

# The Journal

Government & Community Affairs  
Monterey County Association of REALTORS

April 2, 2008

*Investing In Your Future....  
Your Realtor Action Fund Dollars Work For You!*

## Presentation Open to MCAR Members

The Local Government Relations Committee has scheduled a presentation for

Thursday, April 10 at 2:00 p.m. at MCAR. The topic and presentors are:

**Proposed New Regional water project by Monterey Bay Regional Planning Oversight Group (REPOG)**

**Steve Kasower, UC Santa Cruz, professor and Facilitator PUC Division rate payer advocate**

**Lyndel Melton, RMC consultant**

**If you would like to attend the presentation we respectfully request that you RSVP to MCAR so that we can accommodate you. The LGR Committee will meet immediately following the presentation.**

## Articles of Interest 4.2.08

### **Market Watch**

Ben S. Bernanke, the chairman of the Federal Reserve, presented his bleakest assessment yet of the economy on Wednesday morning, warning a Congressional committee that economic growth was likely to stagnate - and perhaps even contract - over the first half of the year.

### **Bernanke Offers Bleaker View on U.S. Economy**

The New York Times

[http://www.nytimes.com/2008/04/02/business/02cnd-bernanke.html?\\_r=1&hp&oref=slogin](http://www.nytimes.com/2008/04/02/business/02cnd-bernanke.html?_r=1&hp&oref=slogin)

Yesterday, the Senate moved forward with a plans to craft compromise legislation in response to the nationwide home foreclosure "crisis."

### **Senate Nears Deal on Housing**

US News

[http://www.usnews.com/usnews/politics/bulletin/bulletin\\_080402.htm](http://www.usnews.com/usnews/politics/bulletin/bulletin_080402.htm)

The real estate bubble of the last decade had many fathers. Investment bankers stopped worrying about whether borrowers could repay their mortgages. Alan Greenspan, the former Federal Reserve chairman, ignored pleas to crack down on this faith-based lending. Home buyers decided that house prices would soar forever. Real estate agents and mortgage brokers encouraged the fantasy.

### **Playing the Housing Blame Game**

New York Times

[http://www.nytimes.com/2008/04/02/business/02leonhardt.html?\\_r=1&ref=business&oref=slogin](http://www.nytimes.com/2008/04/02/business/02leonhardt.html?_r=1&ref=business&oref=slogin)

It was only by coincidence that the giant overhaul of U.S. financial regulations proposed by the Treasury Department on Monday arrived during a financial crisis, but a key part of the plan, to extend the Fed's regulation of investment banks, is a reaction to what has become the biggest U.S. financial crisis since the Depression.

### **Overhauling Financial Rules Will Take Years**

San Francisco Chronicle

<http://www.sfgate.com/cgi-bin/article.cgi?file=/c/a/2008/04/01/MNAEVT7M.DTL>

In politics, it is imperative to be seen as "doing good." The present housing crisis is a case in point, as Congress now seems increasingly intent on aiding millions of homeowners who can't easily pay their mortgages and may face foreclosure. This sort of rescue looks good, even though it is a bad idea and might perversely delay the housing recovery.

### **How Not to Save Housing**

Washington Post

<http://www.washingtonpost.com/wp-dyn/content/article/2008/04/01/AR2008040102196.html?hpid=opinionsbox1>

Mortgage applications plunged last week, largely reflecting a drop in demand for home refinancing loans, although 30-year fixed-rate mortgage rates remained below 6%, an industry group said Wednesday.

### **Mortgage Demand Drops After Rocketing; Key Rate at 5.75 Percent**

USA Today

[http://www.usatoday.com/money/economy/housing/2008-04-02-mortgage-demand-plunges\\_N.htm?loc=interstitialskip](http://www.usatoday.com/money/economy/housing/2008-04-02-mortgage-demand-plunges_N.htm?loc=interstitialskip)

Fannie Mae has told lenders that it will require a minimum credit score for the loans it buys, tightening mortgage standards to protect itself from record foreclosures sweeping the country.

### **Fannie Mae Tightens Rules on Mortgages**

*Reuters*

<http://www.reuters.com/article/companyNews/idUSN0235606620080402>

As hundreds of thousands of American home owners fall behind on their mortgage payments, more people are turning to short-term loans with sky-high interest rates just to get by. While figures are hard to come by, evidence from nonprofit credit and mortgage counselors suggests that the number of people using these so-called "pay day loans" is growing as the U.S. housing crisis deepens, a negative sign for economic recovery.

### **Pay Day Loans Exacerbate Housing Crisis**

*Reuters*

<http://www.reuters.com/article/domesticNews/idUSN1045663120080324>

Centex Homes, a subsidiary of Centex, announced late Monday that it will decrease its total lot holding by 10% to reduce its land supply and raise capital.

### **Centex Unloads Land for Cash**

*Forbes*

[http://www.forbes.com/markets/2008/04/01/centex-reit-properties-markets-equity-cx\\_mlm\\_0401markets24.html](http://www.forbes.com/markets/2008/04/01/centex-reit-properties-markets-equity-cx_mlm_0401markets24.html)

The Bay Area got the results of an economic physical today - it's healthy but aging, has some hardening of the traffic arteries and there are concerns it could lose its global competitive edge.

### **Needs Help, Stat!: Bay Area Economy Shows Wear and Tear**

*San Jose Mercury News*

[http://www.mercurynews.com/business/ci\\_8779753?nclick\\_check=1](http://www.mercurynews.com/business/ci_8779753?nclick_check=1)

Everyone is familiar with buyer's remorse, that queasy feeling of "Have I just made the biggest mistake of my life?" But it often dissipates once the unpacking is done and renovations are under way. The sensation of seller's remorse, on the other hand, is rarer but more lasting, sometimes lingering for years - a fact that those who are thinking of selling in this increasingly buyer-friendly market may do well to consider.

### **Seller's Remorse Rarer Than Buyer's, But the Regret Can Last Much Longer**

*San Francisco Chronicle*

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/04/02/HODQVR117.DTL&hw=housing&sn=001&sc=1000>

More than half of recent home buyers took on remodeling projects within three months of their purchase, according to a National Association of Realtors survey of people who bought a home from late 2005 to early 2007.

### **The Irresistible Urge to Remodel**

*San Francisco Chronicle*

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/03/30/REVSULDTE.DTL>

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