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PRESS RELEASE

BUYING A HOME IN THIS MARKET?

Why Now May be the Time to Invest

SAN DIEGO, August 12, 2008 – Amidst the news of housing prices plummeting, the rise of foreclosure filings and the fact that many are feeling the credit card crunch, there is silver lining for some – especially for those individuals looking to buy a new home. According to DataQuick, although home sales were down 9.1 percent from June of 2007, the median price paid for a home was \$328,000 – a figure that is down 3.2 percent from \$339,000 the month before and down 31.5 percent from \$479,000 in June of 2007.

In fact, according to the June 16 issue of the San Diego Business Journal, more San Diegans find these new prices within their reach and the percent of San Diego County’s households able to “afford” a median-priced detached home rose to 22 percent in May, according to the North San Diego County Association of Realtors. So this information begs the question “Is now the right time to invest in a home?”

Opportunities Abound For First Time Buyers

According to a recent article in The Daily Transcript, on July 4, 2008, the National Association of Realtors stated that first-time buyers are purchasing 39 percent of the total homes sold. This figure is up from 36 percent during the same time period last year (2006-2007), and many feel this is indicative of a common trend – first time homebuyers are grabbing up homes quickly.

In fact the article continues to state that other experts, such as Steven Ring, president and broker of Century 21 1st Choice, estimates the numbers to be higher, and he says that according to his research, actually 80 percent of the people looking to buy homes in San Diego are first-time buyers.

The reason? Ring feels that buyers find it hard to resist the lowered prices currently in the market, when compared to previous years. This is seemingly a great opportunity for first time buyers that the San Diego Market has not seen in years.

In addition, President Bush recently signed the Housing and Economic Recovery Act of 2008 into law, and part of this law offers first time homebuyers tax credits – credits up to 10 percent of a home’s purchase price and/or a maximum of \$7,500. This refund serves as an interest-free loan and the homeowner is required to repay it in equal installments over 15 years. The goal of this portion of the law is to assist first time homebuyers in buying a home, and hopefully spur the housing market by enabling first time homebuyers to enter the market.

Foreclosures: The Opportunity to Buy Lower Priced Homes

One person’s misfortune could be someone else’s treasure as foreclosure activity is at record levels. In fact, Bloomberg News recently reported that California’s housing boom may be as a result of foreclosure properties offering discount prices on what may not have been previously affordable housing by many. While sellers are not in the best position currently, it could be the perfect time for buyers to benefit from the huge inventory left from the ongoing foreclosures. Not only is there a lot of inventory on the market,

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there could be great deals on real estate when compared to prices in recent years past.

Lower Interest Rates

The Fed may have left interest rates alone for a bit, according to an article by the Associated Press, but this is after months of the Fed Chairman lowering rates in light of the current credit card and housing crunch. An abundant selection of homes on the market together with low interest rates combines to possibly make a great time to buy a home.

Rent to Own Programs

First-time buyers may feel that they do not have the financial stability when it relates to financial obligation of property taxes, private mortgage insurance or homeowners insurance – all items that are necessary when it comes to owning a home. Many people continue to rent in hopes of building their credit and maximizing their cash flow.

The option of renting to own may interest those who want a house sooner than later. Buyers have the opportunity to make rent payments on the house that apply towards the impending sale. Also, the agreed upon sale price is secured without concern of it rising in the future. This may allow the person and/or couple to ease into the real estate market without having to come up with the money up front.

Qualifying for the Loan

Many people may want to purchase a home given the current market, but they may doubt their ability to qualify for a loan. Therefore, it's important for those interested to talk with qualified experts in the field who can guide them through the process. The professionals at San Diego Metropolitan Credit Union can help you determine if you qualify for a loan and if there are any special programs that may be available to assist you.

WHO: San Diego Metropolitan Credit Union

WHAT: Buying a Home

WHEN: Interviews are available immediately and ongoing

WHERE: In-studio or phone interviews with San Diego Metropolitan Credit Union

San Diego Metropolitan Credit Union (SDMCU) is committed to its community and members and provides services to families and individuals to manage their personal finances. SDMCU has been in business since 1934 and serves over 20,000 members. SDMCU's corporate headquarters are located in San Diego and information about SDMCU is available on the worldwide web at www.sdmcu.org.

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