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Phoenix

real-estate market a confusing environment

by **Catherine Reagor** - Aug. 28, 2011 12:00 AM
The Arizona Republic

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say foreclosures are declining in metro Phoenix and large numbers of [homes](#) are selling.

But many homeowners feel trapped in houses they can't sell.

Some real-estate agents can't find enough new listings to keep up with demand from buyers.

But others say there aren't enough buyers, and homes are selling too slowly.

The [housing market](#) in metro Phoenix may never have been as confusing as it is today.

Nearly five years after the beginning of the housing crash, the region's market has fractured into countless different niches.

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Each niche is defined by who's selling, what kind of home is for sale and where the home is located.

And each niche has become a market of its own.

Some - such as the market for small central Phoenix foreclosure homes being sold at auction - are booming, with prices rising and a huge demand from buyers.

Others - for example, traditional resales of newer large family homes in some neighborhoods in the far west or southeast Valley - have ground to a halt, where homes seemingly won't sell at any price.

Location is one traditional factor in a home's value that still holds true. But in this market, its effect can be extreme. A seller in one neighborhood might receive 10 offers, while the owner of a similar house 5 miles away won't receive any.

In a market this splintered, once-reliable measurements just don't provide enough information for buyers or sellers.

One reliable measure of real-estate activity was the number of [homes for sale](#). Traditionally, 20,000 to 25,000 homes on the market at any given time was considered normal. More than that meant an oversupply, and sellers might have trouble attracting buyers. Fewer meant a limited supply, a seller's market with rising prices.

As the housing market crashed, too many homes had been built. The region's inventory soared to more than 60,000 homes for sale in 2007, and prices plunged.

Today, according to the online real-estate publication the Cromford Report, listings in metro Phoenix are at 27,400 and falling - traditionally, a sure sign of rising demand and rising prices to follow.

But agents and analysts see the same thing many homeowners feel. While some homes are selling easily, others simply won't.

"Phoenix's housing market is a mixed bag now," said Marcus Fleming, manager with the real-estate brokerage Redfin Phoenix. "There's a new normal for the market, but it's a weird one."

Who's selling

One factor that has a big effect on home sales is the nature of the seller.

To understand, consider just how much things have changed in the past decade.

In June 2001, there were about 10,000 home sales, according to the Information Market, a Phoenix firm that analyzes real-estate data. Of that total:

- 7,300 were regular resales between a homeowner and a buyer.

- 2,700 were new-home purchases.



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- 82 houses sold at foreclosure auctions.

- One home was sold by Fannie Mae, the federal mortgage giant that backs lenders and takes over those homes when borrowers default.

Ten years later, during June 2011, there were just over 11,000 home sales in metro Phoenix. But the variety of sales was far wider:

- 3,684 were regular resales between a homeowner and a buyer.

- 540 were new-home purchases.

- 1,350 homes sold at foreclosure auctions on the Maricopa County courthouse steps.

- 1,255 houses were sold by lenders that foreclosed on them.

- 2,183 houses were sold by Fannie Mae and Freddie Mac.

- 1,822 homes were sold in short sales, in which lenders agree to let a homeowner sell for less than what is owed on the loan.

- 401 homes were sold by the federal departments of Veterans Affairs and Housing and Urban Development.

Because all of these kinds of home sales work in different ways, the market overall becomes more complicated.

Different categories

The different splinters in the market have each begun to work in their own ways, real-estate market watchers say. Some parts see a lot of sales but low prices; others, the opposite.

- Traditional resales: Fewer of these happen because of competition from cheaper foreclosures and short sales. The ones that sell best are in popular neighborhoods with good schools, near freeways and shopping centers. But the percentage of foreclosure homes listed for sale in metro Phoenix has dropped by 5 percent in the past year, so regular sellers have less competition and might soon find it more easy to sell.

- New-home sales: Homebuilding has slowed to a crawl in metro Phoenix as the market continues to sell the many houses built on speculation during the boom years. Even with low land prices, it's still hard for homebuilders to compete with the prices of foreclosure houses that were built less than five years ago.

- Foreclosure auctions: These have become very popular, and a large volume of homes sell at metro Phoenix trustee auction each month. But homes sell at auction for lower prices, and that makes the market's overall average sales price lower.

- Fannie Mae and Freddie Mac: Homes owned by these entities now dominate the metro area's market. But the agencies often change their policies on appraising, maintaining, renting and selling their houses, so some buyers and real-estate agents steer clear of the hassles of these deals.

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"The government's role in the housing market is making things more confusing and bringing down prices," said Mary Gomez, a real-estate agent with RE/MAX Renaissance Realty.

- Short sales: This type of sale was rare a decade ago. Banks were reluctant to agree to them in the early part of the crash, but they have now become common. Because they're not a foreclosure sale, but also are not a traditional sale, the value of a short-sale transaction skews the overall market in ways that are hard to measure.

The bottom line: Today's market is complicated and can't be summed up as simply as in years past.

"Everyone is trying to figure out Phoenix's housing market now, but there's no one set of data that truly tells the story. All the regular models for tracking the market are broken now," said Tom Ruff of the Information Market. "There is not just one market in metro Phoenix anymore."

The effects

That confusion makes it especially hard for homeowners and homesellers to know what their houses are worth.

Traditionally, a home's value could be estimated from its "comps," comparable sales of nearby homes. Those offered an idea of the going price in a neighborhood and the price per square foot.

Today, a regular home sells for \$112 a square foot. A house sold through short sale goes for an average of \$72 a square foot. A bank-owned, Freddie Mac or Fannie Mae home sells for \$61.50 a square foot. And foreclosure homes selling at auction are averaging \$57 a square foot.

"Comps for properties are inconsistent and can be confusing," said Jennifer Hillier, an agent with the Scottsdale office of West USA Realty. "People just don't know what to believe anymore."

Measures of the overall market are harder to trust, too. Currently, metro Phoenix's overall median sales price is \$124,000. But because many of the homes sold are foreclosure auctions - in which low-priced homes are common - that number could be seen as low. Other homes may be worth far more. But few of those homes are selling, so they're not represented in the median price.

"Home sales activity is still very concentrated at the bottom end of the market," said housing analyst Mike Orr, who publishes the Cromford Report.

What's selling now

"Homes in central Phoenix area priced under \$100,000 are moving like gangbusters with very few homes remaining on the market for long," Hillier said. "I believe this is because of the location to jobs and public transportation" and because the low prices mean investors get a reasonable return, in the form of rent, on their cash investment.

Market watchers also say three- to four-bedroom homes in suburban neighborhoods with

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4517 / 1996
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1475 / 1991
Jennifer with the Shawn Bradford Team, Buy And Sell Smart Realty Llc



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good schools are also selling fast to both regular homeowners and investors who want to rent them out, often to families who have lost similar homes to foreclosure.

The region's less-expensive neighborhoods experienced the crash first, and now high-end housing areas are feeling more pain because there are fewer buyers who can afford those houses.

Sales of homes in the million-dollar range have definitely slowed, said Walt Danley of the Phoenix office of Christies' International Real Estate. He said there are cash buyers looking for deals in Paradise Valley and north Scottsdale, but those deals bring prices down.

Some million-dollar homes also go to foreclosure auctions. Recently, a house in Paradise Valley that sold for \$3.5 million in 2005 sold at auction for about \$1 million.

But there are still homes in Paradise Valley and other high-end neighborhoods selling for prices just 20 percent lower than they sold during the market's peak. Other neighborhoods are also beginning to see homes sell for pre-boom prices from 2003-04, despite the fact the metro area's median home price is back to 1999's level.

"The one indicator we can still count on is location," Ruff said. "Homes in the right areas will continue to sell for the highest prices."

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[ArizForJesus](#)

Aug-27 @ 11:17 PM

13

69

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Oooo goody! So we can blame this confusion on the marxist kenyan usurper, because he's, you know, "different".

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[FuzzyNuts](#)

Aug-28 @ 6:06 AM

10

23

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NOW is definitely the time to buy a home. The market is at rock bottom according to two of my relator friends. You people who are wasting money on rent should buy while interest rates and home prices are at historical lows. Does that make sense to you or are you people too stupid to see that? I know...you'll come up with some excuse for not buying....that's all you people do is make excuses. All your failures in life have an excuse, right?

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[jayconrs](#)

Aug-28 @ 6:21 AM

22

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Historical low prices doesn't ease lender requirements to put on average 20% cash down payment on these homes. Stop being so dramatic and perhaps a little bit more compassionate.....not a lot of people have that kind of cash to spend these days.



[ick](#)

Aug-28 @ 6:52 AM

19

3

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What part of "good-bye to the middle class" don't you understand? Who has 20% laying around? And who can qualify for a loan when they're unemployed or earning a third of what they did when they had a real job?



Pip64

Aug-28 @ 7:22 AM

11



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as the others have said 20 percent is not easy to come up with, and losing a job or having a significant reduction in income does not hold well with purchasing a home at the moment.

There are also people who have simply moved back into homes with sisters or brothers or mom and dad again. I would personally love to know the statistics of how many people have moved back home or have had their parents move in with them in this economy.



desertrat46

Aug-28 @ 7:47 AM

9



2



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Amen...my wife and I just bought a home that was priced at a quarter of a million when it was built in 2006..above a beautiful golf course..We were able to get a loan through FHA for 151K...and are paying 300 a month LESS for something we own, than for the 900sq feet LESS home we were renting..If you can beg or borrow, get that loan and buy now..before the prices start climbing again. Stimulate the economy, and stimulate YOUR economy and well-being.



Princess10

Aug-28 @ 7:58 AM

6



6



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Yeh---Realtors have a bit of self interest in their statements---They have been saying the real estate market has been at rock bottom for the past 3+ years.



FuzzyNuts

Aug-28 @ 7:58 AM

7



12



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You people can buy a home with a 3% down payment.....you don't need 20%.....that's just a lame excuse for not buying.



[pyewackettoo](#)

Aug-28 @ 7:59 AM



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It's not only having 20 percent. It's also having a top-notch credit score, steady employment and being fortunate enough to find a house that the bank feels is priced correctly.

Moreover, with any respect due to your realtor friends, realtors have been saying for at least the last two years that , atvarious points, the market has hit bottom. There is more than a little self-interest involved in a realtor saying that - especially in this market.

We bought a foreclosed house almost three years ago - as a realtor patiently tried to explain that the bank would NEVER accept our offer, which was 15 percent below a price that was already a third reduction on the part of the bank. We told her that we had no intention, as prices continued to drop, of ever being under water on the mortgage - and we still aren't.

Don't be so fast to take someone else's word on the market ... and make nasty, unwarranted comments about others. Your comment almost makes it sound as though either you are a realtor - or a shill for one.



[DharmalInitiative](#)

Aug-28 @ 9:16 AM



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i can care less what a realtor says. i remember in 2004, a realtor told me that the reason for the increases of price is that the phoenix market has always been low and the prices were just adjusting to what they really should be and that the prices were never going to come down. but thinking back to my high school economics class, i thought of supply and demand and i decided to wait to buy a home. i waited until last year and the house i bought was 250k in 2006 and i bought it for 80k last year, straight cash homey.



[dirtyrottenbastage](#)

Aug-28 @ 10:20 AM



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Although I do agree that it is a good time to buy a home, prices are certainly at rock bottom (I hope). But owning is not the best choice for everyone. I'm a single, 50 year old man. Not in the best of health (I have ALS). I sold my home before the market crash (Thank God) and have been renting ever since. Best choice I could have made. I'm not able to maintain a home properly for one thing, and I like the mobility of renting. I never know when my disease is going to exert itself and put me in a wheel chair. So far, I'm still on my feet, but it's comforting to know, if needs be, I can pack up my stuff and move closer to my family (with not a lot of effort) when the time comes. Please don't lump everyone who decided to rent as dumb, or as failures, it just isn't true. I ran a successful small Utility company as owner/operator for many years, made a lot of money too. the ALS took me down a few pegs, but I'm not a failure. I have plenty enough money and could BUY a house outright, if I wanted too. I choose to rent. Homeownership is a great thing (I've own several over the years) But it isn't for everyone.



JSchwendler

Aug-28 @ 10:41 AM



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You are not intelligent. You are not informed. You don't know what you are talking about. Be quiet.



troutman

Aug-28 @ 10:50 AM



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You take a Realtor's advice? Bwahahahahahahahah!



BJ1921

Aug-28 @ 11:59 AM



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Your, "Why aren't you all buying??", attitude comes off as condescending and/or ignorant. Why? Because they CAN'T buy...

You talk as if all of those renters WANT to be renting. Instead, they lost their creditworthiness through a short-sale or foreclosure (or other bad credit decisions), or even if they have good credit, they don't have 20% down (which

can be \$20,000+ hard cash in savings - which is out of reach for most of the middle class,) OR they're stuck in a home they can't see because it's underwater - and if they short sell... what happens? They won't have the creditworthiness. It's a big cycle that there is no easy exit from... and it turns them into renters.



[BJ1921](#)

Aug-28 @ 12:01 PM



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BTW - You DO sound like a total (inappropriate term)hole on top of sounding pretty much oblivious to what most of the lower and middle class is going through.



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[Bozgotbannedx11](#)

Aug-28 @ 6:30 AM



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Is there an "off" mode for you? The Real Estate Market in Phoenix has turned around slightly. There is still a sizable quantity of REO Homes (Foreclosure, Short Sale, Auction), however these homes are actually selling for more than they were a few years ago. I have completed around 50 1004 MC Statistical CMAs in the past few months all around the Phoenix Area and that information suggests the worst is over. 2009 seemed to be the bottom for home values, however we will still have stagnant home values for the next few years.

There are 2 replies to this comment. [Expand](#)



[Princess10](#)

Aug-28 @ 8:01 AM



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And what about the massive shadow inventory out there? What about the potential for another recession and stagflation?



[sense1](#)

Aug-28 @ 2:13 PM



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or that about the potential for an asteroid hitting the earth and causing global annihilation,,,or worse still Perry getting elected,,?



[libshatework](#)

Aug-28 @ 11:29 AM



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Its always good to hear from the village idiot, thanks.



[sense1](#)

Aug-28 @ 2:02 PM



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do the nurses at your group home know your using tier computer,,yet again?



[dontaxeme](#)

Aug-28 @ 12:02 AM



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This is why you shouldn't post after drinking MD 20/20.



[Pip64](#)

Aug-28 @ 6:58 AM



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Tylerdaddy, your absolutely correct,
Anyone who CAN qualify for a home has already purchased.
It also does not help that those who are employed are generally making less money then they did a few years ago while the price of EVERYTHING has GONE UP. for example..

1. Home owners insurance premiums have gone up, the excuse we hear is the hail storm.
2. Gasoline has still not come down but a fraction, even though the price of a barrel of oil has plummeted.
3. The water bill has gone up 3 to 10 percent each year so city employees can keep their mandatory raises.
4. SRP raised the rates, in order to remain competitive even though they compete with no one they have a monopoly.
5. Food prices are up, noticed how much coffee is now? Additionally there is now a tax associated with the cost of food.
6. Health insurance (don't get me started) I know of people who have lost what health care they once had, by either flat out cancellation from the employer or the cost has gone up so much in the least three years that is rapidly becoming unobtainable.

All of this is centered on the belief you can find a job, i love how the government changed the rules in reporting the unemployment rate, so not to alarm the people as to how bad the unemployment

percentage really is as if we could not figure that out ourselves.

In the end, everyone has cut out the nonessentials, cancelled cable tv when the contract date was up, changed cell phone carriers from Verizon to the Wal-Mart one that is half the price but uses the same towers and network. Changed banks to a credit union, raised the deductibles on your insurance, reduced your withholding on your taxes because now that you are earning less you will pay less taxes if any. By the way if anyone has any other ideas how to save money please post them. i am sure people would love to hear more options these days.

There are 2 replies to this comment. [Expand](#)



[willierun](#)

Aug-28 @ 11:04 AM

2

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Spot on, we've tightened our belt 3 notches and have eaten our way to the back of the freezer this month. suggestions?

- Victory Garden (after mother nature turns her oven down)
- Side cash via marketing any skills you have on Craigs.

Welcome to the new world economy for the foreseeable future.

Hope for Change in 2012.

ps

my dino snowboards



[circecraft](#)

Aug-28 @ 12:46 PM

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No need to wait for cooler temps to plant everything. Greg Peterson's site, urbanfarm.org has an excellent list of what to plant, when in the desert. We already have bean & squash plants up, which should be producing by mid October.



[tyleraddy](#)

Aug-28 @ 12:05 AM

40

5

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Give politics a break for a minute. The reason homes are selling is not complicated, the pool of buyers who want homes is shrinking not

increasing,a financial advisor, Mish Shedlock put it way better than I can, here is an excerpt:

How Big is the Pool of Eligible Home Buyers?

Here is a set of questions that will explain what is happening now.

How many people

Don't have a house?

Want a house?

Can afford a house, upkeep, and property taxes?

Have a needed cash cushion in the bank?

Have a decent down payment for a house?

Have a salary that can support interest and principal payments even at these low rates?

Are not scared s*less about the loss of a job, assuming they do want a house and meet the rest of the conditions?

Someone needs to meet all of those conditions before they will buy a new house.

How many is that?

The real estate market will not improve until the labor market improves. The amount of sellers will not increase.

There are 4 replies to this comment. [Expand](#)



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[pickles](#)

Aug-28 @ 12:38 AM

21



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Or banks aren't lending to over leveraged investors anymore.



[EricAZ](#)

Aug-28 @ 7:36 AM

7



4



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Much has been said about shadow inventory of homes (bank owned & not on market) but nothing is mentioned about the shadow inventory of buyers. We have about 500,000 rental households in the Phoenix metro and if only 1% of them decided to buy each month we would have a very strong base of 50,000+ sales each year. What does it currently take to buy the typical median to average priced home (\$110K to \$155K)? FHA loan with 3.5% down works out to a monthly payment of

\$800 to \$1100 for PITI & PMI. Monthly income of \$2400 to \$3300 is all that is needed to buy today's typical median or average priced home. Many rental households have this kind of income and they are seeing these numbers. Many are buying right now.



[mwMike](#)

Aug-28 @ 9:36 AM

4

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"The real estate market will not improve until the labor market improves. The amount of sellers will not increase". And the labor market won't improve until the anti-labor tea-publicans are sent back into their corporate hole.



[Linda2386](#)

Aug-28 @ 10:33 AM

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Maybe the market of eligible buyers is shrinking because thousands of people were foreclosed upon, and cannot now qualify for another - or that the baby boomers kids are not as many, and they are now downsizing in order to not have those high utility bills for the rest of their lives, since they are also being "retired" and can't find jobs at 50!

Gee, I wonder why the market is shrinking!



[disgustedbygreed](#)

Aug-28 @ 7:56 AM

8

2

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I do not believe Jesus would make a comment like this-maybe you should change your name to The Pharisee. Be grateful that you have a computer and internet to post ANYTHING

There is 1 reply to this comment. [Expand](#)



[teacher30years](#)

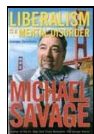
Aug-28 @ 9:28 AM

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I think it was an attempt at sarcasm.



UnionBustah

Aug-28 @ 8:08 AM

4 13 [Report abuse](#)

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Yeah, OBUMMER, the same one that is coddling your illegal alien family members. Tell them to move back to Mexico, or I will find the ss#'s they stole to con their way into my neighborhood's school district.

There are 2 replies to this comment. [Expand](#)



gar

Aug-28 @ 8:50 AM

7 7 [Report abuse](#)

Yep he's using backdoor amnesty to woo the Hispanic vote. He's using words in true Obamaesque glib sleazy fashion to do something)amnesty) without calling it that, and hope the citizen voters wont notice. I am insulted. Just another sleazy Obama tactic to unilaterally shove his agenda down everyone's throat. And it's all Bush's fault. 3 years later. Even Hurrican Irene is Bush's fault.

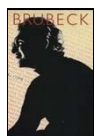


sense1

Aug-28 @ 2:03 PM

0 0 [Report abuse](#)

gar - illegals vote?



TakeFive

Aug-28 @ 2:04 AM

22 1 [Report abuse](#)

Location is always a key but the so called confusion results from the large role that investors currently have in today's market.

There are 4 replies to this comment. [Expand](#)



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Pip64

Aug-28 @ 7:06 AM

12 0 [Report abuse](#)

investors are only going to buy homes in areas that people will pay to rent other wise the investor is not going to be an investor for long.



EricAZ

Aug-28 @ 7:38 AM

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Much of the confusion is trying to compare a lender owned home in poor condition to a move in ready sale just down the street for 20% more. Which house is priced right and what will the appraised value come in at?



Princess10

Aug-28 @ 7:56 AM

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There is no mention in the article of the massive amount of shadow inventory that exists. Banks are not releasing foreclosed homes to the market; some people have been living in their homes for in excess of three years without having made a mortgage payment.



c24s83

Aug-28 @ 12:43 PM

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Exactly, Princess. The banks are verry slowly releasing foreclosures and delaying the process as much as they can in hope of an economic turnaround before they take short deals. It is a way of artificially holding up market value during a correction....this is nothing new. True correction won't happen until one of two things happen: either the banks release the floodgate of pending foreclosures or people stop getting into ridiculous bidding wars over inflated (relative to this economy) properties right now. Be a little patient and don't fall for the realtors' salespitches.



nilrak85

Aug-28 @ 8:12 AM

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For all you knuckle draggers who think our current president is the cause of every problem under the sun today, watch the movie "Inside Job". There is more than enough blame for 2008 economic collapse to go around and hit all political sides.

There are 2 replies to this comment. [Expand](#)



James150

Aug-28 @ 9:19 AM

4 7

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Good lord.....did you read what you wrote before hitting the "post comment" button?



c24s83

Aug-28 @ 12:37 PM

0 1

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If it can be seen in a movie, it MUST be true.



lh1155

Aug-28 @ 5:17 AM

23 6

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What does this have to do with this story Mr ArizForJesus!! Oh by the way, Jesus is loving and caring, and you are not.

There are 2 replies to this comment. [Expand](#)



sabe

Aug-28 @ 6:27 AM

8 7

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Pres. Obama's policies do have something that affects not only our housing market but the rest of the Country's as well.



KeithE4

Aug-28 @ 11:41 AM

1 1

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The guy in the White House when the housing market collapsed 5 years ago was named George Dubya Bush, not Barack Obama.



James150

Aug-28 @ 9:16 AM

7 7

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The mere fact that you were the very first commentor, proving you were responding to nobody, showcases what an absolute moron you are. Give it a rest will. Oh, and yes, he is different from any other

President in that he openly promotes the downfall of freedom.



[mwmike](#)

Aug-28 @ 9:30 AM

7 3 [Report abuse](#)

Don't feed the troll. "Ignore" "Arizforjesus"



[Teknician](#)

Aug-28 @ 9:42 AM

2 2 [Report abuse](#)

The chip on your shoulder is just so out of style. How about a different shape or size?



[Traal](#)

Aug-27 @ 11:18 PM

7 15 [Report abuse](#)

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The sales tax is partly to blame for low property values. Property taxes "encourage cities to make land-use decisions that bolster property values...Sales tax just incentivizes you to put up big-box stores." <http://preview.tinyurl.com/...>



[RunGuysRun](#)

Aug-27 @ 11:28 PM

15 14 [Report abuse](#)

Got my sub 100K central Phoenix home couple weeks ago. Have fun with your miserable commute in your brand new home in BFE :o)

There are 4 replies to this comment. [Expand](#)



[pickles](#)

Aug-28 @ 12:45 AM

6 4 [Report abuse](#)

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When a fine house around the corner from my house went on short sale, I jumped on it. Never in my life did I think I'd be investing in real estate. But money and good homes are cheap.

There is 1 reply to this comment. [Expand](#)



[sidneyhelene](#)

Aug-28 @ 1:10 AM

5 4 [Report abuse](#)

Congratulations on your new purchase.

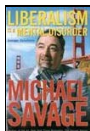


[EricAZ](#)

Aug-28 @ 7:41 AM

2 2 [Report abuse](#)

I guess you didn't get the message. There are jobs outside of the Phoenix core. Yes, a lot of people commute there, many others do not. I'm glad your house works for you.



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[UnionBustah](#)

Aug-28 @ 8:12 AM

1 6 [Report abuse](#)

Yeah, that's fine. You are obviously immune to the graffiti, sirens, and illegal alien crime. I'll stay in my gated community that is dark at night, and peaceful. To each is own. The 3 biggies in real estate: Location Location Location.



[unnamedDBacksfan1](#)

Aug-27 @ 11:52 PM

12 11 [Report abuse](#)

LOL @ those clowns in their silly mcmansions with gas at @ \$5.00 a gallon in a few years.

There is 1 reply to this comment. [Expand](#)



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[Pip64](#)

Aug-28 @ 7:11 AM

5 0 [Report abuse](#)

it works both ways, living on the out side of town has some nice advantages less traffic congestion unless going to work down town. Also the crime rate is lower, education is considerably better in Peoria and Scottsdale compared with say phoenix. the down side is if you need to go to the other side of town, pack a lunch. the cost of gas as you stated already.



[sherrymartin122](#)

Aug-27 @ 11:48 PM

0 14 [Report abuse](#)

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Over the life of a 30 year loan, a \$300 per month decrease would equal over \$100K in savings. Search the web for "123 Refinance" website they helped me find 3.118% rate easily. Strongly recommend them for anyone. Good luck.

There are 2 replies to this comment. [Expand](#)



[Pip64](#)

Aug-28 @ 7:14 AM

6 1 [Report abuse](#)

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seriously ??? every time i hear those commercials about what a great time it is to refinance your home i laugh, who the heck has a high interest loan anymore that has either not lost there home or has not refinanced IF THEY QUALIFY to do so?

OR the big one, "I am sorry but your home is not WORTH what you owe and we can not refinance it at this time."

There is 1 reply to this comment. [Expand](#)



[roenick778](#)

Aug-28 @ 9:35 AM

3 1 [Report abuse](#)

I refinanced about 8 months ago, had a rate of 5.5 , now I am sub 4, I don't consider 5.5 to be high, but couldn't pass up on 3.75%. oh and I did qualify and did have equity too. Not everyone is painted into a corner, some of us, although a very small amount of people I'm sure are in pretty decent shape, it all comes down to when and where you bought, if you didn't take money out of your home in a second mortgage before and several other factors. But then I again i don't follow the typical "sheeple" mentality either. I buy used cars, don't spend a lot of money on them, actually save money for retirement and try to live within my means.



[sense1](#)

Aug-28 @ 2:15 PM

0 0 [Report abuse](#)

buy an ad,,,and no there are no 3.15 percent 30 year loans,,,

[Idontcare25](#)

Aug-28 @ 12:05 AM

17 5 [Report abuse](#)



Here's a concept: Move back towards smaller, private lenders offering reasonable loans to financially sound people.....none of this 150k in interest for a house that was purchased for 200k. That's robbery. The banks are out of control.

We're at the point where it's only economically sound to buy a house with cash....and who can do that?

There are 3 replies to this comment. [Expand](#)



pickles

Aug-28 @ 12:47 AM

7 3 [Report abuse](#)

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You're dreaming. You think you can fight Wall St?

There is 1 reply to this comment. [Expand](#)



Pip64

Aug-28 @ 7:17 AM

5 0 [Report abuse](#)

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no doubt wall street gets a yearly heroin shot in the way of QE1, then QE2, and now they are talking about QE3. all of it is borrowed money from china to stimulate wall street so the fat cats can get high on profits for a little while and when the market comes back down Uncle Sam gets another syringe of bogus money to dope them up again.

By the way we the people are paying for all of this, and i don't know about you but i am sick of bailing out bankers, wall street thugs and so called finical genius....



Princess10

Aug-28 @ 8:10 AM

2 3 [Report abuse](#)

With 30 year mortgage rates at 4 1/4%, there are plenty of opportunities for a traditional purchase.



cambermeister

Aug-28 @ 12:14 AM

7 4 [Report abuse](#)

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I have read that the Feds plan, or are going to try a take over of

Fannie Mae, and Freddie so they can offer a discount on the mortgage interest being paid right now to those who are underwater in their home values.

If the Feds do that, why would any bank want to continue in the mortgage lending industry ????

Small private lenders may be the wave of the future.

There are 5 replies to this comment. [Expand](#)



TakeFive

Aug-28 @ 1:08 AM

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Fannie/Freddie currently exist only because of the largess of the government. They have essentially been nationalized, at least for the time being. They don't make loans directly. Rather lenders today make loans only because Fannie/Freddie/FHA provide guarantees. The exception being higher loan amounts, above \$419,000 or some such number.



Darrell2230

Aug-28 @ 2:10 AM

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Government took over Freddie and Fannie in 2008.



TheVoice

Aug-28 @ 6:42 AM

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Find out which organization is in control of the federal legislators pension funds.



desertrat46

Aug-28 @ 7:41 AM

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[Report abuse](#)

TheVoice..I think that AIG (REALLY bailed out in 08) handles their retirement accounts..and they really propped up their own retirement accounts...

Teknician



Aug-28 @ 9:57 AM



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A little history about government sponsored private business.

Fannie Mae was created in 1938 as part of Franklin Delano Roosevelt's New Deal. The collapse of the national housing market in the wake of the Great Depression discouraged private lenders from investing in home loans. Fannie Mae was established in order to provide local banks with federal money to finance home mortgages in an attempt to raise levels of home ownership and the availability of affordable housing.

For the first thirty years following its inception, Fannie Mae held a veritable monopoly over the secondary mortgage market. In 1968, due to fiscal pressures created by the Vietnam War, Lyndon B. Johnson privatized Fannie Mae in order to remove it from the national budget.

At this point, Fannie Mae began operating as a GSE, generating profits for stock holders while enjoying the benefits of exemption from taxation and oversight as well as implied government backing. In order to prevent any further monopolization of the market, a second GSE known as Freddie Mac was created in 1970. Currently, Fannie Mae and Freddie Mac control about 90 percent of the nation's secondary mortgage market.

Fannie has been whacked into 4 separate entities and Freddie Mac added.

Over the years some good and some bad has come from this government originated cluster flock

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