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Mortgage Relief Arrives

Glen Carbon, Illinois — REALTORS® applaud President Bush for signing a massive housing bill intended to bolster buyer confidence, stabilize financial markets, and provide mortgage relief for struggling homeowners.

The Housing and Economic Recovery Act of 2008 is regarded as the most significant housing legislation in decades, allowing homeowners who cannot afford their payments to refinance into more affordable government-backed loans rather than face the threat of losing their home.

The bill includes a homebuyer tax credit of \$7,500 that would be available for any qualified purchase between April 8, 2008 and June 30, 2009. It also provides FHA foreclosure rescue for homebuyers with problematic subprime loans, which allows lenders to write down qualified mortgages to 85 percent of the current appraised value; qualified borrowers would get a new FHA 30-year fixed mortgage at 90 percent of the appraised value.

The plan is also designed to relieve a broader credit crunch that has taken hold due to rising defaults and falling home values. The bill would permanently increase the size of home loans bought by Fannie Mae and Freddie Mac and insured by FHA to \$625,000. They could also buy and back mortgages 15 percent higher than the median home price in certain areas.

The Greater Gateway Association of REALTORS® serves over 1,000 REALTOR® and affiliate members in the southwestern Illinois region including the counties of Bond, Calhoun, Fayette, Jersey, Macoupin, Madison, Monroe, and Montgomery. The Association strives to promote education, professionalism, and ethical conduct in the real estate industry, to continue to be an advocate for the protection of property rights, and to further the interest of residential and other real estate property ownership.