



# HOME DELIVERY

## Residential Real Estate Trends, Issues and News for Consumers

The National Association of REALTORS® distributes *Home Delivery* every month to real estate, personal finance and consumer journalists as a resource for background or story ideas.

### Have Job, Will Travel

Despite recent record highs in housing affordability, many communities still struggle to provide affordable housing options for workers that offer vital services – people like teachers, police officers and firefighters.

Without viable housing options for its workforce, a community's economic and social well-being suffers. Shortages of affordable housing near where people work can lead to longer commutes, sprawl and traffic congestion that degrade the quality of life for all residents.

To help promote local workforce housing initiatives, NAR recently introduced the Ira Gribin Workforce Housing Grants. To date, \$730,000 has been awarded for initiatives in California, Idaho, Maine, Maryland and Washington.

#### Story Springboard

- They Work Hard for Their Housing

Talk to people like teachers, police officers and firefighters who work in your community about their housing options. How close do they live to where they work? Would they prefer to live closer? Talk to Realtors® to find out about local programs or housing opportunities for this segment of the market. To learn more about the Ira Gribin Workforce Housing Grants, visit [www.realtor.org/press\\_room/news\\_releases/2009/06/ira\\_gribin](http://www.realtor.org/press_room/news_releases/2009/06/ira_gribin).

### A Jumbo Problem

The jumbo mortgage market has been severely restricted, with soaring interest rates and limited availability, and these problems are affecting the entire housing market.

According to insights from NAR research, sales of homes priced above \$750,000 have stalled and inventory has climbed from 18.7 months in 2007 to 41.1 months in 2009.

While mortgage rates on conforming loans up to \$417,000 are near 50-year lows, jumbo loans currently carry unusually high interest rates. In many cases, wary lenders with overly stringent credit standards add to the problem by treating jumbo loan applicants with high credit scores and sizeable down payments as higher risks than buyers in the conforming market who have lower credit scores and less money available.

#### Story Springboard

- Jumbo Loans for Median Homes

Many people assume jumbo loans are for the wealthy, but in some areas of the country these loans are for median-priced homes. Get a Realtor®'s perspective on how the jumbo loan market has affected local real estate activity, and talk with buyers and sellers to find out how the jumbo market is impacting their home search.

### Show Me the Money

The Federal Housing Administration has added another component to the temporary \$8,000 first-time home buyer tax credit. Qualified FHA buyers now have the option of monetizing the funds.

Through short-term bridge loans, buyers can access the money immediately instead of amending their 2008 tax return or waiting to file in 2009.

These buyers then have the option of adding it to their FHA-required 3.5 percent down payment, covering closing costs or buying down their interest rate. Realtors® believe this will meaningfully impact home sales and values.

#### Story Springboard

- A Bird in the Hand...

Now that buyers can use the \$8,000 tax credit immediately, ask Realtors® if they see a pickup in buyer activity. Are consumers in your area aware of the tax credit? Do they understand the term 'first-time buyer' applies to anyone who hasn't owned a home in three years? For more information on the \$8,000 tax credit, visit [www.realtor.org/taxcreditbasics.com](http://www.realtor.org/taxcreditbasics.com).

Please contact Michelle Wardlaw, 202/383-1042, or [mwardlaw@realtors.org](mailto:mwardlaw@realtors.org) for additional ideas, sources, data, and resources.



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