

Central Valley Business Times

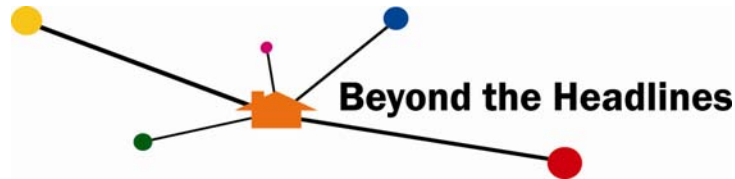
CalHFA offers new 30-year mortgage

The California Housing Finance Agency (CalHFA) announced this week the launch of a new fixed-rate, 30-year, FHA-insured mortgage program for low- and moderate-income home buyers.

KEEP THIS IN MIND

- CalHFA provides financing and programs for low- and moderate-income Californians. The program announced this week enables qualified, first-time home buyers in California to receive a 30-year mortgage with a fixed interest of approximately 4 percent.
- The CalHFA program includes upfront mortgage insurance, which is required for most FHA-insured home loans. Borrowers are eligible to use the California Homebuyer's Downpayment Assistance Program, which can provide up to 3 percent of the purchase price of the home for down payment or closing costs.
- In addition to being a first-time home buyer – defined under federal law as not having owned and occupied a home for the past three years – borrowers also must meet income limits, which vary by county and family size. Income limits can be found on the CalHFA Web site at <http://www.calhfa.ca.gov/homeownership/limits/income/income-main.pdf>.
- Borrowers also must purchase homes within FHA's loan limit and CalHFA's sales price limits. Mortgage loans are limited to \$417,000 under FHA guidelines, while CalHFA's sales price limits vary by county.
- Additionally, borrowers must meet the minimum credit score requirements and maximum debt-to-income ratios and complete a HUD-approved home buyer education program. More information about the CalHFA program can be found at <http://www.calhfa.ca.gov/homebuyer/programs/30fha.htm>.

Read the [full story](#).



In Other News...



The New York Times

As pay falls, borrowers lose ground

Lenders scrutinize all elements of a mortgage application, but one factor remains critical: The debt-to-income ratio, or the percentage of a borrower's monthly gross income that goes toward housing expenses. If it surpasses 36 percent, lenders typically will reject the loan.

Read the [full story](#).



San Diego Union-Tribune

Pending home sales rise in July

Pending home sales increased slightly in July from the previous month but are well below last year's levels, a sign that the long-awaited rebound in the housing market has yet to take hold.

Read the [full story](#).

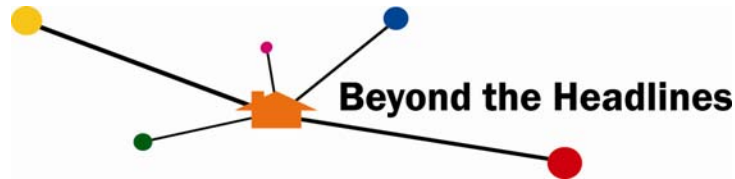


The Wall Street Journal

The FHA's "Short Refinance" program: Frequently Asked Questions

The Obama administration recently announced a new program to help underwater homeowners who are current on their mortgage payment refinance into a new FHA-insured loan.

Read the [full story](#).



San Diego Union-Tribune

What do housing price reports mean?

Keeping track of the local housing market in these uncertain economic times can be more than a little crazy.

Read the [full story](#).



The New York Times

Housing woes bring a new cry: Let the market fall

The unexpectedly deep plunge in home sales this summer likely is to force the Obama administration to choose between future homeowners and current ones, a predicament officers had been eager to avoid.

Read the [full story](#).

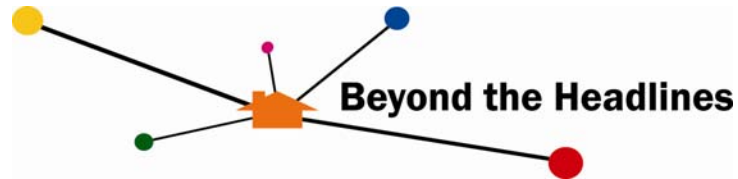


The Wall Street Journal

Housing inventories rise for eighth straight month

Housing inventories rose in many U.S. cities for the eighth straight month in August in a sign of the continued headwinds facing a soft housing market.

Read the [full story](#).



Keep this in mind

- Often times, first-time home buyers are so excited at the prospect of becoming homeowners that they start their home search immediately, without knowing how much house they can afford. To prevent buyers from wasting time looking at houses out of their price range, buyers are advised to begin the home-buying process by meeting with lenders and getting pre-approved for a mortgage loan.
- Unlike getting prequalified, which is just a ballpark figure and doesn't require the lender to check the borrower's credit history, preapproval provides the borrower with a Good Faith Estimate spelling out the terms of the loan, the interest rate, the type of loan, and the closing costs.