

Wall Street Journal

10 reasons to buy a home

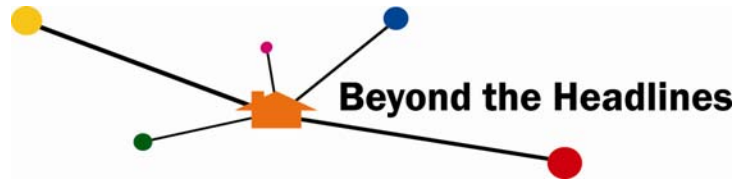
With newspaper headlines declaring that foreclosures are on the rise, short sales are difficult to navigate, and the rate of homeownership is on the decline, some home buyers may no longer see the value of purchasing a home. However, there are several reasons why homeownership makes economic, financial, and personal sense.

KEEP THIS IN MIND

- Home prices have declined approximately 30 percent from their peak, according to Standard & Poor's Case-Shiller Index, which is good news for home buyers hoping to purchase a house at an affordable price. As a result, statewide affordability reached 64 percent in the second quarter of this year, meaning 64 percent of California households could afford to purchase an entry-level home in the state.
- Although home buyers should not view a home strictly as an investment, generally speaking, homeownership does offer risk capital. The median home price in California has risen year-over-year for nine consecutive months, which implies home equity will increase over the next few years.
- Owning a home also can be beneficial because it acts as "forced savings." While the monthly mortgage payment may be slightly higher than renting an apartment, most renters do not put the difference into a savings account. The portion of a monthly mortgage payment that's allocated toward the principal of a mortgage shouldn't be viewed as a cost, but rather as a forced monthly saving, because in the long run it's building equity in the home.

Read the full story:

http://online.wsj.com/article/SB10001424052748703376504575492023471133674.html?mod=WSJ_hpp_MIDDLENexttoWhatsNewsSecond



In Other News...



CNN Money

California housing prices on the rebound

The national housing market is shrouded in uncertainty. But in California, there are glimmers of stability.

Read the full story:

http://money.cnn.com/2010/09/15/real_estate/california_home_price_rebound/index.htm?source=cnn_bin&hpt=Sbin



New York Times

A downside of short sales

Struggling homeowners have found some refuge in short sales, in which lenders allow borrowers to escape foreclosure by selling a home for less than what is owed on the mortgage. Government programs offering incentives to both parties will push the number of short sales to 400,000 this year from 100,000 in 2008, according to CoreLogic, a financial consulting firm. But the jump in short sales also has given rise to a new form of fraud – which, as a recent study by CoreLogic suggests, could undermine the burgeoning practice.

Read the full story:

http://www.nytimes.com/2010/09/12/realestate/12mort.html?_r=1&ref=realestate



San Francisco Chronicle

Why your first home shouldn't be your dream home

Since 2000, homeownership rates in the U.S. have hovered around 66-67 percent of the population. In 1900, less than half of Americans owned their home. The biggest surge in home buying came after World War II, when many young families were encouraged to buy a “starter home.”

Read the full story:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/g/a/2010/09/10/investopedia46862.DTL&type=realestate>



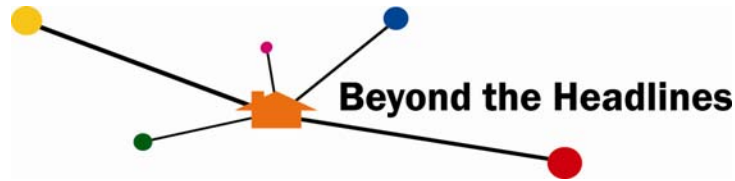
CNN Money

Home buyer tax credit: 950,000 must repay

Nearly half of all Americans who claimed the first-time home buyer tax credit on their 2009 tax returns will have to repay the government.

Read the full story:

http://money.cnn.com/2010/09/09/real_estate/who_repay_tax_credit/index.htm



Los Angeles Times

Borrowers beware of credit fixer scams

Recession-hammered consumers across the country have seen their credit scores decline, and that has made them susceptible to scams that purport to erase delinquencies, judgments, foreclosures, and other problems from their files at the three national credit bureaus – Equifax, Experian, and TransUnion.

Read the full story:

<http://www.latimes.com/business/realestate/la-fi-harney-20100912,0,7456237.story>



The Wall Street Journal

Foreclosure fraudsters: The criminals who slow down recovery

Foreclosures are once again on the minds of many. After a summer of record lows in home sales and widespread pessimism in the economy, many market-watchers say the next leg down in home prices may come from pressure brought by foreclosed home inventory hitting the market.

Read the full story:

<http://blogs.wsj.com/developments/2010/09/13/foreclosure-fraudsters-the-criminals-who-slow-down-recovery/>



The Mercury News

Lenders putting few foreclosed homes on the market

Thousands of homes remain stuck in the foreclosure process as lenders continue to offer relatively few foreclosed homes for sale, according to a report released Tuesday.

Read the full story:

http://www.mercurynews.com/business-headlines/ci_16073325



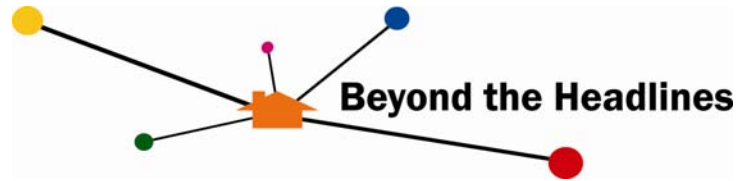
The Orange County Register

Bad FICO score? How to boost it

If you're thinking about buying a home, you know it's more important than ever to have a high FICO score. Several components make up your score. What steps would you take to bump it up? How would you even know where to start?

Read the full story:

<http://www.ocregister.com/articles/credit-265786-score-pay.html>



What you should know about the market

- One indicator of whether a local housing market is improving is the inventory level of homes for sale. REALTORS® can provide this information and tell home buyers and sellers how many months it would take at the current sales rate to absorb the current supply. California's long-run average of unsold inventory is 7.2 months. In July 2010, the unsold inventory level stood at 5.8 months.
- Homeowners who lose their homes to foreclosure should wait three to five years before trying to qualify for a home mortgage insured by the government, depending on the borrower's circumstances, and assuming they have re-established a record of paying bills on time. Foreclosures can remain on credit reports for up to seven years, likely increasing the interest rates the consumer pays, and making it more difficult to receive approval on a new mortgage loan.