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Dear MCAR GAD,

The HUD FHA Loan Limits appeal process is complete. Unfortunately, Monterey County did not make the list for a limit adjustment. In fact, with the exception of Coconino County in Arizona and Blaine County in Idaho, the entirety of west coast appeals were unsuccessful, including a complete shutdown of California requests.

Of the 54 successful appeals across the country, 41 were in Puerto Rico municipalities. The remainder is as follows; 5 came from New York, 3 from West Virginia, 2 from Virginia, 1 from Maryland, 1 from Arizona and 1 from Idaho.

I had the opportunity to speak with the HUD Director in charge of this process for California today and was told a recommendation for review was given to our appeal from the CA HUD office but that in the end, final determination was out of their control with approvals coming out of the national office. After further inquiry, a variety of factors probably played into this determination, (none of which were illustrated in the appeals process guidelines) the most important being the massive home price slide that California as a whole has experienced in the past year. Interestingly enough, the Salinas Statistical Area was just recently classified the worst performing real estate market in the nation with a -29.06% home price depreciation. This factor certainly didn't help our case.

While the outcome to this appeal is somewhat surprising and certainly disappointing, hope remains in a congressional effort to extend the current 2008 limits through 2009. I will update everyone on the national efforts currently underway in Friday's Report.

Thank you for efforts and diligence in this process, we will continue to move forward.

Kevin

Until next time,

Kevin Stone
Government & Community Affairs Director
Monterey County Association of REALTORS®