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U.S. Data Reveal Loan Rate Disparity

Blacks and Hispanics are far more likely than whites to get high-cost mortgages, a study finds.

By JONATHAN PETERSON
Times Staff Writer

WASHINGTON — African Americans and Hispanics are far more likely to receive high-cost home loans than whites — and although much of the disparity can be tied to economic factors, the reason cannot be fully explained by existing data, according to a government analysis released Tuesday.

The study by the Federal Reserve examined an estimated 80% of all home loans last year. It found that 32.7% of African American borrowers, and 20.3% of Hispanic borrowers, had high-priced loans.

By comparison, 8.7% of white customers and 5.9% of Asian Americans had these higher-cost mortgages, also known as sub-prime loans.

The report said that economic factors, such as the income level of the borrower, were one factor in the disparity.

"More troubling" the study

Home Prices Jump 17% in Southland

The median home price in the six-county region rose 17% to \$476,000 last month compared with the year-earlier period, after year-over-year increases of 16.7% in July and 15% in June, according to DataQuick Information Systems, a La Jolla-based real estate research firm. The volume of transactions also regained steam after tapering off in recent months.

By ANNETTE HADDAD
Times Staff Writer

Southern California's hot housing market reheated in August as prices rose at a faster pace for the second month in a row after slowing earlier this year, according to data released Tuesday.

"We thought we were in for more of an appreciation-rate slowdown," said John Karevold, DataQuick's chief analyst. "We'd been expecting the rate to get down close to 10%, so this is surprising."

Analysts still expect the market to lose traction because the region cannot sustain above-average price increases that topped 20% in both 2003 and 2004.

The question is whether the slowdown might simply result in a gradual leveling off of prices — or something more ominous.

Still hot

Median price in August of new and resold homes overall and by county

Area	Median price (thousands)	% change from year ago	Year-over-year monthly percentage gain in median home price in Southern California
San Bernardino	\$344	+31.8%	May '04: +26.9%
Los Angeles	494	+21.4	
Riverside	388	+16.2	
Ventura	592	+15.2	
Orange	617	+13.6	
San Diego	493	+2.1	
S. California	476	+17.0	+17%

Source: DataQuick Information Systems

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Pessimistic analysts suggest that the region's housing market is in a bubble, and prices may eventually decline sharply as they did in the early 1990s.

But brisk demand, persistent

ently low mortgage rates and creative financing have kept housing in high gear, analysts said. Also, home buyers might be accelerating purchases, possibly

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KATRINA'S AFTERMATH



Gallo, Farm Union in Pact

The labor group hopes the contract will help build its presence in the

Ex-Microsoft Exec Can Start at Google

From Associated Press

In a case exposing behind-the-scenes animosity between two high-tech titans, a Washington state judge said Tuesday that a former Microsoft Corp. executive could begin working at Google Inc. in a limited capacity.

Kai-Fu Lee remains barred from doing work on products, services or projects he worked on at Microsoft, including computer search technology, pending a trial set for January. King County Superior Court Judge Steven Gonzalez said a noncompete agreement Lee signed with Microsoft was valid.

But Gonzalez said recruiting and staffing a Google center in China would not violate that agreement. Although Lee cannot set budget or compensation levels or define research, Gonzalez said, he can hire people.

"It allows me to do my job," Lee said. "I'm going to walk into Google and start work."

Tom Burt, Microsoft's deputy general counsel, said his company too was pleased because Gonzalez's order limited what tasks Lee could perform.

The trial in January is expected to more fully determine the rights that Lee and the companies have under the noncompete agreement. By that time,



DAVID PAUL MORRIS Getty Images

RIVALRY: Microsoft sued Kai-Fu Lee and Google, saying Lee's job at Google would violate the terms of a noncompete agreement.

the restriction will be in effect for only another six months.

Lee, who oversaw development of Microsoft's MSN Internet search technology, left in July to lead Google's expansion into China.

Microsoft sued Lee and Google, contending that Lee's job at Google would violate the terms of a noncompete agreement that prohibits him from doing similar work for a rival for one year. Microsoft also accused Lee of us-

ing insider information to get his job at Mountain View, Calif.-based Google.

Google has responded with its own lawsuit against Microsoft in U.S. District Court in San Jose.

The case has illuminated the bitterness between the two companies. Testimony suggested that Microsoft executives responded with profanities when they learned of employees defecting to Google.