

C.A.R. Mortgage Update

This week's *C.A.R. Mortgage Update* contains information about FHA mortgages, mortgage rates, jumbo loans, foreclosure scams, and mortgage modifications.

The appeal of 3.5% Down: FHA mortgages increase in popularity

A recent survey by Zillow.com found that more than one-third of buyers do not plan to make down payments larger than 10 percent, while nearly one-fifth do not plan to issue a down payment. Since loans insured by the Federal Housing Administration (FHA) only require a 3.5 percent down payment, these loans have risen in popularity among buyers.

Last month, the share of applications for government-insured mortgages rose to its highest level since November 1990, accounting for nearly 36 percent of all mortgage applications, according to the Mortgage Bankers Association. In 2005, the share of government-insured mortgages stood at less than 6 percent.

To read the full story, please click here:

<http://blogs.wsj.com/developments/2009/07/10/the-appeal-of-35-down-fha-mortgages-increase-in-popularity/>

To view additional articles, please visit the following:

Mortgage rates drop for third week; 30-year at 5.14%

To read the full story, please click here:

http://www.usatoday.com/money/economy/housing/2009-07-16-mortgage-rates_N.htm

Upscale home sales lag as jumbo loans are hard to get

To read the full story, please click here:

http://www.usatoday.com/money/economy/housing/2009-07-14-sales-jumbo-loans_N.htm

Foreclosure scams targeted in U.S., state and local crackdown

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-foreclosure-scams16-2009jul16,0,1422452.story>

Mortgage firms prodded to modify more loans

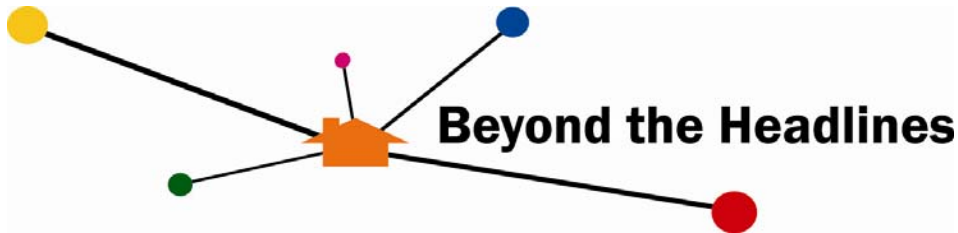
To read the full story, please click here:

<http://online.wsj.com/article/SB124718320592520315.html>

Loan modification efforts helping few troubled homeowners

To read the full story, please click here:

http://www.mercurynews.com/realestatenews/ci_12789161



CNN

How to find your best place to live

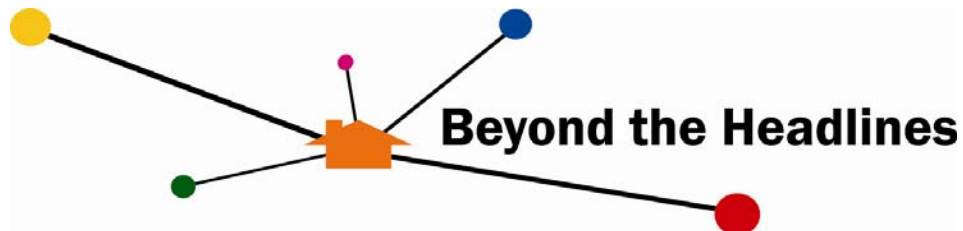
The current economic situation has brought out many home buyers and also has caused some to relocate for new jobs. Finding the right home and one that has the best chance of holding or increasing in value can be challenging; however, real estate experts say that areas where homes retain their values best in tough times tend to have certain factors in common.

KEEP THIS IN MIND

- Since real estate markets are local and vary neighborhood to neighborhood, home buyers should work with REALTORS® who are familiar with the areas in which the buyers are interested. REALTORS® can help narrow down the number of properties to those that meet the buyers' requirements.
- During the height of the market, many home buyers only could afford to purchase in the exurbs. However, long commutes and high gas bills also can take their toll on homeowners. According to Ken Shuman at Trulia.com, homes more than 40 miles outside city centers generally have declined in value the most. For example, Shuman says that homes in Antioch (45 miles from San Francisco) lost 37 percent of their value in the past 12 months, while those in Walnut Creek (25 miles away) declined 18 percent.
- Towns where zoning regulations make it more difficult to build have experienced smaller price declines than towns that experienced huge building booms in recent years. "Prices are more likely to go higher if you can't expand supply," says Daniel McCue, research analyst at the Harvard University Joint Center for Housing Studies. Towns nestled against barriers such as large lakes or protected wetlands also usually limit expansion.
- Buyers can call the town or county planning office and ask how many acres of vacant land are in town, how much of it is zoned for residences, and the maximum number of homes that can be built. Requesting a copy of the town's master plan also should tell buyers how much the housing stock is set to expand in the next 10 years.
- Homes in towns with stores, banks, and movie theaters are more likely to hold value than those that are nearly all residential, as people like to live near these services and jobs, and provide the town a stronger tax base to fund public service items, such as police.

To read the full story, please click here:

http://money.cnn.com/magazines/moneymag/moneymag_archive/2009/08/01/105837635/index.htm?postversion=200907151



In Other News...



The New York Times

Home sweet tax credit

To read the full story, please click here:

<http://www.nytimes.com/2009/07/12/realestate/12wczo.html?ref=realestate>



San Francisco Chronicle

Poll: Would-be homebuyers cautious as layoffs rise

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2009/07/08/financial/f210155D45.DTL&type=realestat>



Chicago Tribune

Homebuilder sentiment index jumps 2 points in July as builders benefit from low rates

To read the full story, please click here:

<http://www.chicagotribune.com/business/nationworld/wire/sns-ap-us-builder-sentiment.0.798519.story>



The Press Enterprise

Defaults still vexing Inland Area

To read the full story, please click here:

http://www.pe.com/business/realestate/stories/PE_News_Local_S_foreclosures16.410e5cd.html

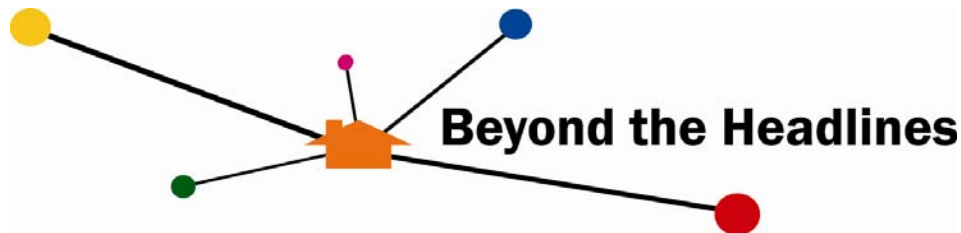


CNNMoney

1.5 million homes in foreclosure in '09

To read the full story, please click here:

http://money.cnn.com/2009/07/16/real_estate/RealtyTrac_foreclosure_report/index.htm?postversion=2009071609



San Jose Mercury News

Foreclosures in Silicon Valley continue to climb

To read the full story, please click here:

http://www.mercurynews.com/business/ci_12834550



The Wall Street Journal

Home prices play big role in Americans' decision to move

To read the full story, please click here:

<http://blogs.wsj.com/economics/2009/07/14/home-prices-play-big-role-in-americans-decision-to-move/>



The Los Angeles Times

Many underwater homeowners are deliberately walking away from mortgages

To read the full story, please click here:

<http://www.latimes.com/classified/realestate/news/la-fi-harney12-2009jul12,0,3674775.story>



Bloomberg

U.S. economy: Consumer sentiment falls on job losses

To read the full story, please click here:

<http://www.bloomberg.com/apps/news?pid=20601087&sid=aV3i4MNlohs>

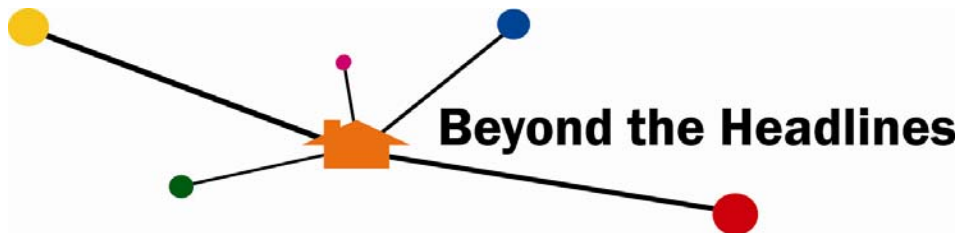


BusinessWeek

Southern California Homes Sales Rise Again

To read the full story, please click here:

http://www.businessweek.com/the_thread/hotproperty/archives/2009/07/southern_califo_2.html



What you should know about the market

- The U.S. Dept. of Housing and Urban Development (HUD) offers an online guide to preventing foreclosure. The guide provides consumers with information such as how to contact a housing counselor; when and how to talk to their lender; how to find foreclosure resources; tips on avoiding foreclosure and foreclosure scams, as well as information for consumers who cannot keep their home. The guide to preventing foreclosure can be accessed by visiting <http://www.hud.gov/foreclosure/>.
- As credit underwriting guidelines tighten and down payment requirements increase, some home buyers – especially first-time home buyers – are finding it more difficult to qualify for a mortgage loan offered by a traditional financial institution. One viable option for some first-time home buyers, or those with challenged credit, is to apply for a home loan with the Federal Housing Administration (FHA). These loans are mortgages issued by a private lender but insured by the FHA. They often require smaller down payments and offer fixed-rate or adjustable-rate loans. However, not all home buyers will qualify. The FHA requires verification of income and assets along with a full home appraisal. While consumers with credit scores as low as 580 may qualify, home buyers should contact an FHA lender for an accurate assessment of their situation and ability to qualify.