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Want a mortgage for under 3% in 2026? Meet the "assumable mortgage"

Source: *NPR*

For would-be home buyers who missed out on mortgage rates below 3 percent during the pandemic years, it can feel like they lost the opportunity to afford a house. But it turns out that there is a way to turn back the clock: it's called an assumable mortgage. This transfer lets the homebuyer take over the seller's mortgage, and with it, their old – much lower – mortgage rate. The buyer gets a more affordable home, and the seller gets a marketing point that could lead to more offers and even a higher selling price.

About 6 million homes in the U.S. have both an assumable mortgage and interest rate below 5 percent. But there are some caveats. Not all mortgages qualify for this kind of transfer. And the process can be time-intensive and require a substantial cash down payment. While most conventional mortgages are not assumable, government-backed mortgages are. That includes VA loans and FHA loans, which together make up about 18 percent of new mortgages issued in 2020. The other big challenge with transferring a mortgage is that home prices have shot up 54 percent since January 2020. So, an original mortgage made when housing was cheaper is no longer going to cover the price of the same house today. It's up to the buyer to make up the difference, which can mean a huge downpayment.

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LA County extends price-gouging protections to March 29, but fire survivors are in deep debt

Source: *Los Angeles Daily News*

The LA County Board of Supervisors voted to extend the price-gouging protections countywide through March 29, 2026. The number of rent-gouging complaints received by the county continues to increase. Rafael Cabajal, director of LA County's Department of Consumer and Business Affairs (DCBA), said his office has received 200 complaints month alone.

About 70 percent of the fire survivors in the Pacific Palisades and Altadena areas are unable to move back into their homes, leaving them paying high rents on temporary housing for more than a year, which has tapped out their savings and placed about half into serious debt. A DCBA report found that 50 percent of fire survivors were more than \$300,000 in debt; 48 percent have depleted a significant portion of their savings; and 43 percent have taken on debt to survive the aftermath. For example, the DCBA found that a large four-bedroom unit in northern LA County that had been renting for \$13,500 a month was in violation of rent-gouging rules, and the tenant received \$103,891 in restitution. Anyone who suspects price gouging can report it at dcbalacounty.gov/pricegouging.

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SF mayor signs legislation to accelerate office-to-residential conversions

Source: *SF Gate*

San Francisco Mayor Daniel Lurie recently signed legislation establishing an innovative special financing district that will support the conversion of vacant and underutilized downtown offices and commercial buildings into much-needed housing.

The new financing district covers core downtown office and commercial areas including the Market Street corridor from the waterfront to Civic Center, the Financial District, Union Square, and the East Cut, Rincon Hill, and Yerba Buena neighborhoods south of Market. Eligible projects within these areas may enroll to receive an annual incentive payment over 30 years to offset the development costs of converting underutilized office and commercial space into new residential units.

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LA County far behind housing production goals as shortage worsens

Source: *The Real Deal*

Los Angeles County has a long way to go before fixing its housing shortage after decades of building too little housing to meet growing demand. Over a 40-year period since the 1970s, California built 325 new housing units for each 1,000 new people added to the state population, LAist reported. To meet the crisis, the state would have to plan to build

2.5 million homes between 2021 and 2029, more than double its target for the previous eight-year production cycle. With three years to go, Southern California still needs to plan for 1.3 million new homes to meet state goals. All of the cities in Los Angeles County are responsible for a combined total of 812,000 units of which 450,000 would come from the City of Los Angeles.

In order to meet the lofty housing creation goals, the 88 cities in Los Angeles County would have to add roughly 101,500 units per year to stay on track. In 2024, the municipalities together built 28,452, according to data from the California Department of Housing and Community Development. Zoning changes and efforts to cut red tape have allowed for some increase in the speed of development, but related barriers remain. Supply disruptions, scarce materials, labor shortages, inflation and other factors have also thrown wrenches in development plans.

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Mortgage rates hit lowest level in 4 years, but homebuyers stuck

Source: *CNBC*

Mortgage rates dropped sharply last week, and while that helped to prolong gains in refinancing, homebuyer demand seemed unimpressed. Total mortgage application volume was essentially flat, rising just 0.4 percent higher compared with the previous week, according to the Mortgage Bankers Association's seasonally adjusted index.

The average contract interest rate on the 30-year fixed-rate mortgage with conforming loan balances (\$832,750 or less) decreased to 6.09 percent from 6.17 percent, with points falling to 0.53 from 0.56, including the origination fee, for loans with a 20 percent down payment. That was the lowest level since September 2022. Applications to refinance a home loan rose 4 percent for the week and were 150 percent higher than the same week one year ago. Mortgage rates were 79 basis points higher a year ago. Applications for a mortgage to purchase a home dropped 5 percent for the week and were 12 percent higher year-over-year. While lower mortgage rates are improving affordability, home prices are still slightly higher than they were at this time last year and economic uncertainty is weighing heavily on consumers.

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