



Higher conforming loan limits take effect

Source: Housing Wire

Fannie Mae, Freddie Mac, and the Federal Housing Administration are now backing larger mortgages because the 2020 loan limits for each of those agencies are now in effect. And each of the agencies' loan limits are higher for 2020 than they were in 2019.

The agencies' loan limits (the highest dollar amount they will back on a mortgage) are dictated by the Federal Housing Finance Agency's

home price index. With higher home prices come higher loan amounts, and the FHA, Fannie Mae, and Freddie Mac all recently adjusted their loan limit amounts to account for higher home prices.

Making sense of the story:

- Higher loan limits took effect on Jan. 1, 2020, meaning the FHA, Fannie Mae, and Freddie Mac are all now insuring larger loans.
- Fannie Mae and Freddie Mac are now insuring loans up to \$510,400, marking the fourth straight year that the FHFA has increased the conforming loan limits after not increasing them for an entire decade from 2006 to 2016. Loans in high-cost areas such as California will be capped at \$765,600, or 150% of the \$510,400 limit.
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- The conforming loan limit determines the maximum size of a mortgage that government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac can buy or “guarantee.” Non-conforming or “jumbo loans” typically have tighter underwriting standards and sometimes carry higher mortgage interest rates than conforming loans.

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Mortgage rates fall further, as buyers rush into the first open houses of 2020

Source: CNBC

The average rate on the 30-year fixed mortgage fell to the lowest level since October this week, at 3.69%, according to Mortgage News Daily. That has an already competitive housing market heating up even more.

Open houses, which are usually pretty rare the first week in January, were plentiful in markets across the nation this year, as buyers hope to get in before the competition gets even worse.

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Look into the future.

C.A.R. 2020 Economic & Market Forecast

Experts predict what the 2020 housing market will bring

Source: Washington Post

A strong job market and low mortgage rates should sustain the housing market in 2020. The problem will be finding enough homes for buyers.

With unemployment hovering at a 50-year low and interest rates well below historical norms, the real estate industry is being dragged down by scarcity in housing stock, especially at lower price ranges. Not enough homes are being built, and homeowners are staying put longer, creating a bottleneck.

In their forecasts for 2020, most real estate experts anticipate the housing market moving sideways rather than up or down.

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YOUR CLIENT HAS A QUESTION ON PRIVACY/SURVEILLANCE OR OTHER LEGAL ISSUES?

Send them a one-page [quick guide](#) on the topic from the C.A.R. Legal Team.

17 mistakes to avoid when selling your house

Source: Redfin

Selling your house can be both exciting and stressful, especially if it's your first time. Regardless of why you decided to sell your home, there

are a number of pitfalls you can easily fall into, making your home selling experience less than ideal. Luckily, we've put together a list of the most common home selling mistakes people make so you can sell your home knowing you have your bases covered.

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Don't know the legal implications of serving alcohol at an open house?

Read C.A.R.'s [one-page quick guide](#) on this topic and many others.

The shortage of homes is getting much worse, even in luxury

Source: CNBC

December is not the most popular time to list a home for sale historically, but this past December it was particularly unpopular.

The supply of homes for sale was 12% lower compared with December 2018, according to realtor.com. The decline was much steeper than the 9.5% annual drop in November. Buyer demand is so strong, that whatever is on the market is going quickly.

The shortage of homes for sale is worst on the low end of the market, but the supply drain is actually accelerating across all price tiers,

including the most expensive homes.

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Five questions your real estate agent legally cannot answer

Source: Forbes

Real estate agents often become the go-to for all the advice their clients need during the house-hunting process. Some become more like therapists than salespeople, with buyers especially, but renters too, needing immense support through the understandably stressful process.

But, due to federal, state and city fair housing laws, which are put in place to prevent discrimination in real estate and designate protected classes (for example, race and gender are covered by the federal Fair Housing Act), there are several questions that agents legally cannot answer. These inquiries may be asked innocently, but brokers can face fines and other penalties for responding to them.

Talking points:

Some questions that real estate agents can't legally discuss with their clients include:

- What kind of people live in the building or neighborhood?

- Is this a good place to raise a family?
- Is this a safe neighborhood?
- How are the schools here?
- Can you show me a neighborhood with a large "X" population?

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