

Sacramento Bee

### **California home sales drop in August compared with last year**

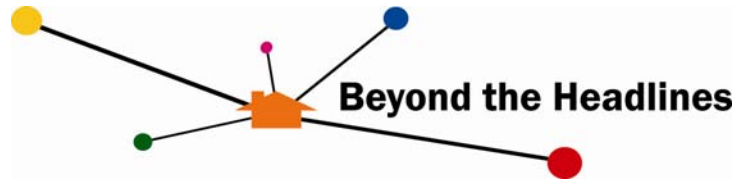
The median home price of an existing, single-family home in California rose 1.2 percent compared with July and 8.6 percent from a year ago, the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) reported this week. Following two months of consecutive month-over-month declines, California home sales edged up 1.8 percent in August compared with July, but were down 14.9 percent compared with August 2009.

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

- According to C.A.R. President Steve Goddard, home buyers who are waiting on the sidelines should consider the opportunities available in today's market. Favorable home prices and interest rates at or near historic lows make housing affordability the best in recent years. Anyone who is in a position to buy a home should do so before either of these key factors rise.
- The statewide median home price posted its 10th consecutive year-over-year gain in August, according to C.A.R.'s report. The median price of an existing, single-family detached home sold in California during August 2010 was \$318,660, an 8.6 percent increase from the revised \$293,400 median price recorded in August 2009. The August 2010 median price was up 1.2 percent compared with July's \$314,850 median price.
- C.A.R. Chief Economist Leslie Appleton-Young says California's housing market is transitioning from the conclusion of the federal home buyer tax credit and that home sales are strongest in the higher-price range. The strength in the upper-end market combined with inventory levels that are higher, but still lean by average, has led to home prices holding steady.
- To hear more from Ms. Appleton-Young, please visit <http://videos.car.org/mediavault.html?menuID=1&flvID=10>.

Read the full story:

<http://www.sacbee.com/2010/09/22/3048464/california-home-sales-drop-in.html>



## In Other News...



Los Angeles Times

### **Debate might give new life to mortgage cramdown legislation**

If there is a term that strikes fear in the hearts residential lenders everywhere, it is “cramdown.” Lenders dread the judicial procedure that erases a portion of a borrower’s mortgage because the house, which is the underlying security or collateral for the loan, is worth less than what is owed on it.

Read the full story:

<http://www.latimes.com/business/realestate/la-fi-lew-20100919,0,251792.story>



Bloomberg

### **U.S. home prices fell 3.3 percent in July from year earlier**

U.S. home prices dropped 3.3 percent in July from a year earlier, the eighth consecutive decline, as foreclosed properties flooded the market.

Read the full story:

<http://www.bloomberg.com/news/2010-09-22/home-prices-in-u-s-fell-3-3-in-july-from-year-earlier-fhfa-index-shows.html>



The Wall Street Journal

### **Refinancing: Who can you trust?**

With mortgage rates falling to record lows this summer and the housing market showing signs of a pulse, refinancing activity is perking up. It’s too bad that so many people are relying on oversimplified advice and bad numbers to decide when to pull the trigger.

Read the full story:

[http://online.wsj.com/article/SB10001424052748704652104575494190518195172.html?mod=WSJ\\_RealEstate\\_LeftTopNews](http://online.wsj.com/article/SB10001424052748704652104575494190518195172.html?mod=WSJ_RealEstate_LeftTopNews)



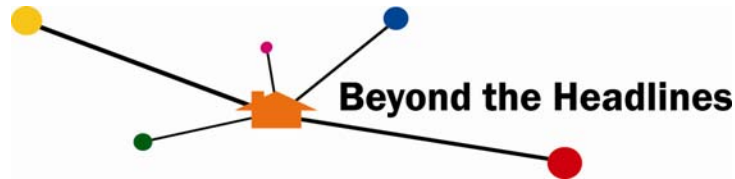
Los Angeles Times

### **FHA may slash upfront costs of some reverse mortgages**

The Federal Housing Administration isn’t talking publicly about it, but the agency may be getting ready to cut the upfront costs of reverse mortgages for some borrowers.

Read the full story:

<http://www.latimes.com/business/realestate/la-fi-reverse-mort-20100919,0,5678747.story>



CNN

### **A housing rebound? Yes, it's possible**

Despite continued discouraging data from the real estate sector, a few bullish arguments are beginning to emerge. One MIT economist even believes that demand for new homes exceeds residential construction.

Read the full story:

<http://finance.fortune.cnn.com/2010/09/17/a-housing-rebound-yes-its-possible/>



San Diego Union-Tribune

### **Most oppose walking away from mortgage**

A majority of Americans believe it is "unacceptable" for homeowners to stop paying mortgage payments and walk away from their homes, says a Pew Research Center survey.

Read the full story:

<http://www.signonsandiego.com/news/2010/sep/15/most-oppose-walking-away-mortgage/>



Los Angeles Times

### **Shorter-term mortgages make sense for some people, not for others**

Loans that must be paid off in 15 or 20 years instead of the standard 30 have benefits, but there may be better ways to invest your cash.

Read the full story:

<http://www.latimes.com/business/la-fi-perfin-20100919,0,2494709.column>



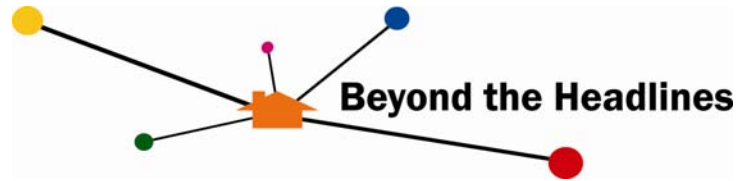
CNN

### **Foreclosure rates hold steady**

The foreclosure crisis has entered a new phase: The number of properties entering the foreclosure process has dropped, and now nearly matches the number of repossessions.

Read the full story:

[http://money.cnn.com/2010/09/16/real\\_estate/steady\\_foreclosure\\_rates/index.htm?hpt=T2](http://money.cnn.com/2010/09/16/real_estate/steady_foreclosure_rates/index.htm?hpt=T2)



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

- Some homeowners may attempt to make home improvements on their own, without the proper permits and/or skill set. When it comes time to sell the house, buyers likely will use that to their advantage when negotiating. To avoid this, many real estate professionals advise homeowners to hire licensed contractors and to do due diligence to ensure the proper permits have been approved by the city, county, or others who may need to approve the project.
- When it comes time to hire a licensed contractor, homeowners may opt to search online. Sites that are driven by consumer ratings often will be the best bet because consumers can see what other homeowners say about the contractor and his/her quality of work. However, consumers should beware of sites with anonymous postings and advertisements that appear in search results that look like positive ratings.