

Los Angeles Times

Fannie Mae to prohibit lenders from changing home appraisals

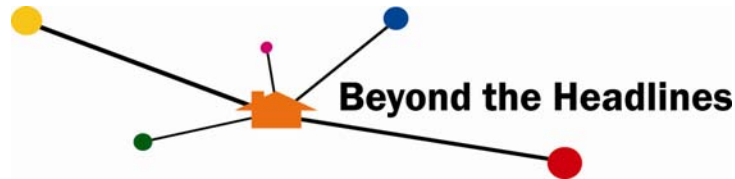
To comply with the stricter lending guidelines of Fannie Mae and Freddie Mac, and to avoid accusations that the loans sold to Fannie and Freddie are based on inflated appraisals, some real estate professionals have reported lenders lowering home values on appraisals submitted to them. However, effective Sept. 1, Fannie Mae is prohibiting the purchase of loans from lenders who change appraisers' numbers.

KEEP THIS IN MIND

- Generally, lenders order a low-cost electronic valuation—based on publicly available statistical data—to review the accuracy of the information submitted by the appraiser. If there is a discrepancy between the electronic valuation and the appraiser's report, the lender's underwriters may reduce the appraisal figure.
- In some instances, real estate agents and consumers have reported that reduced appraisals have led to the derailment of home sales transactions, as some buyers refuse to pay more for a house than the appraisal says it is worth.
- This industry practice may soon change. In guidelines issued June 30, Fannie Mae said lenders must contact appraisers to resolve discrepancies between the valuations, rather than simply reducing the appraisal. If it is not possible to contact the appraiser, the lender should order a second appraisal.
- Borrowers and/or sellers who believe a home valuation is too low may appeal the valuation or request a second option. It's important to note that the second valuation must be more than five percent higher than the first—anything less is considered an acceptable difference.

To read the full story, please click here:

<http://www.latimes.com/business/realestate/la-fi-harney-20100718,0,7456241.story>



In Other News...



Los Angeles Times

Lenders' data mining goes deep

Mortgage makers are going beyond tax returns and bank statements to determine whether you're a good risk. They're checking such things as where you have pizza delivered and where you shop online.

To read the full story, please click here:

<http://www.latimes.com/business/realestate/la-fi-lew-20100718,0,7793030.story>



CNBC

Remember jumbo loans? They're back!

Amid all the double-dip discussions in the housing market is an odd ray of hope on the high end. With little to no fanfare, it appears jumbo loans are not only getting cheaper, they're getting easier to obtain.

To read the full story, please click here:

<http://www.cnbc.com/id/38310197/>



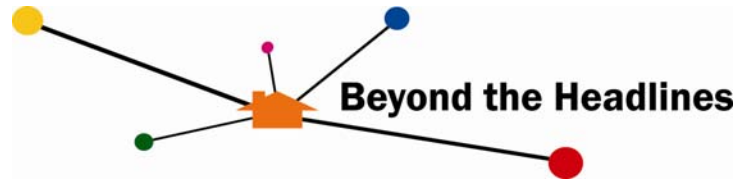
North County Times

After ducking the bubble, Asian buyers seize upon lower prices

A substantial number of Asians and Asian-Americans dodged the housing crunch, and now they're taking advantage of low home prices and low mortgage rates in California, say local real estate agents and a survey from a REALTORS® group.

To read the full story, please click here:

http://www.nctimes.com/business/article_81779cfb-55a1-52fc-adb0-85350e8cfc94.html



Los Angeles Times

Fed sees slowing in economic recovery

Federal Reserve policymakers, acknowledging a slowing in the economic recovery at their meeting in late June, began to consider the possibility of providing additional stimulus if growth fell sharply—a possibility that has become all the more real as signs of weakness have piled up.

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-fed-policy-20100715,0,4690854.story>



Mercury News

Foreclosure crisis: 1 million in U.S. expected to lose homes this year

More than 1 million American households are likely to lose their homes to foreclosure this year, as lenders work their way through a huge backlog of borrowers who have fallen behind on their loans.

To read the full story, please click here:

http://www.mercurynews.com/real-estate-news/ci_15522920



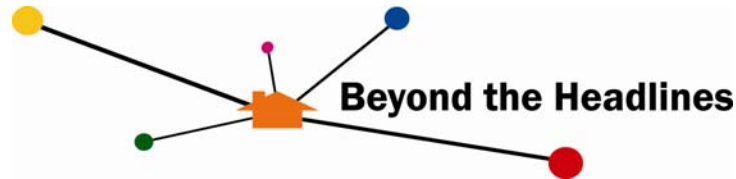
CNBC

Home loan demand jumps; purchase demand up

U.S. mortgage applications jumped last week as demand for loans to purchase homes rose for the first time in five weeks, the Mortgage Bankers Association said on Wednesday.

To read the full story, please click here:

<http://www.cnn.com/id/38340007>



What you should know about the market

- Accurately pricing a home for sale continues to be one of the most important factors in determining whether a home sells or lingers on the market. In some cases, sellers may need to reduce their asking price to attract buyers and offers. Some homeowners may struggle with determining whether or not they should reduce their list price. Receiving the guidance of a REALTOR® may help sellers decide if they should reduce the asking price. Sellers also may want to consider reducing their asking price if the following applies:
 - The sales prices of recently sold homes in the area are lower than the list price of the home listed for sale.
 - Feedback from buyers' agents suggests the home is overpriced.
 - The home isn't receiving any showings, even though it is well marketed.
 - There have been multiple offers, but they consistently have been significantly lower than the list price.