

CNN Money

Mortgage deal could bring billions in relief

On Thursday, federal and state officials announced a \$26 billion foreclosure settlement with five of the largest home lenders. California is expected to receive approximately \$12 billion in principal write-downs, including through short sales, over the next three years, according to the state attorney general's office.

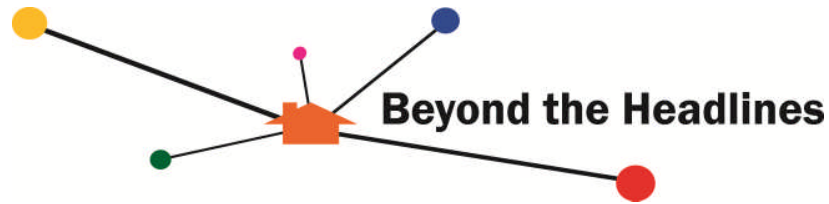
Making sense of the story

- The deal settles potential state charges about allegations of improper foreclosures based on robo-signing, seizures made without proper paperwork.
- The settlement sets up a federal monitor to oversee the process and try to prevent the challenges that tripped up many homeowners seeking help in earlier programs designed to address the housing crisis.
- Most of the relief will go to those who are underwater on their homes. That relief will come over the course of the next three years, with banks having incentives to provide most of the relief in the next 12 months.
- At least \$17 billion will go to reducing the principal owed by homeowners who are underwater and behind on their mortgages.
- Up to 750,000 other underwater homeowners who are current on their mortgages will be able to refinance their current loans at lower rates. They will not receive a reduction in principal, but with mortgage rates near record lows, they could receive substantial savings on their monthly payments.
- Approximately \$1.5 billion will go to homeowners who had their homes foreclosed upon between Jan. 1, 2008 and Dec. 31, 2011, and who meet other criteria. They will receive up to \$2,000 each.
- The five mortgage servicers that are parties to the settlement include Bank of America, JPMorgan Chase, Citigroup, Wells Fargo, and Ally Financial (formerly GMAC).

Read the full story

<http://cnmmon.ie/AsERqO>

Feb. 9, 2012



In other news ...



The Los Angeles Times

Recovery roadblock? Mortgage burdens keep job seekers from moving

A report by Challenger, Gray & Christmas Inc. shows that struggling homeowners who aren't relocating for new jobs may stymie employers' long-range growth.

Read the full story:

<http://lat.ms/wjqjEa>



The Mercury News

Foreclosures at the high end increase

The housing crisis has caught up with people whose wealth helped them hang onto their houses longer.

Read the full story:

<http://bit.ly/wFdUgx>



The New York Times

Shrinking the escrow

When borrowers choose a fixed-rate loan for a home purchase or refinancing, only one part of the monthly mortgage statement is ever likely to change: The escrow amount.

Read the full story:

<http://nyti.ms/ym2es0>



The Wall Street Journal

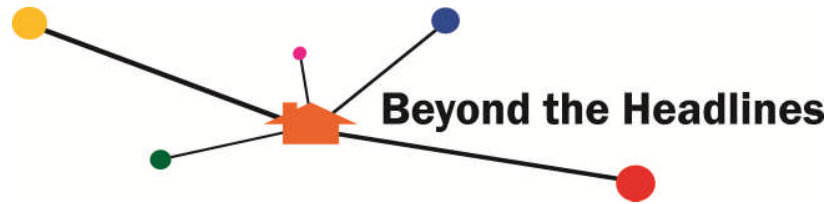
Fannie Mae: Outlook for home prices rises again

The consumer outlook for U.S. home prices improved again in January, extending a recent upward trend in housing market sentiment, according to Fannie Mae.

Read the full story

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

Feb. 9, 2012



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Homes in foreclosure decline by 130,000

The number of homes in foreclosures shrunk by 130,000, or 8.4 percent, in 2011, according to a report by CoreLogic.

Read the full story

<http://cnmmon.ie/zolZlx>



The Los Angeles Times

Lawmakers push Fannie, Freddie to write-down mortgage principal

On Monday, lawmakers pressed the regulator of Fannie Mae and Freddie Mac to write-down the principal on mortgages of underwater homes.

Read the full story

<http://lat.ms/xDX2vh>



The San Francisco Chronicle

Short sales mean bonuses for some homeowners

In a new development, banks are now selectively offering substantial sums of money – up to \$35,000 – to some homeowners to encourage short sales.

Read the full story

<http://bit.ly/yrKz4N>



The Wall Street Journal

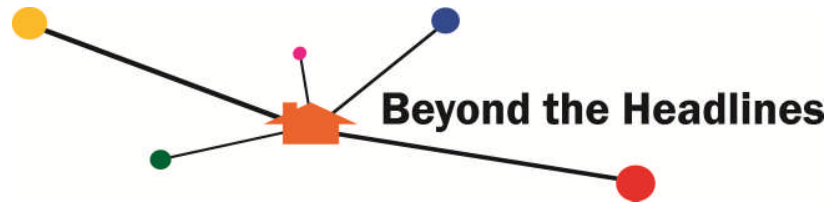
Forecast: Drop in home values less severe in 2012

Zillow's home-value forecast released on Thursday predicts a 3.7 percent decline this year, an improvement when measured against the 4.7 percent decline in 2011.

Read the full story

<http://on.wsj.com/A5nRtG>

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What you should know

- With proper planning, first-time home buyers can avoid common mistakes that might jeopardize a deal.
- Many people decide to buy a house when they feel they are ready to take on a mortgage. However, just because the buyer can afford mortgage payments does not mean they can afford a home. There is much more to owning a house than just the mortgage payment.
- Property insurance, taxes, homeowners association dues, maintenance, and higher electric and water bills are some of the costs first-time buyers tend to overlook.

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