

C.A.R. Mortgage Update

### **Help from Fannie and Freddie for foreclosed homes**

Fannie Mae and Freddie Mac are offering financing incentives for buyers of foreclosed homes owned by Fannie and Freddie. Home buyers have until Oct. 30 to apply for Freddie Mac's SmartBuy program, which started in July, and offers up to 3.5 percent of a home's sale price to help cover closing costs.

To qualify, the home must be a principal residence and must be selected from Freddie Mac's HomeSteps Web site ([www.homesteps.com/homeshoppers.htm](http://www.homesteps.com/homeshoppers.htm)) for its foreclosed properties. Loans must close by year's end. The HomeSteps properties also include two-year warranties on major appliances and electrical, plumbing, and air-conditioning and heating systems.

Fannie Mae's HomePath program ([www.homepath.com](http://www.homepath.com)) is an ongoing program and offers more incentives than Freddie Mac's. Through participating lenders, Fannie will offer mortgages to buyers who make a down payment of 3 percent. The buyers do not have to secure private mortgage insurance, a common practice with nearly all lenders. Home buyers also can negotiate for Fannie Mae to offer closing-cost assistance. Unlike Freddie Mac's program, Fannie's assistance level is not capped. Under the HomePath program, the average participating homeowner has received payments equivalent to 3.75 percent of the loan's value.

To read the full story, please click here:

[http://www.nytimes.com/2009/10/11/realestate/11mort.html?\\_r=1&ref=realestate](http://www.nytimes.com/2009/10/11/realestate/11mort.html?_r=1&ref=realestate)

To view additional articles about new home loans, loan modifications, or mortgage refinances, please visit the following:

### **Refinancing wave skips Inland region**

To read the full story, please click here:

[http://www.pe.com/business/local/stories/PE\\_Biz\\_S\\_mortgages10.390c564.html](http://www.pe.com/business/local/stories/PE_Biz_S_mortgages10.390c564.html)

### **Schwarzenegger signs seven mortgage laws**

To read the full story, please click here:

[http://www.latimes.com/business/la-fi-mortgage13-2009oct13\\_0.6365006.story](http://www.latimes.com/business/la-fi-mortgage13-2009oct13_0.6365006.story)

### **FHA head rejects calls for higher down payments**

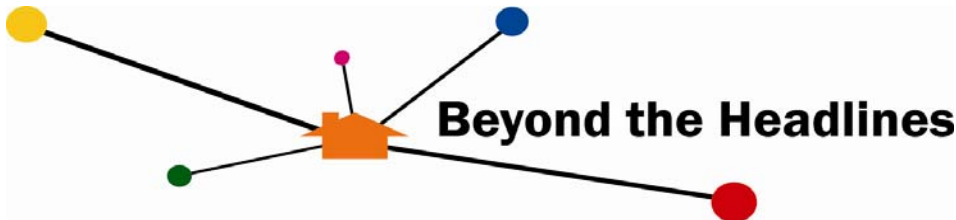
To read the full story, please click here:

<http://blogs.wsj.com/developments/2009/10/13/fha-head-rejects-calls-for-higher-down-payments/>

### **Rates on 30-year loans inch up, to 4.92 percent**

To read the full story, please click here:

<http://www.sacbee.com/business/nation/story/2255906.html>



Los Angeles Times

### **Start repairing bad credit rating now**

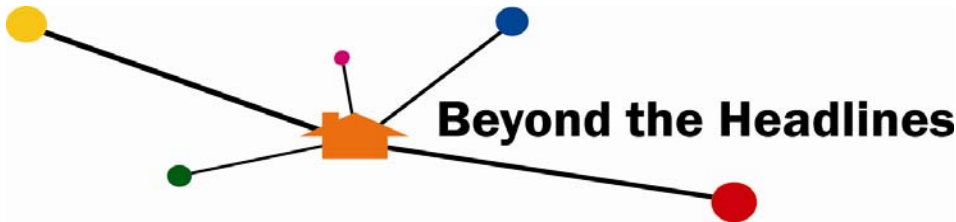
Homeowners who have lost their homes to foreclosures or through short sales may be able to buy another home in as little as two years by taking immediate steps to rebuild their credit.

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

- Consumers who have had their homes foreclosed upon or sold via a short sale, where the lender agrees that the owner can sell the home for less than is owed on the mortgage, are advised to review their credit report as soon as possible for accuracy. Web sites such as [annualcreditreport.com](http://annualcreditreport.com) offer free reports, but not free credit scores.
- The first step in reviewing a credit report is to make certain that the information in the file is about the correct individual, and not someone with a similar name or similar Social Security number. Credit reports also should be reviewed for incorrect items, such as credit cards that were never opened or payments made that were never reported.
- Homeowners who have sold their home via a short sale should review their credit report to ensure the account reflects a zero balance rather than the difference between the outstanding balance and the sales price. Consumers should not assume that a short sale carries no further obligations. Some lenders are filing deficiency judgments, while others are selling the debts to investors who then contact borrowers for repayment.
- Staying current on credit card payments, applying for secured credit cards, and taking out and paying on small loans also can help to reestablish credit.

To read the full story, please click here:

<http://www.latimes.com/classified/realestate/news/la-fi-lew11-2009oct11,0,648573.story>



## In Other News...



Los Angeles Times

### **Housing upturn occurring in some parts of Southern California, data show**

Southern California's housing market took another small step toward recovery in September as the median sales price for homes in some areas rose above last year's levels---the first such increase since the market crashed.

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-home-sales14-2009oct14,0,3912609.story>



The Wall Street Journal

### **Home builders curtail freebies**

Home builders are scaling back on the incentives offered to attract buyers, putting an end to such freebies as sports cars and tropical vacations.

To read the full story, please click here:

<http://online.wsj.com/article/SB125470256909163111.html>



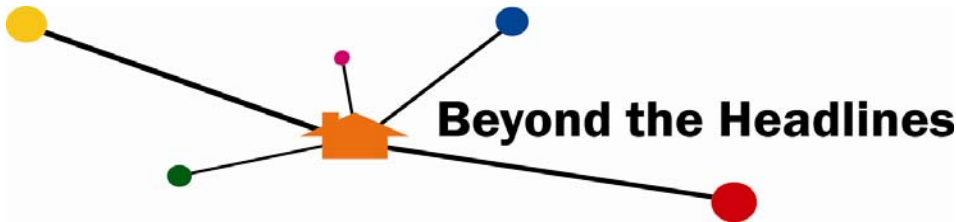
CNN Money

### **Push on to expand \$8,000 tax credit**

Congress is considering proposals to greatly expand a soon-to-expire \$8,000 tax credit for first-time home buyers—potentially applying it to all but the wealthiest home buyers.

To read the full story, please click here:

[http://money.cnn.com/2009/10/14/news/economy/home\\_buyer\\_tax\\_credit\\_extension/index.htm?postversion=2009101411](http://money.cnn.com/2009/10/14/news/economy/home_buyer_tax_credit_extension/index.htm?postversion=2009101411)



Los Angeles Times

### **Mortgage professionals expect home foreclosures to keep rising**

Despite sub-5 percent mortgage rates and signs that home prices have bottomed out in some places, executives and economists are decidedly downbeat about the future of the country's mortgage industry as well as the housing market it depends on.

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-mortgage14-2009oct14,0,7151440.story>



Press Enterprise

### **Senior housing communities thrive**

Since 2005, sales in Inland age-restricted communities have plunged by half but they are still stronger than in other new home developments, according to Hanley Wood Market Intelligence, a real estate research firm based in Costa Mesa.

To read the full story, please click here:

[http://www.pe.com/business/local/stories/PE\\_Biz\\_S\\_seniorhsing2-08.390c845.html](http://www.pe.com/business/local/stories/PE_Biz_S_seniorhsing2-08.390c845.html)



Los Angeles Times

### **Home buyers should pay attention to IRS Form 4506-T**

You might assume it's just another boring-looking piece of the paper blitz you're hit with when you apply for a home loan. But given IRS Form 4506-T's new prominence in the fraud-shocked mortgage markets, it's much more than just another document to sign.

To read the full story, please click here:

<http://www.latimes.com/classified/realestate/news/la-fi-harney11-2009oct11,0,1381008.story>



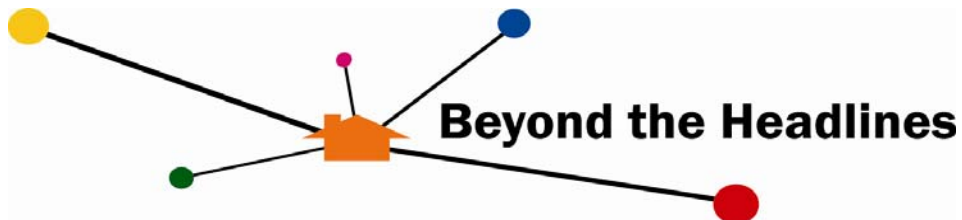
Los Angeles Times

### **Survey: Economists say recession is over, predict moderate, slow-paced recovery**

More than 80 percent of economists believe the recession is over and an expansion has begun, but they expect the recovery will be slow as worries over unemployment and high federal debt persist.

To read the full story, please click here:

<http://www.latimes.com/business/nationworld/wire/sns-ap-us-economic-recovery,0,2413922.story>



### What you should know about the market...

- The federal government is offering some financial incentives in the form of a tax credit to homeowners making home improvements. The credits can be claimed on income taxes for the year in which the improvements were purchased—either 2009 or 2010. With a tax credit, the amount is deducted from the taxes owed.
- Upgrades such as insulation, windows, doors, roofing, heating and air-conditioning systems, and water heaters qualify for a federal tax credit of 30 percent of the purchase price of the product, up to \$1,500. More-costly improvements, including solar water heaters, solar panels, small wind-energy systems, and geo-thermal heat pumps, offer a credit of 30 percent of the purchase price, but with no cap.
- Details on which products qualify can be found on the Environmental Protection Agency's Energy Star program Web site at <http://www.energystar.gov/>.