

The New York Times

### **A reprieve for unemployed borrowers**

Fannie Mae and Freddie Mac recently extended their foreclosure forbearance programs to give short-term aid to unemployed homeowners, but housing counselors warn that these borrowers will need to look at longer-term solutions.

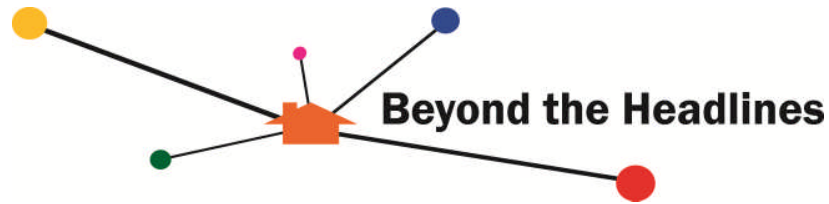
#### Making sense of the story

- In a forbearance program, a lender agrees not to foreclose on a property and gives the borrower several months' grace from or reduction in monthly mortgage payments. The programs work best for temporary setbacks, like job loss, health problems, or natural disasters.
- There are drawbacks to the forbearances though. The most-significant drawback is a larger total debt from the smaller payments. The unpaid balance continues to increase during this time.
- The new temporary mortgage payment is often set to 31 percent of the household income; in some cases lenders agree to accept no payments. Fannie Mae's extended unemployment program, first offered in the fall of 2010, limits any nonpayment or other forbearance plans to one year, with the second six months requiring approval by both Fannie Mae and the lender.
- However, even with the program in place, the lender could still report a mortgage as delinquent, which could adversely affect the borrower's credit score.
- Because some agreements add onerous term and conditions, homeowners should also consult with a housing counselor certified by the Dept. of Housing and Urban Development.

Read the full story

<http://nyti.ms/zMECOc>

**Jan. 26, 2012**



## In other news ...



The Wall Street Journal

### **Sales stir hope for housing market**

Existing-home sales increased 5 percent in December from a month earlier, to a seasonally adjusted annual rate of 4.61 million units, the NATIONAL ASSOCIATION OF REALTORS® said Friday.

Read the full story:

<http://on.wsj.com/zrYTFG>



The Mercury News

### **Fed: Interest rates should stay low until late 2014**

The Federal Reserve said it's unlikely to raise its benchmark interest rate before late 2014, extending its time frame by at least a year and a half.

Read the full story:

<http://bit.ly/A6hAGF>



The Wall Street Journal

### **Housing inventory ends year down 22 percent**

There were fewer houses for sale at the end of 2011 than in any of the previous four years, a positive sign for the housing sector.

Read the full story:

<http://on.wsj.com/AcqcWn>



The Los Angeles Times

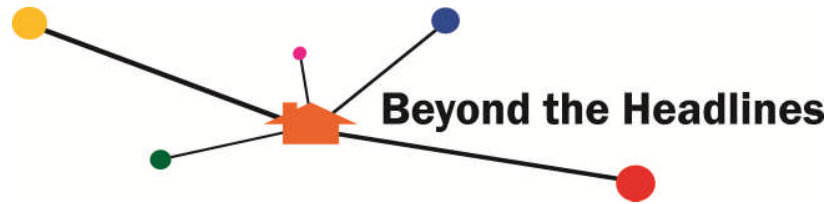
### **Consumer group tentatively supports \$25-billion mortgage deal**

The Center for Responsible Lending has called a proposed \$25-billion settlement over faulty foreclosure practices between attorneys general, federal agencies, and the mortgage industry “an important step in addressing foreclosure abuses.”

Read the full story

<http://lat.ms/wwyczK>

**Jan. 26, 2012**



The Wall Street Journal

### **Places for home builders to dig in**

Amid a flurry of housing news this week, including President Obama's latest mortgage-refinance proposal, comes an interesting piece of real-estate analysis in the building sector. Metrostudy has analyzed the strongest markets for home builders, which include: San Diego; Southern California; Texas' Rio Grande Valley; St. George, Utah; and Orlando.

Read the full story

<http://on.wsj.com/zt5IsA>



The Orange County Register

### **Calif. house price drop 7th biggest in U.S.**

California house prices had the seventh-biggest price drop among U.S. states in November, falling 5.9 percent from year-ago levels, according to data firm CoreLogic

Read the full story

<http://bit.ly/zHom6P>



CNNMoney

### **New home construction gathers momentum**

The Census Bureau reported that housing starts fell to 657,000 on an annual basis, down 4.1 percent compared with November.

Read the full story

<http://cnnmon.ie/xdEHN5>



The Wall Street Journal

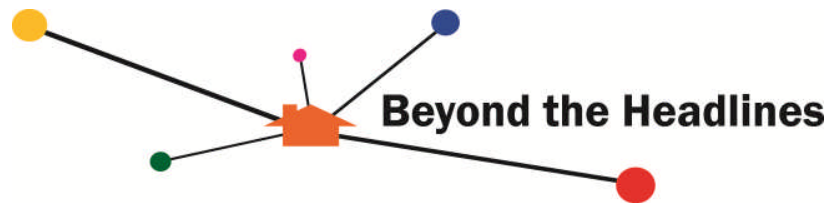
### **The "new American home" continues shrinking**

The nation's average home size, which peaked at 2,500 square feet in 2007, is expected to shrink to 2,152 square feet by 2015, according to the National Association of Home Builders.

Read the full story

<http://on.wsj.com/xExFAp>

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### What you should know ...

- The CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) Pending Home Sales Index (PHSI)\* fell from a revised 108.7 in November to 91.6 in December, based on signed contracts. The index was up from the revised 82.5 recorded in December 2010, marking the eighth consecutive month that pending sales rose from the previous year. The decline follows a normal seasonal drop that usually occurs in November and December.
- Pending home sales are forward-looking indicators of future home sales activity, providing information on the future direction of the market.
- C.A.R. also reported that sales of distressed properties increased in December, as lenders pushed to close REOs and short sales to move them off their balance sheets before the end of the year.
- The total share of all distressed property types sold statewide rose to 47.3 percent in December, up from November's 44.9 percent but down from 48.3 percent in December 2010.
- Of the distressed properties sold statewide in December, 22.2 percent were short sales, up from the previous month's share of 21 percent and up from last December's share of 19.6 percent.
- The share of REO sales rose in December to 24.6 percent, up from November's 23.5 percent, but down from the 28.3 percent recorded in December 2010.

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