



HUD to require proof of citizenship, permanent residency to get FHA-insured loans

Source: The Mortgage Point

The U.S. Department of Housing and Urban Development (HUD) announced Wednesday that it will no longer allow non-permanent residents or non-U.S. citizens to obtain FHA-insured mortgages. This significant policy shift aligns with the Trump administration's tougher stance on illegal immigration. The new rule eliminates the "non-permanent resident" category from the FHA's Single Family Title I and Title II programs.

The FHA provides mortgage insurance on loans made by FHA-approved lenders, insuring mortgages on single-family homes, multifamily properties, residential care facilities and hospitals throughout the United States and its territories. FHA mortgage insurance protects lenders against losses. If a property owner defaults on their mortgage, the FHA pays a claim to the lender for the unpaid principal balance. Because lenders take on less risk, they are able to offer more mortgages to homebuyers.

READ MORE

Meet with political leaders at C.A.R.'s Legislative Day in Sacramento on April 30.

Come in a day early for the REALTOR® Block Party on April 29 for a night of REALTOR® networking you won't want to miss! [Make your plans now.](#)

Paradise reconstruction to take 20 years, mayor tells California REALTORS®

Source: SiliconValley.com

The mayor of paradise has a message for residents of Pacific Palisades and Altadena: there is hope and they will be able to rebuild their fire-ravaged communities. But it's going to take decades, and the costs of reconstruction may skyrocket, possibly outpacing insurance, Paradise Mayor Steve Crowder said Wednesday, March 26, during a virtual CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) forum about wildfire reconstruction in Los Angeles County.

Nearly 19,000 homes and buildings in and around the Northern California town of Paradise were destroyed in the 153,000-acre Camp blaze that cost 85 lives. Crowder, who lost his home in that fire, was one of four speakers on the C.A.R. panel. Crowder said it will take 20 years to complete the rebuilding of Paradise. After six years, reconstruction is about a third done, with about 3,200 houses and 600 multifamily units completed, Crowder said. The pace of reconstruction ranges from 350 to 500 homes a year. Much of the city's infrastructure was also destroyed, which complicates the rebuilding process. Three chief challenges for Paradise's reconstruction are building homes that can survive a future fire, finding insurance coverage and construction costs. "Pre-fire, we were building houses at \$175-\$200 a square foot. Overnight, we went to \$300-\$350 a foot," said Crowder, citing a lack of contractors and building materials. "People that had insurance coverage were insured for just \$150-\$200 a foot."

[READ MORE](#)

LA approves first permits for rebuilding homes after Palisades fire

Source: Los Angeles Times

The city of Los Angeles has cleared the way for three Pacific Palisades homeowners to begin rebuilding on their properties. The approval of the projects, one to repair a damaged home and two for full rebuilds, according to the Department of Building and Safety, represents a key milestone in the recovery from January's devastating wildfires. The first permit was issued March 5, less than two months after the Palisades fire destroyed or seriously damaged more than 6,000 homes in the Pacific Palisades and surrounding areas.

Mayor Karen Bas and L.A. County leaders have pledged to streamline permitting procedures for property owners who want to rebuild. The Eaton fire, which ignited the same day, displaced 6,900 households from Altadena and nearby communities. The city and county have opened one-stop permitting centers for fire victims and waived discretionary hearings and other zoning reviews for those who want to build new homes that are roughly the same size as they were before. As of last week, 72 property owners had submitted rebuilding applications to the city. An additional 135 property owners submitted blueprints to the L.A. County Department of Public Works for rebuilding in unincorporated areas.

[READ MORE](#)

Trump's housing chief shakes up Fannie Mae and Freddie Mac

Source: Wall Street Journal

In his first full week as head of the Federal Housing Finance Agency, home-builder heir and former private-equity executive William Pulte ousted more than a dozen board members at mortgage giants Fannie Mae and Freddie Mac. Pulte made himself the chairman of the boards and installed a set of new directors (one of them was Christopher Stanley, and Elon Musk ally who resigned from the post a day later). He removed senior executives at the companies and the FHFA, which regulates Fannie and Freddie. At the FHFA, at least dozens have been placed on administrative leave, according to the National Treasury Employees Union.

Trump officials have said they would pursue efforts to privatize Fannie and Freddie, a monumental undertaking that the first Trump administration wasn't able to pull off. Trump allies view privatization as a way to reduce the country's deficit and return money to taxpayers. If not done carefully, privatization could drive investors to demand higher premiums in the mortgage-backed securities market, which would trickle through to borrowers in the form of higher mortgage rates.

[READ MORE](#)

Consumer confidence continues slide over future economy

Source: U.S. News and World Report

Americans are continuing to turn downbeat on the future health of the economy. The Conference Board's consumer confidence survey for March fell 7.2 points to 92.9 (the base of 100 was set in 1985). The present situation index – reflecting how Americans feel now about the economy – fell 3.6 points to 134.5, but the forward-looking expectations index tumbled 9.6 points to 65.2. That is the lowest level in 12 years and significantly below the 80 number that often signals a recession.

Although recent surveys have shown deepening pessimism, consumer behavior and spending that drives the U.S. economy has not always responded to the negative sentiment. There was also a split in the confidence by age and income, suggesting that reports of changes to government programs such as Medicare and Social Security may be affecting older Americans' view of their financial situation. "March's fall in confidence was driven by consumers over 55 years old and, to a lesser extent, those between 35 and 55 years old," the Conference Board said.

[READ MORE](#)

Mortgage demand from homebuyers strongest in 2 months, but still low

Source: CNBC

Mortgage rates barely budged last week, but homebuyers may be inching back to the market despite strong spring headwinds. Refinance demand was weaker, however, pushing total application volume down 2 percent last week from the prior week, according to the Mortgage Bankers

Association's seasonally adjusted index.

The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$806,500 or less) decreased to 6.71 percent from 6.72 percent, with points dropping to 0.60 from 0.64 (including the origination fee) for loans with a 20 percent down payment. Applications to purchase a home rose 1 percent for the week and were 7 percent higher than the same week one year ago. Applications for a mortgage to refinance a home loan decreased 5 percent for the week and were 63 percent higher than the same week one year ago.

READ MORE