

C.A.R. Mortgage Update

#### **Q&A: How to rent your home from Fannie Mae**

Fannie Mae last week announced a new Deed for Lease™ program. The new program allows borrowers to voluntarily transfer their property back to the lender and then lease back the house at market rate. The lease period is for up to 12 months, with month-to-month contract extensions after that period. The program is designed for borrowers who do not qualify for or have not been able to obtain other loan-workout solutions, such as loan modifications.

To participate in the program, borrowers must live in the home as their primary residence and must be released from any subordinate liens on the property. Tenants of borrowers in this circumstance also may be eligible for leases under the program. Borrowers or tenants interested in a lease must be able to document that the new market rental rate is no more than 31 percent of their gross income.

Homeowners thinking of participating in the Deed for Lease™ program should visit Fannie Mae's loan lookup Web site at <http://loanlookup.fanniemae.com/loanlookup/> to see whether their loan is owned or guaranteed by Fannie. Mortgages backed by the Federal Housing Administration and other government agencies are not eligible for the Deed for Lease™ program.

To read the full story, please click here:

<http://blogs.wsj.com/developments/2009/11/06/qa-how-to-rent-your-home-from-fannie-mae/>

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

#### **Housing plan reaches 1 in 5 borrowers**

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2009/11/10/financial/f032154S12.DTL&tsp=1>

#### **Fewer banks tightened lending standards last quarter, Federal Reserve says**

To read the full story, please click here:

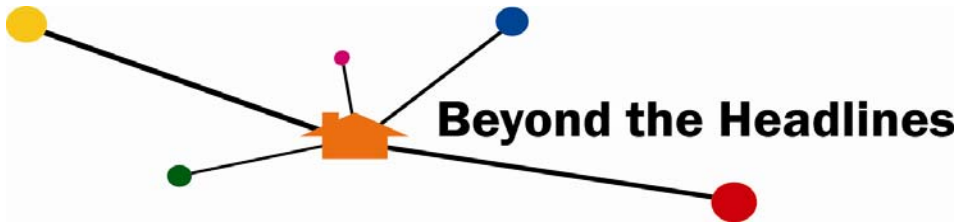
<http://www.latimes.com/business/la-fi-fed-loans10-2009nov10.0.7041056.story>

#### **Rates on 30-year loans remain below 5 percent**

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2009/11/12/financial/f083015S90.DTL&type=business>

\*Editor's note: Last week's issue of *Market Matters* included the article "Thinking of halting payments on house," derived from a news story in the *Modesto Bee*. The news story and the summary in *Market Matters* contained foreclosure information not relevant to California. We regret the error, and have posted a revised version of last week's *Market Matters* online at <http://www.car.org/newsstand/marketmatters/archive/>.



New York Times

### **Getting serious about your house and the market**

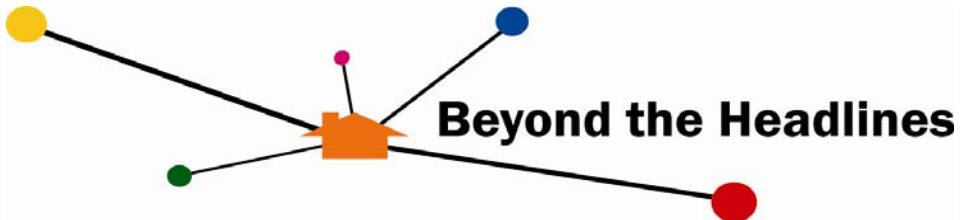
It often is difficult for homeowners to objectively value their homes, which often reflects their sense of personal style. However, by consulting with a REALTOR<sup>®</sup>, using online resources, investigating neighborhood trends, and soliciting the opinion of friends, homeowners can arrive at a reasonably accurate appraisal.

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

- REALTORS<sup>®</sup> and real estate appraisers are the best sources of information on current market conditions. Consumers should begin the home valuation process by consulting with their REALTOR<sup>®</sup> or a local real estate appraiser. REALTORS<sup>®</sup> can provide homeowners with a list of homes that recently have sold in the area, and use that data to help determine the most accurate and competitive price for the home.
- Homeowners also can contact their local tax assessor's or county clerk's office, many of which post real estate transactions on their Web site. The records will indicate what properties have recently sold in the neighborhood and the respective sales prices. Consumers should look for homes that have sold within the last six months for a more accurate picture of current market conditions.
- Online sites such as Zillow.com and trulia.com also provide free online home value estimators. Consumers should be aware though that these sites derive some of their information from public records, including tax appraisals, and are subject to error.
- Some real estate experts recommend homeowners attend nearby open houses to see how their homes compare in size and amenities. Consumers also can consult the Marshall & Swift Residential Cost Handbook, which professional appraisers use to assess the value of features such as fireplaces, three-car garages, and the like. The handbook costs \$300 and is available in some business school libraries. An online site, swiftestimator.com, enables homeowners to conduct an item-by-item calculation of the value of the home. Online sites and books only should be used as guidelines though, and homeowners are advised to contact a real estate professional to help determine the current value of their home.

To read the full story, please click here:

[http://www.nytimes.com/2009/11/05/garden/05appraisal.html?\\_r=1&ref=realestate](http://www.nytimes.com/2009/11/05/garden/05appraisal.html?_r=1&ref=realestate)



## In Other News...



CNN Money

### **There are still too many houses**

The lights are on in the housing market. But at more and more places, nobody's home.

To read the full story, please click here:

<http://money.cnn.com/2009/11/10/news/economy/too.many.houses.fortune/index.htm>



Los Angeles Times

### **New HUD rules aim to get rid of closing cost surprises**

Starting Jan. 1, loan charges and settlement fees will be spelled out on a revised version of the good-faith estimates form that borrowers are supposed to get after their mortgage applications.

To read the full story, please click here:

<http://www.latimes.com/classified/realestate/news/la-fi-harney8-2009nov08,0,1438554.story>



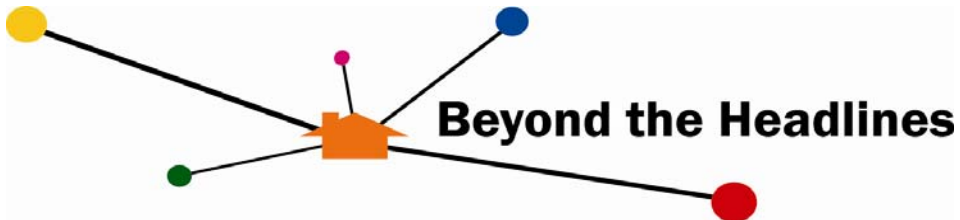
The Sacramento Bee

### **Workshops for Latino immigrants focus on preventing foreclosure**

A new pilot program aimed at preventing foreclosure among Latino immigrants launched this week in Sacramento, Stockton, and Modesto.

To read the full story, please click here:

<http://www.sacbee.com/business/story/2316053.html>



Reuters

**“Short sale” battles weigh on U.S. housing recovery**

Home equity lenders faced with losses from the U.S. property slump are holding out for more money in distressed sales, slowing transactions needed to support a recovery, real estate agents and analysts say.

To read the full story, please click here:

<http://www.reuters.com/article/ousivMolt/idUSTRE5A34AA20091104>



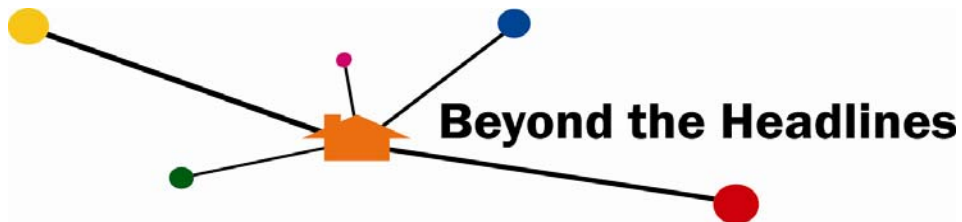
CNN Money

**Home prices may be bottoming out**

Most U.S. cities saw gains in the median price of single-family homes sold during the three months ended Sept. 30, according to the NATIONAL ASSOCIATION OF REALTORS<sup>®</sup> quarterly report on home prices. This is the second consecutive quarter of gains.

To read the full story, please click here:

[http://money.cnn.com/2009/11/10/real\\_estate/latest\\_home\\_prices/index.htm](http://money.cnn.com/2009/11/10/real_estate/latest_home_prices/index.htm)



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

- Industry estimates find that half of all homeowners who lose their homes to foreclosure have no contact with their loan servicers. Homeowners at risk of default or those who already are behind on mortgage payments are advised to contact their servicer at the first sign of trouble. Consumers should request to speak with someone in the home retention dept., and expect a long wait time.
- When working on a loan modification, short-sale, or repayment plan, servicers likely will ask the homeowner to explain the reasons they can no longer make their mortgage payments. Borrowers should be honest and realistic. The servicer also will need to verify the borrower's current income, unemployment benefits (if any), household expenses, tax returns, property taxes, hazard and flood insurance premiums, and condo or HOA dues.
- Whether the loan servicer requests it or not, borrowers should include a letter authorizing the servicer to speak with their REALTOR®, another family member, or perhaps their attorney, as this can help speed up the process.