

Windermere Report.com

MORTGAGE MARKET WATCH

Home Purchase Grants Available

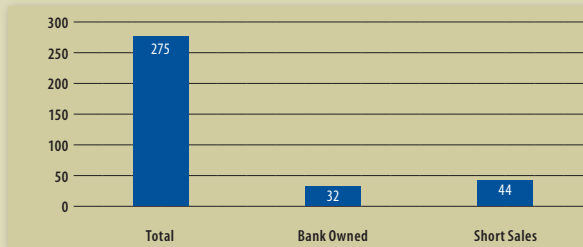
SHORT SALE HURTS YOUR CREDIT

A Short Sale is Better than Foreclosure

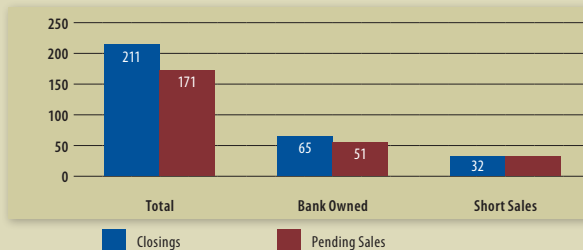
SHOW ME THE MONEY

Making Home Affordable Program

MAY SINGLE-FAMILY NEW LISTINGS



MAY SINGLE-FAMILY CLOSINGS & PENDING SALES



Data taken from WCBR Flex MLS

MORTGAGE MARKET WATCH

When mortgage lenders were giving money to anyone who could sign their name to an application, the use of FHA loans for mortgages fell to 4% of all loans issued in 2006.

A borrower who needs a loan at or below current FHA maximum loan amounts, who can only put down the FHA requirement 3.5%, who can't be approved for a conventional or a zero down Veteran Affairs (VA) loan or Farm Home Rural loan will more likely be approved under FHA's more liberal underwriting rules.

Using your VA eligibility continues to lead to a zero down loan. For those who are willing to live in Ivins, Hurricane and the more rural parts of Washington County, a zero down loan is possible through the Farm Home Rural Loan Program. There only remains 363 \$6,000 Home Purchase Grants left as of June 1, 2009. Call your Windermere agent today for a list of qualified homes. It is likely that all of those grants will be gone by June 30, 2009 for those who need down payment assistance.

FHA limits in Washington County are \$372,500. So when you are shopping rates, you should check with lenders who offer both FHA and conventional loans. Often, there will be higher costs for FHA, but not always.

You will find there are few conventional loans with 5% to 10% down. If you are refinancing and your loan is less than 80% of today's market value and you have 20% down, you will not have to pay mortgage insurance. Yet with dropping home values that is harder to achieve today.

Shop early and shop hard to find the best rates!

SHORT SALE HURTS YOUR CREDIT

A short sale, in which you negotiate with the bank to sell your home for less than you owe on your mortgage, will dramatically affect your credit in a negative way.

Consumers who have been through a short sale could see a drop in their credit score of up to 200 points. According to John Ulzheimer, President of Consumer Education for Credit.com, this decrease would be the same as if the homeowner had gone into foreclosure. And like a foreclosure, the negative mark will pull down the score for 7 years.

That said, if you're under water on your mortgage and you need to move, a short sale is a better option than foreclosure. Going through foreclosure will make it very difficult for you to get a loan for at least 3 to 5 years. If you've done a short sale, you may be able to qualify for a new mortgage within 2 years.

Source: Gerri Willis, Money Magazine contributing writer and host of CNN's, "Your Bottom Line."

SHOW ME THE MONEY

Making Home Affordable Program

The stimulus money has arrived for some home owners. The plan being introduced by the Obama Administration is called "Making Home Affordable." This program was created to address key problems and get our economy back on track. The hope of this program is to stabilize our housing market and help 7 to 9 million Americans reduce their monthly mortgage payments to more affordable levels.

The Home Affordable Refinance Program gives 4 to 5 million homeowners, with loans owned or guaranteed by Fannie Mae or Freddie Mac, an opportunity to refinance into more affordable monthly payments. The Home Affordable Modification Program commits \$75 billion to keep 3 to 4 million Americans in their homes by preventing avoidable foreclosures.

For further information, log onto www.MakingHomeAffordable.gov.

If you would like a friend or family member to receive this report, please send their email address to thouchen@windermere.com.