

# FHA Loans Make Up 28% of Sales in Portland Metro Area

Will new restrictions slow the increase in FHA popularity?

We all know that FHA Loans have increased in the past few years with the changing market, but how much? I recently ran some numbers on financial terms, a required field in RMLSweb, that may shed some light. These numbers are for the Portland metro area (Clackamas, Columbia, Multnomah, Washington and Yamhill counties).



As you can see, sold listings with the financial terms "FHA" have increased in the RMLS Portland market area from just 1.2% in 2007 to 28.1% of sales through October 2009. These numbers are closely in line with national levels; a recent report stated that FHA loans are up to 30% this year from 3% in 2006.

Do you think we'll continue to see FHA loans grow in popularity, or will it change if plans to make some FHA loans require a down payment higher than 3.5% go through? Realtors, let us know what you're seeing out in the field – leave a comment below.

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## Distressed Property Update for Portland & Clark County

## 21.9% of listings distressed in PDX, 31.7% in Clark County

The latest report from the Mortgage Bankers Association indicated that the rate of foreclosure for people with fixed rate loans and good credit is on the rise.

The AP reports that homeowners' inability to keep up with payments is now more due to unemployment, rather than the subprime loans that contributed to the initial increase in foreclosures.

A quick search on RMLSweb reveals that in the Portland Metro area, distressed properties currently make up 21.9% of active residential listings (this number takes into account listings that require third-party approval, as this typically indicates a short sale and those that are marked as bank-owned).



In Clark County, 31.7% of residential listings are distressed.



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# **HOWNW.com Adds Section on Avoiding Foreclosure and Fraud**



PMAR's public service website, HOWNW.com (Home Ownership Opportunities Northwest) has a new section that offers consumers information from reliable sources such as the National Association of Realtors®, the Federal Trade

Commission, Fannie Mae and the Office of the Comptroller of the Currency about how to avoid foreclosure and fraud.

To explore these useful new resources, visit:  
<http://hownw.com/consumer/avoidingforeclosure.asp>

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## **OREF: Be Aware of Disclosure Requirement That May Cause Closing Delays**

Our friends over at Oregon Real Estate Forms (OREF) have issued the following update about the disclosure of Annual Percentage Rate:

*OREF's legal counsel, Phil Querin, advises all brokers in the state of Oregon to be aware of federal disclosure requirement that may cause a delay in closing.*

*Under new rules enacted by the Federal Reserve Board Truth in Lending Act, effective July 30, 2009 it is required that if the final Annual Percentage Rate (APR) changes by .125% or more as disclosed in the Good Faith Estimate there is a mandatory additional three business day waiting period before the transaction can close.*

*It is suggested that brokers get their buyers and sellers to agree in advance to a written extension as a contingency if the final APR causes the 3-day extension beyond the scheduled Closing Deadline such as:*

*"In the event that Buyer's final Annual Percentage Rate ("APR") differs from the APR initially disclosed to the Buyer in the Good Faith Estimate by .125% or more, the Closing*

*Deadline defined in the Real Estate Sale Agreement shall automatically be extended for three (3) additional business days in accordance with Regulation Z of the Truth in Lending Act, as amended on July 30, 2008."*

*If brokers encounter such a situation for a transaction already in process, they can extend the Closing Deadline by using an addendum form (OREF-002).*

***Caveat:*** *This is not legal advice. All brokers should confer with their principal brokers and also recommend that their clients consult their own legal counsel if they have any questions.*