

HOUSING The Portland Observer

9.8 million awarded in grants

The Federal Home Loan Bank of San Francisco has awarded \$9.8 million to 61 housing programs to help create over 2,600 new units of affordable housing in Arizona, California, Florida, Nevada, and New Jersey.

"The outstanding projects submitted in this round of the Affordable Housing Program address one of the thorniest issues in housing: creating homeownership opportunities for people who have typically not had those opportunities, including low-income households, Native Americans, people with developmental disabilities, and single-parent families," said Dean Schultz, president and chief executive officer of the Federal Home Loan Bank of San Francisco. "These award-winning initiatives also address the growing demand for decent, affordable rental housing designed to meet the needs of at-risk populations, such as homeless people, seniors, and mentally or physically disabled individuals. These projects not only provide housing, but bring new hope to residents and homebuyers and build sustainable communities in the process."

Over 83 percent of the units will be reserved for individuals and families that earn less than 50 percent of the median income for the area in which they live, while the remaining units will serve households earning up to 80 percent of area median income.

The following California communities will benefit from the grants announced today: Alameda County, Berkeley, Castro Valley, Chico, Chula Vista, Concord, Daly City, Davis, Fremont, Fresno, Half Moon Bay, Indio, Los Angeles, Marin County, Marysville, Mountain View, Napa, Oakland, Orland, Panorama City, Pasadena, Petaluma, Pittsburg, Pleasant Hill, Sacramento, Salinas, San Diego, San Francisco, San Jose, Santa Monica, Santa Rosa, Scotts Valley, Soledad, Trinity County, Watsonville, and Yuba City. In Arizona, five projects will benefit communities in Phoenix, Tucson, and the Arizona portion of the Navajo Nation. Winning projects are also located in Sparks, Nevada; Miami, Florida, and in several towns in New Jersey.

The 61 winning projects will leverage approximately \$263 million in total development costs. Since the first round of the Bank's Affordable Housing Program in 1990, the Bank and its shareholders have committed \$94 million to 515 housing programs, supporting the creation of over 23,000 units of affordable housing.

The Federal Home Loan Bank of San Francisco's Affordable Housing Program provides grants to projects that address community needs in creative ways and that make the most effective use of the money. The funds are derived from the Bank's net earnings, which would otherwise be paid as dividends to shareholders. In ef-

fect, Bank members forgo 10 percent or more of their earnings on Bank stock to support these projects.

Each competing project must be sponsored by a financial institution that is a member of the Bank, usually in conjunction with a community-based affordable housing sponsor. "The Bank's mission is to help community-oriented lenders make housing more accessible and more affordable," said Mr. Schultz. "Our shareholders have made lending in low- and moderate-income neighborhoods a significant part of their everyday business, and they rely on us to provide them with low-cost funding when they need it. The Affordable Housing Program makes it possible for our shareholders to reach those with even greater need and fosters enduring relationships between lenders and community organizations, helping to revitalize neighborhoods and sustain healthy communities."

The Federal Home Loan Bank of San Francisco promotes housing and homeownership by expanding the supply and reducing the cost of mortgage credit. The Bank serves and is owned by commercial banks, credit unions, savings institutions, and thrift associations headquartered in Arizona, California and Nevada. As of December 31, 1995, the Bank had 178 shareholders. With \$50 billion in assets, the Bank is the largest of the 12 banks in the Federal Home Loan Bank System.

Top twenty home markets

A report issued by TRW REDI Property Data, a nationwide real estate information company, shows that more than \$56 billion worth of new homes were sold in the nation's major metropolitan areas during 1995.

In a study of more than 200 metropolitan counties covering 30 states, TRW REDI found that Phoenix, where 1995 sales amounted to \$3.2 billion, is the largest new home market in the country.

It was followed by Las Vegas,

where 1995 sales reached more than \$2 billion. Demand for new homes in both of these markets has been fueled by high population growth rates as well as appreciating home values.

TRW REDI's figures, which are based on recorded deeds, show that the largest markets for home builders are the so-called "sun-belt" states: Arizona, Nevada, California, Florida and Texas. There are, however, a number of metropolitan areas outside of these states that rank high in the study. Fairfax County, Va.; Cook County, Ill.; and Gwinnett County, Ga., all rank among the top 20 metropolitan areas.

The study also shows that despite Southern California's recent economic and housing woes, the region re-

mains one of the largest markets for new homes. Orange County, ranks third with sales of more than \$1.6 billion in 1995. Sales in Los Angeles reached slightly above \$1.0 billion, putting the county in the eighth position.

TRW REDI's ranking of the most expensive new homes by county reveals that in the Northern California counties of San Mateo and Santa Clara, prices are 80 percent more than the average for the study area. In Westchester County, N.Y., typical cost of a new home is \$293,000 compared to \$170,000 overall average for the major metropolitan areas.

Most affordable markets are concentrated in Florida's central and northern regions where prices are 40 percent lower than the overall average.

20 Most Active New Home Markets By Sale Value (1995)

County	State	Million
Maricopa	Ariz.	3,210
Clark	Nev.	2,020
Orange	Calif.	1,614
Broward	Fla.	1,157
Harris	Texas	1,126
San Diego	Calif.	1,077
Fairfax	Va.	1,072
Los Angeles	Calif.	1,071
Cook	Ill.	1,053
Collin	Texas	972
Gwinnett	Ga.	846
Tarrant	Texas	841
Dade	Fla.	770
Riverside	Calif.	729
Bexar	Texas	703
Dallas	Texas	696
Palm Beach	Fla.	696
King	Wash.	685
Montgomery	Md.	658
Contra Costa	Calif.	650
Total Market Area.....		56,404

10 Most Affordable New Home Markets (1995)

County	State	Avg. Price
Mohave	Ariz.	79,893
Baltimore City	Md.	84,212
Marion	Fla.	86,453
Osceola	Fla.	97,099
Lake	Fla.	97,933
Polk	Fla.	98,639
Escambia	Fla.	99,114
Santa Rosa	Fla.	100,610
Sumter	Fla.	104,833
Madera	Calif.	106,525
Brevard	Fla.	106,973
El Paso	Texas	107,132
Total Market Area.....		170,340

10 Most Expensive New Home Markets (1995)

County	State	Avg. Price
San Mateo	Calif.	317,326
Santa Clara	Calif.	307,249
Somerset	N.J.	297,797
Westchester	N.Y.	293,480
Alameda	Calif.	291,642
Bergen	N.J.	285,641
Fairfield	Conn.	276,285
Hunterdon	N.J.	262,392
Montgomery	Md.	253,705
Fulton	Ga.	250,432
Total Market Area.....		170,340

Lockins effect on mortgage

Every consumer realizes that loan rates are one of several central considerations when evaluating loan choices. We each want the lowest possible financing costs and interest rates, generally expressed as the "Annual Percentage Rate" or "APR."

In looking at rates, however, borrowers should also consider lock-in terms. If lender Smith offers financing at 9 percent and lender Jones has

the same loan at 8.75 percent, then the Jones loan seems better.

The catch is that lender Smith may offer to lock-in rates for 30 days or 60 days. If lender Jones only offers a 10-day lock, the lower rate — while enticing — may be a marketplace illusion. Yes, lender Jones will provide the lower rate if you can close in 10 days.

But, realistically, can you settle in such a short period? If not, the Jones quote holds no value because it is not actionable.

'AAA' for Norwest

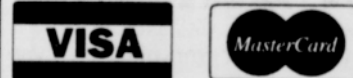
The Norwest Asset Securities Co., Inc.'s (NASCOR) \$408.9 million Mortgage Pass-Through Certificates, Series 1996-1, class A, except A-7, are rated 'AAA' by Fitch Investors Service.

The rating on class A senior certificates reflects the credit enhancement provided by the 6% subordinate Class B certificates. Fitch believes the amount of credit enhancement will be sufficient to cover credit losses, including limited bankruptcy, fraud and special hazard losses. The rating also reflects the high quality of the underlying collateral, the integrity of the legal and financial structures and the servicing capabilities of affiliate Norwest Mortgage, Inc.

The mortgage pool consists of recently originated, conventional, 20- to 30-year, fixed-rate mortgage loans secured by one-to-four family residential properties located primarily in California.

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