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FOR IMMEDIATE RELEASE

**FHA Home Loans Now Available to \$729,750 on
New Homes in the San Francisco Bay Area**

Less Stringent Lending Restrictions Make It Easier for Homebuyers to Qualify

San Ramon, CA - April 21, 2008 - The Home Builders Association of Northern California (HBANC), committed to housing for people of all income levels, wants consumers to know that applying for a Federal Housing Administration (FHA) loan may be the best option for home ownership. Higher FHA loan limits, less stringent credit qualifying criteria, and a 3% down payment requirement have made these affordable, federally insured loans very attractive in Northern California. As a signatory to the Federal Housing Administration's Voluntary Affirmative Marketing Agreement (VAMA), HBANC member builder communities qualify under FHA fair housing marketing requirements, making FHA loan approvals that much easier.

"Now consumers have a simple path to home loans," said Joseph Perkins, HBANC President & CEO, "and a better way to secure a loan when they buy a home built by an HBANC member. New FHA loan ceilings - increased significantly on December 14, 2007 to the new conforming loan limit of \$729,750 in the Bay Area - make them a viable lending option for Northern California homebuyers. Our members can now direct potential buyers to consider those loans."

FHA loans allow the borrower who has had a few credit problems or those without a credit history to buy a home. An FHA underwriter will require a reasonable explanation of these derogatories, but will approach a person's credit history with common sense credit underwriting. An FHA loan is also more forgiving of a past bankruptcy, and allows a cash-strapped borrower to have their down payment gifted.

Federal law requires any builders attempting to sell more than five homes using financing through the FHA to submit a fair housing marketing plan. VAMA, an affirmative marketing plan created by the Department of Housing and Urban Development and the National Association of Home Builders - HBANC's parent

organization – allows member builders to drastically reduce the red tape required for FHA financing of their communities.

HBANC members do have obligations if they elect to benefit by the VAMA marketing pact. They need to document what they're doing to affirmatively market housing to attract potential homebuyers from all minority and non-minority groups regardless of race, color, religion, sex, national origin, disability, or family status.

“With stricter underwriting requirements being imposed by big banks and lending institutions as a result of the subprime mortgage meltdown, there's been a resurgence of consumer interest in FHA financing here in Northern California,” said Perkins. “We want to remind our members to actively market their VAMA compliance. Access to competitively positioned FHA mortgages offers real hope for people buying their first home, or saddled with blemished credit.”

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About the Home Builders Association of Northern California

The Home Builders Association of Northern California is a non-profit association whose membership comprises nearly 1,000 homebuilders, trade contractors, suppliers and industry professionals in the Bay Area. HBANC links the individual member to the entire industry by providing information, educational and technical services, as well as networking opportunities through meetings and special events. Responding to the varied specialties within the home building industry, HBANC also has individual councils and committees that address issues from our members' unique perspectives. The organization represents 14 counties: Alameda, Contra Costa, Lake, Marin, Mendocino, Monterey, Napa, San Benito, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano and Sonoma.

President & CEO Joseph Perkins oversees a staff of 15 professionals in three offices. HBANC's board of directors and officers is elected annually. The 2008 Chairwoman is Cheryl O'Connor of SummerHill Homes.

Please visit www.hbanc.org for more information.