

C.A.R. Mortgage Update

This week's *C.A.R. Mortgage Update* contains information about dealing with loan servicers and current mortgage rates.

Tips for borrowers dealing with loan servicers

Many homeowners have experienced difficulties and frustration getting through to their loan servicer when trying to obtain a loan modification. To help alleviate some of the stress associated with this task, an attorney with the National Consumer Law Center in Boston is offering the following tips:

- Consumers should keep detailed written records of every contact they have with their servicer, including logs of phone calls and copies of written correspondence.
- If the servicer makes a promise, such as crediting a payment, modifying the loan, or stopping a foreclosure sale, for example, the homeowner must get it in writing.
- When seeking a loan modification, consumers should send a request in writing asking the servicer who owns the mortgage loan. Some banks and investors have policies on which loans they will modify.
- Consumers should beware of servicers advising them to stop making payments because they have applied for a loan modification. Instead, homeowners should continue making payments for as long as possible, even if they cannot make the payment in full. Otherwise, the loan will accrue more interest, and will cost more in the long run.
- Borrowers who feel they cannot resolve their problem or those who think their servicer may be violating their rights are advised to contact a non-profit housing counselor or seek legal help. Housing counselors can help negotiate a loan modification for free.
- Consumers can visit the Treasury's homeowners Web site www.makinghomeaffordable.gov to find out if they qualify for a loan modification under the Obama administration's program Making Home Affordable.

To read the full story, please click here:

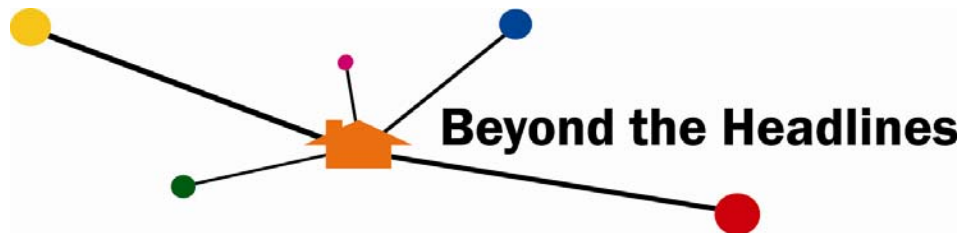
<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2009/08/05/financial/f120204D63.DTL&type=realestate>

To view additional articles, please visit the following:

U.S. mortgage rates rise in latest week -Freddie Mac

To read the full story, please click here:

<http://www.reuters.com/article/rbssFinancialServicesAndRealEstateNews/idUSN1323518420090813>



CNN Money

Buy foreclosures now –before it's too late

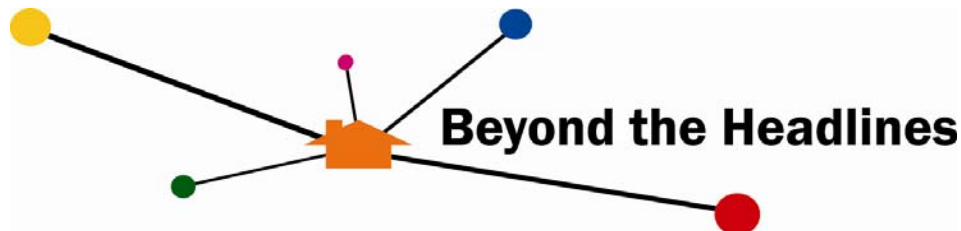
Buyers in many areas are finding that real-estate owned (REO) properties—homes that have been repossessed by lenders and put back on the market—often are selling in one day, sometimes faster. According to the founder of Foreclosure.com, offers on REOs are coming in immediately after the listing comes on the market, and some homes have been put into contract in less than 90 minutes.

KEEP THIS IN MIND

- On average, inventories of California homes priced less than \$300,000—the most-popular price point for foreclosure buyers—have shrunk from a nearly 10-month supply a year ago, to less than a three and a half-month supply in July, according to the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.)
- Because inventory levels of homes priced in the lower end of the market are low, some buyers are finding that sellers are not willing to negotiate on the price. In many instances, sellers expect the first offer to be the best and highest possible for the buyer.
- Instead of holding onto REOs for the best prices—and paying the property taxes and maintenance and heating costs—many banks are selling the homes as quickly as possible, according to Foreclosure.com. “In this market, if they can liquidate them fast, it makes more sense to get them off the books,” said the company’s founder.
- Despite efforts by lenders and the government to prevent foreclosures, many economists and housing analysts predict there will be another wave of foreclosures by year’s end, and many of those properties will be offered for sale. According to the U.S. Comptroller of the Currency, 53 percent of loans that were modified in the first half of 2008 fell back into arrears.

To read the full story, please click here:

http://money.cnn.com/2009/08/05/real_estate/buy_foreclosures_now/index.htm?postversion=2009080609



In Other News...



Mercury News

Silicon Valley real estate: The bidding war is back

The affordable end of Silicon Valley's housing market has taken off, with homes attracting dozens of bids in a repeat of the overheated days of the dot-com boom and the housing bubble.

To read the full story, please click here:

http://www.mercurynews.com/realestatenews/ci_13028660



San Francisco Chronicle

More households on verge of foreclosure in July

The number of U.S. households on the verge of losing their homes rose 7 percent from June to July, as the escalating foreclosure crisis continued to outpace government efforts to limit the damage.

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/08/13/BUSP197N26.DTL&type=business>



Fresno Bee

Affordable housing in Valley gets a boost

For the second time in a month, the federal government has issued stimulus money to jump-start two affordable-housing developments in the central San Joaquin Valley.

To read the full story, please click here:

http://www.fresnobee.com/real_estate/story/1583717.html



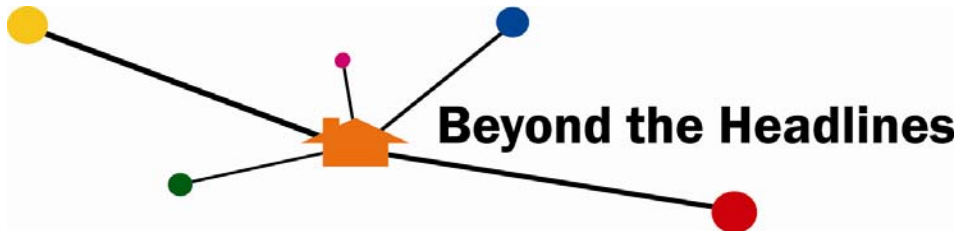
Bloomberg

Homebuilders eliminate frills as first-time buyers drive sales

Frugal first-time buyers are driving the new-home market with purchases of low-priced houses with no frills. Sales of new homes costing less than \$200,000 jumped to 47 percent of all transactions in June, up from 39 percent in May, U.S. Commerce Dept. data show.

To read the full story, please click here:

<http://www.bloomberg.com/apps/news?pid=20601109&sid=akCaYx29Brl8>



Los Angeles Times

Lenders hesitating to repossess California homes

The backlog of California homes in default, but not yet repossessed, keeps growing. At some point, many of these properties will be repossessed and put back on the market.

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-foreclose12-2009aug12,0,4827812.story>



CNN Money

Home prices fall a record 15.6%

Median home prices fell a record 15.6 percent during the three months that ended June 30, compared with the same period in 2008, according to an industry report.

To read the full story, please click here:

http://money.cnn.com/2009/08/12/real_estate/record_home_price_fall/index.htm?postversion=2009081211



San Francisco Chronicle

Don't claim tax credit if you don't qualify

The IRS has an urgent message for would-be home purchasers: Make the most of the \$8,000 first-time buyer tax credit before it disappears Dec. 1 – if you qualify.

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/08/09/REAL19396J.DTL&type=realestate>



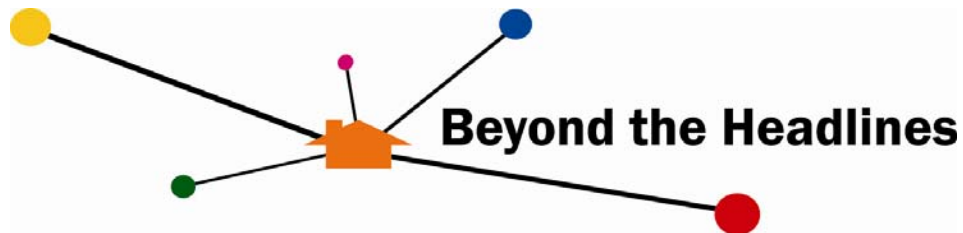
CNN Money

The incredible shrinking home

For the first time in almost 15 years, the size of new homes built in the United States is shrinking.

To read the full story, please click here:

http://money.cnn.com/2009/08/07/real_estate/shrinking_home/index.htm



What you should know about the market...

- According to Lawrence Berkeley National Laboratory, the typical American home has 40 products continuously drawing power, and those products—when not in use—represent 10 percent of residential energy consumption. To lower costs and reduce greenhouse-gas emissions, energy experts say people should buy new appliances, specifically Energy Star-labeled models, and unplug appliances when not in use.
- Homeowners trying to sell or refinance their properties will need to get a home appraisal. While appraisers do not add extra value for a clean house, the appearance of the home nevertheless does have some influence on the final number, according to a fellow at the American Society of Appraisers. Consumers should prepare for a home evaluation the same way they would for an open house. At a minimum, they should mow the yard, shine the windows, tidy the closets, and pick up stray clutter from the floors. “The job of the appraiser is to look at the house through a buyer’s eyes,” says Leslie Sellers, president-elect of the Appraisal Institute.