

### An Overview: The Housing and Economic Recovery Act of 2008

President Bush signed this bill in late July and the legislation becomes effective on October 1, 2008. It is also noteworthy this is a short term program that expires on September 30, 2011. If you watch the television or read the newspaper, you have undoubtedly heard bits and pieces and sound bites about this legislation in this presidential election year. Below are the major highlights of the new legislation:

#### Conforming Loan Provisions

1. The new conforming loan limit will be \$625,000 (plus 15% in high cost areas – includes California)
2. A tax credit of up to \$7,500 is available for first time buyers. The tax credit is in the form of a loan and must be repaid in equal installments over the next 15 years.
3. Owner occupied properties only (investment properties & 2<sup>nd</sup> homes DO NOT qualify for this program)
4. Full document loans ONLY, including pay stubs & past 2 years of tax returns
5. Minimum down payment required is 3.5% of the purchase price

#### Loans Currently in Default or Facing Foreclosure

6. Borrower's debt-to-income ratio as of 3/01/2008 must be a minimum of 31% of their gross monthly income to qualify for this program
7. The maximum Loan to Value (LTV) for borrowers is 90%, meaning the borrower must have a minimum of 10% equity in their property to qualify
8. "Special provisions" are available for veterans or soldiers returning from overseas deployment
9. "Sharing" of equity & appreciation with the Federal Housing Authority (FHA) is included in the details of the bill (the borrower does NOT keep all of this money)

Please give us a call at 714-779-TEAM and we can put you in touch with the proper people to see if you qualify for these loan programs.

### ERA Dream Team / MDA 5K Run & Walk Raises Nearly \$20,000 for MDA

The 2<sup>nd</sup> Annual Dream Team 5K Run & Walk was held in Yorba Linda on Saturday, July 26, 2008. The event raised nearly \$20,000 for the Muscular Dystrophy Association (MDA) to help send 22 of *Jerry's Kids* to Summer Camp next year! We are grateful to those that participated in or supported this important community event. We offer a special thank you to KIIS FM & KTLA's *Commander Chuck Street* and the Diet Pepsi Jet Ranger 1 Helicopter for joining us and sharing some memorable moments of Southern California aviation history. The event also honored Dick Rafferty with the MDA Lifetime Philanthropy Award for his decades of fundraising on behalf of MDA.



We plan to be present at the Jerry Lewis MDA Telethon on Labor Day (Monday, September 1, 2008). We will be at the KCET studios in Los Angeles. Thanks to all of our participants and volunteers on behalf of *Jerry's Kids*! Check out the race results on our website.

*Jeri Bailey, Bill Taraschi & Michelle Mitchison*

*ERA North Orange County's Dream Team*

*Website: [www.DreamTeamERA.com](http://www.DreamTeamERA.com) Telephone: 714-779-TEAM (8326)*