

The year 2008 was the year of failed banks. We saw over 20 banks failed, merged or were acquired. As the economy continues to experience challenges in 2009, it is unclear how many more banks will merge, consolidate and/or fail. According to the Federal Deposit Insurance Corporation in a November 26 press release, the FDIC and the Office of the Comptroller of the Currency expanded the potential pool of buyers for failed banks, and is now allowing investors and individuals to participate in the bidding process. Previously only “chartered banks and savings institutions” were involved. Increased interest from non-bank investors has been driving the need to open the process to more bidders.

Heading into 2009, Mortgage rates continue to remain at unprecedented lows. Qualified buyers in our Oklahoma market are getting the opportunity to take advantage of The Perfect Storm. Oklahoma has a good supply of inventory to choose from and we are seeing sellers more willing to help with the buyers costs. National the housing market is oversaturated with REO and foreclosed properties which is causing the government and financial institutions to work extra hard to enable and encourage consumers to buy homes. The Federal Reserve is also showing a strong commitment by infusing billions of dollars into the financial services industry and lowering the federal fund rate as low as it can go0%. This will reduce the cost and increase the availability of residential mortgage credit. The Federal Reserve recently announced that it would initiate a program to purchase up to \$100 billion in direct obligations of housing-related government-sponsored enterprises (GSEs) and up to \$500 billion in mortgage-backed securities by Fannie Mae, Freddie Mac, and Ginnie Mae, which is anticipated to occur by the end of second quarter 2009. In addition, other government-sponsored efforts continue as a new president takes office, including the proposal of a new \$825 billion stimulus bill. The proposed bill includes \$550 billion in spending and aid to states and \$275 billion in tax cuts. In mid-January, President Barack Obama requested the release of the second half of the \$700 billion financial-rescue fund TARP (Troubled Asset Relief Program) to ensure that the new administration has access to emergency funds.

It is a great time to be in Oklahoma as a qualified new home buyer. The stars are aligned and its time to act. You do not want to be that person five years from now looking back saying I should have bought that house when rates were low. Understand the difference between a 5% rate and an 8% rate is \$500 a month savings in interest for every \$200,000 that you spend. That is an \$180,000 is saving on a 30 year loan. It is time to enjoy the perfect storm and go buy your dream home.