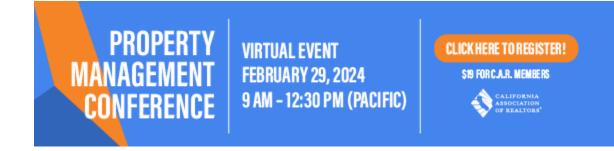


LEADING THE WAY ... * IN REAL ESTATE MARKET NEWS







California offers additional \$250M in down payment assistance

Source: ABC7

California will give out \$250 million in down payment assistance this spring as it relaunches its popular Dream for All program, aimed at helping first-time homebuyers. Last year, the program started with \$300 million and ran out in just 11 days. This year, the California Housing Finance Agency made some changes aimed at reaching a more diverse group of borrowers across the state.

This time, the program will operate on a lottery system instead of firstcome, first-served. The program will focus on first-generation homebuyers. The state will give up to 20 percent of the purchase price or \$150,000, whichever is lower. The loan will then be paid back, plus a share of the home's appreciation, when it sells in the future. That money will go back into the program for other participants. A statement from the agency said, "Interested homebuyers can get started working with an approved loan officer or approved lender now in preparation to submit applications in April for the lottery."

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Real estate fraud on the rise, per law enforcement

Source: CBS-Los Angeles

Real estate fraud is increasing, according to law enforcement. Riverside County Deputy District Attorney David Allen warns homeowners and others in real estate that they are seeing people filing fraudulent deeds for various reasons such as trying to sell a home out from under the real owners, or to take out a mortgage against the property. Allen said that sometimes people use fake documents but get them notarized. "The recorder's office is legally required to record any document that conforms to the standards set out by law, content regardless. So [notaries] don't assess whether it's a good transfer of title."

This video highlights a recent victim of such a scheme, Calvin Becerra in Corona, who found himself having to file a restraining order against someone who had presented himself as a potential buyer for Becerra's house, who then insisted he had purchased the house even though no money was ever exchanged. Becerra received threatening emails and is working with local law enforcement. Homeowners are encouraged to regularly check the county recorder's office to see if there have been any filings on their property, and to check for liens by checking the secretary of state's website. Also, check the mail carefully, as counties will inform homeowners by mail if there are title changes.

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Fannie Mae updates HomeReady, provides temporary \$2,500 credit

Source: HousingWire

Fannie Mae has announced updates to its HomeReady product, including a temporary \$2,500 credit for very low-income home purchase borrowers to use for down payment and closing costs. To be eligible for the credit, borrowers need a qualifying income less than or equal to 50 percent of the area median income limit for the location of the property.

Lenders will provide the credit to the borrower and be reimbursed by Fannie Mae, and it may be first used to satisfy the 3 percent down payment required in one-unit properties or some two- to four-unit properties. The agency also enhanced some rules that allow lenders to pass benefits on to borrowers.

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California's FAIR Plan, a last resort for fire insurance, going through growing pains

Source: CalMatters

For homeowners who are facing enormous difficulty finding fire insurance, the State of California offers the FAIR Plan. It's a last-resort program meant to fill the gap left as more insurance companies have stopped issuing fire insurance in the state, citing climate risks and inflation. Since 2018 when the FAIR Plan issued 126,709 policies, the Plan has ballooned in size, issuing more than 350,000 policies today. As a result of the tremendous increase in demand, homeowners and insurance brokers say they are seeing problems such as delays in mortgage closings or homeowners losing their coverage.

The FAIR Plan Association is a pool of insurers required by state statute to provide fire-insurance policies when property owners can't find them elsewhere. The plan is supposed to be a temporary solution as well as a last resort, but many people have been buying insurance through the association for years. According to FAIR Plan Spokesperson Hilary McLean, 90 percent of current FAIR Plan customers are renewing their policies for another year. Phone calls to the Plan nearly doubled over the last half of 2023, reaching more than 50,000 phone calls a month. The Association has hired more people to handle the increase in applications, paperwork and calls. It has also updated its software.

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Homebuyer demand increases mortgage applications, even as interest rates inch up

Source: CNBC

Mortgage rates rose slightly last week, but that did not deter

homebuyers who returned after the holidays. The number of mortgage applications to purchase a home rose 8 percent last week compared with the previous week, according to the Mortgage Bankers Association's seasonally adjusted index. Demand was still 18 percent lower than the same week last year, when rates were lower.

The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$726,200 or less on average) increased to 6.78 percent from 6.75 percent, with points increasing to 0.63 from 0.62 for loans with a 20 percent down payment. Applications to refinance a home loan fell 7 percent compared with the prior week and were 8 percent lower than the same week a year ago.

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