



Mihaela Mattes REALTOR®

My Real Estate Newsletter **Beyond The Headlines** Edition

Private mortgage insurance companies return to market

Generally, private lenders require borrowers with down payments of less than 20 percent to purchase private mortgage insurance. It is typically paid for by the borrower and protects lenders against default. However, mortgage insurance does not protect the borrower. The Federal Housing Administration (FHA) insures lenders against losses incurred when borrowers default on their home loans. However, because the FHA insured nearly 30 percent of all single-family loans—higher than the 10 percent share considered optimal by government officials—the FHA is tightening its requirements for borrowers with small down payments. This has resulted in private companies that provide lenders with similar protection against defaults entering the market.

KEEP THIS IN MIND

- Traditionally, the FHA enabled low- to moderate-income borrowers to put down as little as 3.5 percent as a down payment on a home. Beginning this month, down-payment requirements on loans insured by the FHA have increased to 10 percent for borrowers with credit scores below 580. Borrowers with credit scores of 580 or above still will be able to put down the traditional 3.5 percent.
- Other changes to the FHA mortgage program include increasing the upfront mortgage insurance premium from 1.75 percent to 2.25 percent and reducing permissible seller concessions from 6 percent of the loan amount to 3 percent. The FHA also has asked Congress for authority to increase the maximum monthly insurance fee from the current 0.5 percent level to 1.55 percent.
- Resulting from the more-stringent FHA policies, fewer borrowers qualify for government-insured mortgages and are turning to private mortgage insurers, who also have made changes to their borrower requirements. For example, one private mortgage insurance company now will insure five-percent down-payment loans to borrowers nationwide. Previously, such mortgages were not available to borrowers in markets with declining home prices, which included California.
- Premiums for both private mortgage insurance and government-insured FHA loans may be tax deductible. Additionally, in most instances, coverage can be canceled when the borrower's equity reaches 20 percent of the original loan amount. Borrowers are advised to review both options to decide which one works best for their situation.

To read the full story, please click here:

http://www.latimes.com/business/la-fi-0425-lew-20100425,0,7739757_story

The data source used to generate this newsletter is BEYOND THE HEADLINES, a CAR® (California Association Of Realtors®) publication used with permission.



“We listen
We commit
We act
We excel!”

t 650.558.5208 office@erealtyone.com
c 650.799.9496 mihaela.mattes@century21.com

eREONE™

Specialized in Residential Properties in the SF Mid-Peninsula Cities

Mihaela Mattes-REALTOR®
Century 21 Realty Alliance Fine Homes and Estates

Member of the San Mateo Association of Realtors (**SAMCAR**), the California Association of Realtors (**CAR**) and the National Association of Realtors (**NAR**).





t 650.558.5208

2

c 650.799.9496

office@erealtyone.com
mihaela.mattes@century21.com
www.erealtyone.com



The Wall Street Journal

Debate rages over supply of foreclosed homes

Why is there such a fierce debate about whether the housing market is slowly healing or heading for another free fall? Partly because no one can estimate with much confidence how many foreclosed homes banks need to sell or how fast they are getting rid of all that property.

To read the full story, please click here:

http://blogs.wsj.com/developments/2010/04/28/debate-rages-over-supply-of-foreclosed-homes/?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+wsj%2Fdevelopments%2Ffeed+%28WSJ.com%3A+Developments+Blog%29&mod=WSJ_Real+Estate_BLOGSDEV ELOPMENTSFEED



CNN Money

How foreclosure impacts your credit score

If you're delinquent on your mortgage, your credit score will suffer. Everyone knows that. The question is, by how much?

To read the full story, please click here:

http://money.cnn.com/2010/04/22/real_estate/foreclosure_credit_score/index.htm



The Wall Street Journal

Tax deal lifts home sales but price pressures loom

Tax credits sparked a big jump in home sales last month, as first-time buyers took advantage of low prices and interest rates.

To read the full story, please click here:

http://online.wsj.com/article/SB10001424052748704830404575200212503089010.html?mod=WSJ_Real+Estate_LeftTopNews



The Wall Street Journal

Tax credit extension? Don't bet the house on it

The NATIONAL ASSOCIATION OF REALTORS® touted a recent report that existing home sales rose by 6.8 percent in March as proof that the home buyer tax credit has been a “resounding success.” Indeed, home resales, which came in at a 5.35 million annual rate, exceeded analysts’ consensus expectations of a 5.25 million annual sales rate.

To read the full story, please click here:

<http://blogs.wsj.com/developments/2010/04/22/tax-credit-extension-dont-bet-the-house-on-it/>



The Wall Street Journal

The new rules of remodeling

You may have noticed the lines at home-improvement stores getting longer or heard the whirring of buzz saws in your neighborhood. After years of economic recession and housing-market malaise, people are starting to fix up their homes again.

To read the full story, please click here:

http://online.wsj.com/article/SB10001424052748703404004575198603552079406.html?mod=WSJ_hpp_sections_personalfinance

Mihaela Mattes REALTOR®

My Real Estate Newsletter **Beyond The Headlines** Edition

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!

Mihaela Mattes-REALTOR®

Century 21 Realty Alliance Fine Homes and Estates

Century 21 Realty Alliance
1528 South El Camino Real, Suite 110
San Mateo, CA 94402

t **650.558.5208**

c **650.799.9496**

office@erealtyone.com
mihaela.mattes@century21.com
www.erealtyone.com

