

The Wall Street Journal

### **Five issues for housing in 2012**

Just as in 2011, in 2012 many will be trying to figure out where housing is headed. While the housing market didn't worsen in 2011, it also didn't stabilize either. This year, the story will be about local markets. While many housing markets rose and fell together, they're recovering at difference paces so talking about housing on a national level is not beneficial.

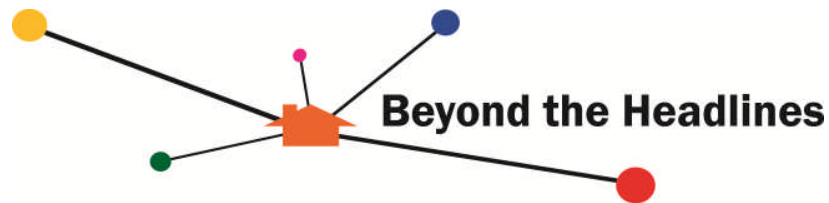
#### Making sense of the story

- Confidence and jobs: Housing is more affordable than it has been in decades, but many would-be buyers are worried about buying today if prices are going to be lower tomorrow. Still, others don't want to buy a house until they have more evidence that they're not going to get laid off or see their hours cut back.
- Foreclosures: Banks and other mortgage investors own around 440,000 foreclosed properties, but there's another 3.4 million loans in foreclosure or serious delinquency, according to estimates by Barclays Capital. Because banks are faster to cut prices to unload inventory than are traditional sellers, home values can fall further as the share of distressed sales rises.
- Rents: If low mortgage rates aren't enough to give urgency to would-be buyers, rent hikes could accelerate buyers' decisions to take the plunge
- Mortgage credit and rates: It's still hard for many buyers to get approved for a mortgage because banks are demanding lots of documentation of borrowers' incomes.
- Regulation: Many analysts don't expect Congress to make major changes to Fannie Mae and Freddie Mac during the election year, but several major regulatory changes could significantly reshape the future of the lending landscape in 2012.
- Meanwhile, the regulator that oversees Fannie and Freddie is revamping the way that mortgage companies are paid for collecting loan payments. This could lead to a broader shakeup in the mortgage industry that ultimately influences how much borrowers are charged for mortgages and how banks handle loans that fall into delinquency.

Read the full story

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

**Jan. 5, 2012**



## In other news ...



MSNBC

### **Increase in short sales give market a little breathing room**

It's a tarnished silver lining for people at risk of losing their houses and homeowners in neighborhoods blighted by bank-owned properties, but the robo-signing scandal that slowed the foreclosure process to a crawl appears to have increased lender interest in short sales.

Read the full story:

<http://on.msnbc.com/uXo9hK>



Los Angeles Times

### **Low mortgage rates likely to continue through 2012, experts say**

The mortgage market told a sad story throughout 2011: Record low rates, but few people taking advantage of them to buy homes. The likely scenario in the new year, according to many analysts, is more of the same.

Read the full story:

<http://lat.ms/sqHada>



CNNMoney

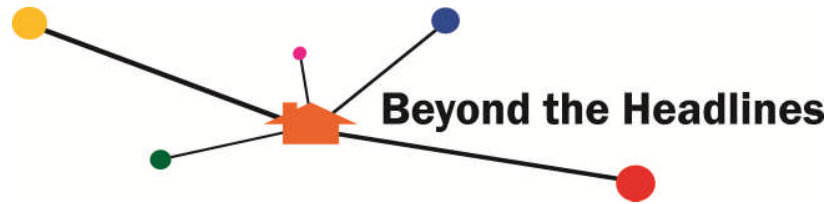
### **FHA says: Flip that house**

In an effort to help stabilize housing prices and unload some of the foreclosures that are flooding low-income communities, the Federal Housing Administration extended a waiver of its anti-flipping regulations through 2012.

Read the full story:

<http://cnmmon.ie/vDuVWd>

**Jan. 5, 2012**



Sacramento Bee

### **State now allows smoking bans in multifamily housing**

California landlords who have long had the right to restrict pets, noise, and even water beds in their units, can now prohibit smoking under a new law that took effect Sunday.

Read the full story

<http://bit.ly/stnltl>



Reuters

### **First-time buyers lean on the bank of mom and dad**

About a third of first time buyers in 2011 got either a gift (26 percent) or a loan (7 percent) from their families to help finance their home purchases, down slightly from 2010, but consistent with assistance levels seen during the last decade, according to data from the NATIONAL ASSOCIATION OF REALTORS®.

Read the full story

<http://reut.rs/zgJwiz>



The New York Times

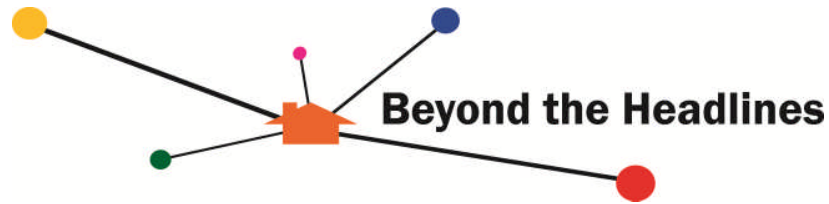
### **How low can rates go?**

The Federal Reserve has committed to keep long-term interest rates low through next year, so a 30-year mortgage will be pegged about where it is now at least through spring, said Freddie Mac.

Read the full story

<http://nyti.ms/AiXdyZ>

**Jan. 5, 2012**



### What you should know

- When the new year arrives, promises and resolutions abound, but few include home improvement. Here are resolutions every homeowner should make.
- Cut energy use: Sealing and insulating ductwork can improve the efficiency of a heating and cooling system by as much as 20 percent, saving \$200 per year or more, according to [Energy Star](#).
- Budget for home improvements: Creating a yearly budget for home improvement and maintenance helps prevent overspending, and encourages homeowners to put aside money for major replacements — such as new roofing or a kitchen appliance — that come up every few years.
- Curb water use: The average household uses about 400 gallons of water each day, or almost \$700 per year in water and sewer costs. Making a few simple changes, such as installing EPA-certified [WaterSense](#) products, could trim up to \$200 annually from the water bill. Add to that [energy savings](#) from reduced costs to heat water, and the yearly savings could reach \$300 or more per year.
- For additional homeowner new year resolutions visit <http://www.houselogic.com/home-advice/home-thoughts/houselogic-new-years-resolutions-home/>.

Jan. 5, 2012