



Mihaela Mattes REALTOR®
My Real Estate Newsletter
Beyond The Headlines Edition

A good time to buy? Yes, but no need to rush

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Many housing economists have said that for borrowers with stable incomes, good credit history, and FICO scores of at least 620, now is an opportune time to purchase a home. Although inventory rates are below the long-run average, there still are plenty of options available for buyers of high-end homes.

KEEP THIS IN MIND

- Consumers trying to time the market and purchase their home when prices are likely to rise again are advised to take a different approach. According to one real estate consultant, while home prices have stopped declining in most areas, and even have risen in some markets, mortgage rates may rise, offsetting any potential savings.
- Early last year, the Federal Reserve began purchasing mortgage-backed securities, which helped maintain low interest rates for consumers. However, the Fed's purchase program ended in March, and some analysts forecast interest rates to increase throughout the rest of the year. One financial publishing company predicts that rates likely will rise to 5.5 percent by mid-2010 and close the year at 5.75 percent to 6 percent. The CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) projects rates on 30-year fixed-rate mortgages to average 5.6 percent this year.
- Closely-watched indices, including the Standard & Poor's/Case Shiller Index, indicate that the high end of the market didn't experience the same dramatic price appreciation as the low end. Home prices in this segment have not declined as steeply as homes in the mid- to low-end of the market. Additionally, many discretionary sellers in the high end—those who do not have to sell their homes—are opting to wait until home prices rise before listing their homes for sale.
- The high end of the market also is facing challenges with buyers qualifying for financing. During the height of the market, many high-end home purchases were fueled by exotic mortgage products. Now that those mortgages are no longer readily available, many lenders are requiring borrowers to provide proof of income, such as W-2s and recent paystubs, as well as demonstrate their ability to meet the monthly mortgage obligation.

To read the full story, please click here: <http://blogs.wsj.com/developments/2010/03/27/>

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BusinessWeek

Economy in U.S. preserves biggest gain in six years

The U.S. economy expanded at a 5.6 percent annual rate in the fourth quarter of 2009, and corporate profits climbed, setting the stage for gains in employment that may broaden and preserve the expansion.

To read the full story, please click here:

<http://www.businessweek.com/news/2010-03-26/economy-in-u-s-expanded-at-5-6-percent-pace-in-fourth-quarter.html>



Bloomberg

Cheap mortgages may last as investors replace Fed

The Federal Reserve's completion this week of its program to buy \$1.25 trillion in mortgage bonds probably won't mean significantly higher U.S. home loan rates as investors return to the market, replacing the Fed.

To read the full story, please click here:

<http://www.bloomberg.com/apps/news?pid=20603037&sid=aqM6cAXBnmfc>



Los Angeles Times

Home prices show modest 0.3 percent gain in January

Home prices rose modestly in January, according to a closely watched national index, an unexpected piece of good news for a housing market that has struggled to hold its momentum this year.

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-home-sales31-2010mar31,0,6735242.story>



San Francisco Chronicle

Pace of house flipping picks up

Bay area bidding wars were big news in 2005-06 at the height of the housing bubble. They were driven by buyers who feared they would lose out on the American dream if they didn't act fast, and by investors, who imagined no ceiling to rapidly rising prices.

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2010/03/30/BUH31CKC3L.DTL>



Los Angeles Times

More underwater homeowners to get cuts in principal balance

For hundreds of thousands of homeowners who are underwater on their mortgages, it's been a tantalizing question: Is there any way that our lender might agree to lower the amount we owe – not just the monthly payments, but the principal debt itself?

To read the full story, please click here:

http://www.latimes.com/classified/realestate/news/la-fi-harney28-2010mar28_0,3150482.story



San Francisco Chronicle

Credit scores can drop after getting loan help

Some homeowners who sign up for the government's mortgage assistance program are getting a nasty surprise: Lower credit scores.

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2010/03/19/financial/f075418D56.DTL>



The Mercury News

Answers to questions about new federal mortgage relief

For troubled homeowners across the country, one question loomed large Friday as the Obama administration announced new provisions to the Making Home Affordable Program. Will it help me?

To read the full story, please click here:

http://www.mercurynews.com/real-estate-news/ci_14766102



Los Angeles Times

Consumer spending up, sign of decent recovery

Consumers spent modestly last month, a sign that the economic recovery is proceeding at a decent – but not spectacular – pace.

To read the full story, please click here:

http://www.latimes.com/business/la-fi-economy30-2010mar30_0,7050221.story

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What you should know about the market...

- In today's economy, many homeowners are looking for ways to reduce spending. One way to do so is by reviewing their homeowner's insurance policy and looking for ways to cut costs without adversely affecting coverage. Raising the deductible from \$500 to \$1,000, reducing coverage on the "household contents" portion of the policy, and installing home security devices could save as much as 25 percent every month on premiums, according to the Insurance Information Institute.
- First-time home buyers easily can become overwhelmed with the many loan choices available to them. Experts recommend first-time home buyers apply for a loan with an interest rate fixed for the length of time the buyer plans to live in the home. Hybrid loans may be an option worth considering, as they are fixed for a set period and later change to an adjustable-rate mortgage. This may be a viable option for a buyer planning to stay in the home for just a few years or the length of the fixed-rate period. However, most buyers should give serious consideration to a 30-year fixed-rate loan.

Nurturing a great cause: the rush to find a cure for LAM (lymphangiomyomatosis)

I donate 20% of my professional fees to The LAM Foundation www.thelamfoundation.org

By choosing to work with me on your Real Estate needs you're making a big difference in the lives of women suffering of LAM!

LAM is a cruel, progressive lung disease that strikes women of all races in the prime of their lives. Symptoms of LAM include shortness of breath, chest pain, lung collapse and persistent cough. A benign kidney tumor, known as an angiomyolipoma, is a disease manifestation found in 50% of women with LAM. Eventually the lungs fail, and the highly risky lung transplantation is the last resort.

This fatal disease has no treatment or cure. It is most often misdiagnosed, so the actual number of LAM patients is unknown. Therefore, federal and private funding has been extremely limited.

Women with LAM need your help now. Their breath depends on your support!

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