

## C.A.R. STRATEGIC PLANNING FRAMEWORK

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CALIFORNIA  
ASSOCIATION  
OF REALTORS<sup>®</sup>



Home  
Ownership

## Homeownership on the rise for lower-income households

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*Source: Freddie Mac*

Even with elevated interest rates and high prices, more lower-income households are finding ways to purchase a home — narrowing the homeownership gap between lower- and higher-income households to 25.2%, the smallest gap since at least 1994, according to Freddie Mac.

Freddie Mac's June outlook report noted that the homeownership rate for those with a below-median family income has risen sharply since 2016, from 48% to 53%, a much faster pace compared with higher-income households.

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Access fair housing best practices from C.A.R. at [fairhousingcalifornia.org](http://fairhousingcalifornia.org).

## **Interest rate reprieve boosts CA home sales in May**

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*Source: CALIFORNIA ASSN. OF REALTORS®*

California's housing market rebounded in May as home sales surged to the highest level in eight months and the statewide median price notched above \$800,000 for the second straight month, the CALIFORNIA ASSN. OF REALTORS® said this week.

“The bounceback in May's home sales and price shows the resilience of California's housing market and is a testament to the value that consumers place on homeownership,” said C.A.R. President Jennifer Branchini, a Bay Area REALTOR®. “The housing market is stabilizing and even showing signs of improvement as competition is on the rise again; nearly half of homes are selling above asking price, fewer sellers are reducing listing prices, and homes for sale are going into

pending status in just two weeks compared to more than 30 days early this year.”

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## California’s housing market gets a lifeline

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*Source: Newsweek*

The Federal Reserve's recent decision to pause its aggressive rate-hiking program could offer a lifeline to the struggling California housing market. After raising interest rates 10 consecutive times since March 2022, the Fed announced last week that it would leave its key rate unchanged, as it waits to assess the full impact of its policies on the U.S. economy.

Jordan Levine, senior vice president and chief economist for the CALIFORNIA ASSN. OF REALTORS®, said the pause could help release pressure on the California housing market, which has suffered some of the deepest home price plunges since the start of the housing market correction that began last summer.

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## Mortgage recasting can lower your monthly payment without refinancing

*Source: CNBC Select*

Refinancing your mortgage loan can help by lowering your interest rate, but there's another way to decrease your mortgage payment without closing costs and rate shopping — mortgage recasting.

Mortgage recasting is making a large lump-sum payment toward your principal balance. Your lender then re-amortizes the loan to reflect the new lower balance. This, in turn, decreases your monthly payments and how much you'll pay in interest over the life of the loan. The rest of your loan terms remain the same, including the term length and interest rate.

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## Interest rates drop for third straight week; mortgage demand stays flat

*Source: CNBC*

The average rate on the 30-year fixed rate mortgage fell for the third straight week, but demand for mortgages didn't move much. Total mortgage application volume increased 0.5% last week, compared with the previous week, according to the Mortgage Bankers Association's seasonally adjusted index. This after demand surged the week before.

Last week, the average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances decreased to 6.73% from 6.77%, with points falling to 0.64 from 0.65 for loans with a 20% down payment.

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