



Sente Market Update

News You Need To Know

March, 2009

Austin Housing Stats (courtesy of Texas A&M, <http://recenter.tamu.edu/data/>)

Date	Sales	Dollar Volume	Average Price	Median Price	Months Inventory
2009 - January	914	205,275,292	224,600	175,800	5.7
2008 - January	1,435	346,359,718	241,400	185,300	4.5
2008 (Final)	22,379	5,459,512,684	243,960	187,900	5.6
2007 (Final)	28,048	6,910,962,480	245,182	183,000	4.0

What's Happening with Rates?

- ◆ The third component of the "Making Home Affordable" program is to "support low mortgage rates by strengthening confidence in Fannie Mae and Freddie Mac."
- ◆ Rates are hovering around 5%, plus or minus .25%. It looks as if they will stay around this level for the foreseeable future.

Product News

- ◆ For borrowers with a LTV of more than 80%, mortgage insurance (MI) is becoming a limiting factor.
 - Some MI companies are opting out of entire loan categories, such as construction, investment, or LTVs over 95%.
 - Where MI is available, the insuring companies may require credit scores as high as 740.

Scoop! What You Need to Know about Mortgages and the Mortgage Industry

- ◆ "Making Home Affordable" — the plan to help homeowners refinance or modify their mortgages — was announced March 4.
 - Refinancing: Homeowners with high loan-to-value ratios and mortgages held by Fannie Mae or Freddie Mac will be able to refinance at today's lower rates.
 - Modification: Homeowners in danger of foreclosure will be able to reduce their payment to keep their home.
- ◆ These new policies will impact the capacity of the entire mortgage system. Concerns to consider with your lender of choice include control of underwriting, closing time and availability of funds.
- ◆ The final word on who qualifies and what is acceptable is likely to be the investors who purchase the mortgages. They are currently looking at the various new programs and will publish their guidelines within a few weeks.

For more information about these or other home loan issues:

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