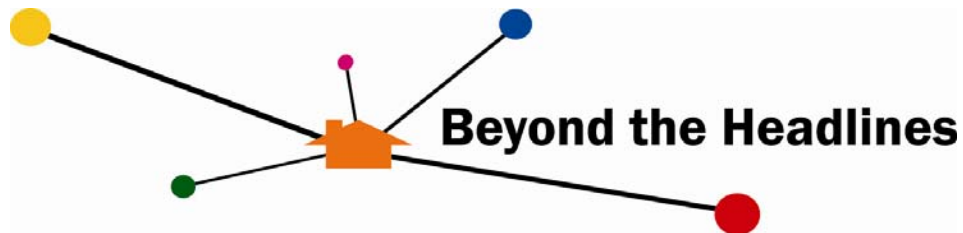


Los Angeles Times

Delinquencies on home-equity loans hit record

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-delinquencies8-2009jul08.0.7889773.story>



What you should know about the market...

- The combination of a deep recession and widespread law-enforcement funding cuts could result in a spike in home invasions and burglaries this summer. Generally, burglars target upscale homes, those off the beaten path, and in or near a city. Installing an alarm system is likely to deter burglars and could be a homeowner's best defense, according to a professor at Temple University who studies security and policing.
- A top-of-the-line system that includes a detector on every door and two on every window can cost thousands, but unless the home contains extremely valuable items, a top-shelf system isn't necessary. Most homeowners can opt for a basic package that secures all exterior doors and includes a handful of well-placed motion detectors, according to the executive director of the Security Industry Alarm Coalition, a trade association dedicated to reducing false alarms.
- Alarm installers will drill holes in walls and woodwork—and will know how to bypass the security system—so it's essential that homeowners vet potential companies for honesty and skill. Collecting referrals from friends, neighbors, and trusted tradesmen, and verifying that the companies are members of the National Burglar and Fire Alarm Association, can help minimize risk.