Shedding Light on the Mortgage Industry

Current Issues affecting your buyer's mortgage

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This 3 clock hour course looks at the current mortgage market from the meltdown to the recovery, changing programs, credit issues, and newest programs for buyers.

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Curriculum

Session Hours	Major Topics	Method of Instruction
1 1 hour	The mortgage mess… to a hot market… to? The current events happening in the mortgage market. Recovery… The mortgage market today	Lecture Self study Discussion
2 1 hour	Credit issues Importance of credit in the mortgage decision. FNMA and FHLMC update on risk based pricing. Establishing and fixing credit problem. Coming out of Foreclosure and Bankruptcy	Lecture Discussion
3 1 hour	Buyer Programs FNMA My Community program with risk based pricing FHA limits, credit and property standards update VA limits, deregulated, funding fees and other updates Discussion on the future of the Mortgage Market	Lecture Discussion

Shedding Light on the Mortgage Industry

Current issues affecting your buyer's mortgage

There wasn't a day that you didn't open up the newspaper, turn on the television or browse the internet without some news on the economic mess affecting our country between 2007-2010. Foreclosure rates hit an all time high. And the news seems bleak for those first time borrowers or those with some challenges in their credit to get a mortgage loan.

Then in the second quarter of 2012, the real estate market took a turn. Properties started selling and at times with multiple offers and escalation clauses. Then the market became so hot and the inventory was so low that it was difficult to buy or to sell.

No one could have ever predicted the effect that the worldwide pandemic would have on the real estate industry! The real estate market boomed more than ever predicted despite the health crisis, lockdowns, significant number of deaths and serious illness, and loss of jobs.

This course will cover the causes and developments in the mortgage industry. The predatory lending problems continue and happen without the knowledge most often of the borrower or the agent.

Credit scoring is not only key to decision making but also creating a market for all kinds of products and services that consumers think are necessary.

To help generate more mortgage money in the market without the dangerous loans of the past FNMA, FHLMC, FHA, and VA have responded with higher loan limits, risk based pricing and better products to serve the consumer.

Course Objectives

As a result of taking this class the real estate licensee shall be able to:

- Learn about the history and the current mortgage events happening.
- Learn Importance of credit in the mortgage decision and fixing credit problems
- Learn about FNMA and FHLMC update on risk based pricing.
- Learn about today's first time buyer programs
- Get an update on the FNMA My Community program with risk based pricing
- Get an update on FHA limits, credit and property standards.
- Get an update on VA limits, deregulated, funding fees and other issues.

The Mortgage and Real estate industry roller coaster

The mortgage industry was in crisis. Though this was many years ago, almost every person in the country was affected. If you are young, your parents and grandparents had life changing mortgage and finance issues. From the local bank to the largest lenders in the country, the strain of foreclosures, a loss of income and profits, and the slowdown in real estate sales has affected every aspect of mortgage lending. The newspapers and internet were barely able to keep up with the news of bankruptcies, foreclosures, and slumping statistics. A summary of statistics from 2007 gave us a snapshot of the industry.

2007 second quarter statistics on the Mortgage Industry

- Housing foreclosures in the second quarter of 2007 rose to a record high, according to the Mortgage Bankers association in Washington State.
- FNMA recorded a 45 percent plunge in second quarter net income after allocating $320 million for losses.
- Weakness in the housing market probably will last until 2009 and home sales will take a "substantial hit" in the next several months as borrowers struggle to get mortgages, Moody's Investors Service said in a report September 10th.
- Over 100 major housing lenders have halted operations or sought buyers since 2006, according to Bloomberg.com subprime scorecard.
- The industry slump pushed shares of mortgage companies down 58 percent from June 14, 2005, through yesterday, according to Bloomberg's index of mortgage real estate investment trusts.
- Among last year's 20 largest subprime lenders ranked by Inside Mortgage Finance, a trade publication, more than half have tried to sell themselves or left the business.
- Overdue payments on U.S. subprime mortgages rose to the highest level since 2002 during the first quarter of this year, according to the Mortgage Bankers Association.
- The subprime market has experienced high foreclosure rates, projection are that one out of five (19.4%) subprime loans issued during 2005-2006 will fail, according to the December 2006 Center for Responsible Lending report to Congress.

The ailing housing market and credit woes strained the wider economy. From Weyerhaeuser the largest timber company in the state reported that second quarter profits fell sharply and that the expectation is that third quarter profits to come in ever lower.

The U.S. economy in 2009 slowed with economic statistics bleak. Job losses, the failure of the top banks in the country, and record foreclosures and short sales. The mortgage industry almost came to a halt. But, as we enter 2010 we can see the stimulus money coming to make a difference, banks are not only recovering but paying back money to the federal government, foreclosures are slowing down and mortgage money is starting to flow.

National Association of REALTORS April 30, 2012

“The National Association of Realtors (NAR) has announced the beginning of recovery for the U.S. housing market, based on a 4.1% increase in its Pending Home Sales Index and a slight jump in home values. NAR analysts say increased sales are lowering inventory and helping establish more balance in the market, which is expected to result in a further rise in prices moving through 2012. The index had mixed performance in most market sectors in March on the month, but was well above the numbers from the same time last year.

Pending home sales in the United States increased in March and are well above a year ago, a signal that the housing market is recovering, according to the National Association of Realtors. Its Pending Home Sales Index, A forward looking indicator based on contract signings, rose 4.1% to 101.4 in March from an upwardly revised 97.4 in February and is 12.8% above March 2011 when it was 89.9. The data reflects contracts but not closings.

The index is now at the highest level since April 2010 when it reached 111.3 and NAR chief economist Lawrence Yun said 2012 is expected to be a year of recovery for housing. ‘First quarter sales closings were the highest first quarter sales in five years. The latest contract signing activity suggests the second quarter will be equally good,’ he pointed out.”

‘The housing market has clearly turned the corner. Rising sales are bringing down inventory and creating much more balanced conditions around the county, which means home prices will be rising in more areas as the year progresses,’ Yun added.

Seattle PI April 2012

More good news for the Seattle housing market was released this week, with King County and Seattle home prices showing significant increases year-over-year. Home sales were on the rise as well, with increasing numbers even as inventory numbers continue to be tight.

Seattle home prices increased 10.4% in April as compared to the same month in 2011, while King County median home prices were up 3% in the same time period. King County home sales were 15% higher than in April of 2011, and total sales in the city of Seattle were up 8%. The vast majority of the market is seeing significant improvements and increasing seller strength, while the greatest gains have been in Seattle and the close-in Eastside.

Far more buyers are participating in multiple-offer transactions this year, as total inventory of Greater Seattle homes for sale is down 38% in the past year, one of the biggest drops we’ve seen in at least a decade. Spring selling season feels a lot like it did five or six years ago, with many aggressive buyers, with the big difference being the lack of quality homes available for sale.

There are always those that are naysayers…

Housing Market Rebound Not Likely To Happen In Our Lifetimes:

NEW YORK, April 24 (Reuters) - The U.S. housing market is likely to remain weak and may take a generation or more to rebound, Yale economics professor Robert Shiller told Reuters Insider on Tuesday.

Shiller, the co-creator of the Standard & Poor's/Case-Shiller home price index, said a weak labor market, high gas prices and a general sense of unease among consumers was outweighing low mortgage rates and would likely keep a lid on prices for the foreseeable future.

"I worry that we might not see a really major turnaround in our lifetimes," Shiller said.

The S&P/Case-Shiller composite index of 20 metropolitan areas gained 0.2 percent in February on a seasonally adjusted basis, the first uptick in prices in 10 months.

But Shiller called it "a very mixed bag." Nine of the 20 cities recorded falling or flat prices on the month.

He said suburban areas in particular might endure further price declines as high gas prices increase demand for "walkable cities." (Reporting by Steven C. Johnson; Editing by James Dalgleish)

US Home Sales at a 6 Year High Reuters October 2014

(Reuters) - Sales of new U.S. single-family homes rose to a six-year high in September, but a sharp downward revision to August's sales pace indicated the housing recovery remains tentative.

The Commerce Department said on Friday that sales increased 0.2 percent to a seasonally adjusted annual rate of 467,000 units, the highest reading since July 2008. August's sales rate was revised down to 466,000 units from 504,000 units.

Economists polled by Reuters had forecast new home sales at a 470,000-unit pace last month.

U.S. Treasury debt prices held on to gains after the data. U.S. stocks were slightly up, while the dollar edged down against the euro.

The housing sector index .HGX was down 0.78 percent. U.S. homebuilder PulteGroup Inc (PHM.N), which on Thursday reported a 4 percent rise in quarterly revenue from home sales, was trading more than 1 percent lower.

"We expect the housing market recovery to remain relatively gradual over the coming months," said Gennadiy Goldberg, an economist at TD Securities in New York.

New home sales, which account for about 8 percent of the housing market, tend to be volatile month to month and large revisions are not unusual. Compared to September last year, sales were up 17 percent. Housing is slowly regaining its footing after activity stalled in the second half of 2013 as mortgage rates soared. With the 30-year fixed mortgage rate falling this week to its lowest level since June of last year, sales could pick up.

Mortgage rates have declined in tandem with a sharp fall in U.S. Treasury debt yields as slowing global growth and a sharp sell-off in international stock markets prompted traders to push back expectations for an interest rate increase by the Federal Reserve.

Seattle market ranks 8th in U.S. for real estate   October 2014

The report by Urban Land Institute and PwC says ranks Seattle third for development and fourth for investment.

Seattle remains one of the country's top real estate markets — coming in at number eight overall in a new report by Urban Land Institute and PwC. The report is called Emerging Trends in Real Estate 2015, and it says Seattle is attracting investors because technology companies are growing and Millennials want to live here.

Population has grown 6.9 percent in the urban center over the past three years, and that makes Seattle one of the fastest growing cities in the nation.

The report ranks Seattle third for development and fourth for investment, and says the single-family housing market is 17th out of the 75 top markets.

Seattle was the third highest ranked West Coast city, behind San Francisco and Los Angeles. San Francisco was ranked third nationwide and Los Angeles was sixth.

Is cooling of Seattle housing market already over? Redfin report shows spike in pending sales   February 2019

Two months after predicting that tech hubs like Seattle could be in for a big real estate cooldown in 2019, the tech-powered brokerage Redfin issued a report Wednesday stating that the cooling may already be over.

Redfin pointed to a 15 percent year-over-year rise in pending sales in January, the indicator for the number of homes that went under contract during that month. It’s the first increase in pending sales since November 2017 and the largest since December 2016, the company stated in a blog post.

San Jose, Calif., and Boston were also called out in the report as cities worth watching, with pending sales increases of 8 percent and 4 percent respectively.

While closed sales are still falling year over year in Seattle (down 8 percent) and the other cities, Redfin reasons that the rise in pending sales suggests those numbers could come up soon.

“The second half of 2018 was frustrating for sellers who listed just as the market began to cool,” Redfin chief economist Daryl Fairweather said in the report. “Since then, more sellers have dropped their prices and as a result more homes are going off the market. Buyers who are still taking the wait-and-see approach, knowing the market is shifting in their favor, may want to take another look at the homes they favorited in the fall. We’re seeing this moment before the spring season arrives as an opportunity to get a home that’s been on the market for a few months under contract for much less than its original list price.”

Seattle held the title of the nation's hottest housing market for nearly two years, as job seekers flooded the region for high-paying tech work and thus drove up the cost of housing as low inventory fueled bidding wars.

Factors worth watching in 2019 and beyond include Amazon, whose accelerated growth has been at the center of Seattle's boom. Many are watching to see whether the tech giant will scale back on growth in its hometown.

And then the Covid Pandemic

When the news of Covid spread in the Spring of 2020, fear spread almost as fast about the imminent demise of the real estate market. But, looking back, it was one of the most active real estate market most real estate brokers ever experienced. There was a short supply of properties to sell. The interest rates were at record lows. Buyers could work from anywhere which meant they did not have to commute bringing real estate sales to outlying areas. The economy still boomed though small business and job losses were plenty. No one could have predicted the incredible price increases and demand for housing.

Fear of rising inflation

Let's slow the economy to stave off inflation! Covid is no longer a national emergency. How is that affecting the economy? Jobs? Interest Rates?

The Federal government raised interest rates ten consecutive times. In 2022-2023. Yet, the real estate market has remained strong.

What Caused the Mortgage Mess?

Most mortgage loans in the past were funded by banks. Over the years with the ability to generate high interest on secured investments, lenders using corporate funds started to spring up everywhere. Add the ability to generate higher interest rates with riskier loans in an industry that has very limited regulations it grew exponentially. In order to find the borrowers, mortgage brokers unlicensed in Washington state were encouraged to get as many borrowers as possible into sub prime mortgages with the reward of higher commissions and fees.

For example, many mortgage brokers encouraged borrowers and real estate agents that the 100% loan processed as an 80/20 adjustable rate mortgage loan was a great product for not only those with challenged credit issues but almost all of their borrowers. The price of the house was inflated to cover the closing costs of the loan creating a situation where the homeowner owes more than the value of the property. The homeowner would get two loans. The first mortgage being an 80% loan. The second mortgage would carry a higher interest rate. With non conforming high margins, a 2 year pre payment penalty and gross yield spread premiums, this loan was perfect for a loan officer to promote along with a 2 year refinance promise. The homeowner was sold on a fixed payment for the first two years.

As the homeowner reaches toward the 2 year mark, most often they cannot afford the extremely high payments resulting in the adjustable rate kicking in. They cannot refinance due to lack of equity, credit issues, or lack of qualifying. The homeowner cannot sell the house due to the lack of equity. The Home Ownership and Equity Protection from the FTC will act to help curtail predatory lending.

Subprime loans

What is considered a Sub Prime Loan?

Subprime lending, also called B-paper, near-prime, or second chance lending, was the practice of making loans to borrowers who do not qualify for the best market interest rates because of their deficient credit history. The term also refers to paper taken on property that cannot be sold on the primary market, including loans on certain types of investment properties and certain types of self-employed individuals. Subprime lending is risky for both lenders and borrowers due to the combination of high interest rates, poor credit history, and murky financial situations often associated with subprime applicants. A subprime loan is offered at a rate higher than A-paper loans due to the increased risk.

According to the U.S. Department of Treasury guidelines issued in 2001, "Subprime borrowers typically have weakened credit histories that include payment delinquencies, and possibly more severe problems such as charge-offs, judgments, and bankruptcies. They may also display reduced repayment capacity as measured by credit scores, debt-to-income ratios, or other criteria that may encompass borrowers with incomplete credit histories."

Offered to consumers with challenging credit issues, it used to be a niche market. The risky loans were offered at high rates to a small percent of the borrowers. As the housing market soared and the investment market saw potential profits, the sub prime loan became almost commonplace in the mortgage industry. About 21% of all mortgages from 2004-2006 were considered a subprime loan totally about 1 in ever 5 home loan borrower.

Subprime mortgages routinely include features that increase the risk of foreclosure. Such features include adjustable interest rates, balloon payments, prepayment penalties, and loans with limited documentation of borrowers' loan qualifications.

Lax underwriting standards magnify the risk of loans that already include high risk features. Loans were often approved without verifying the borrowers income and employment.

Predatory Lending was rampant

Predatory practices may played a large role as subprime lenders with significant market share have been successfully prosecuted for predatory lending activities. In addition, high-risk loan products and terms, so common in the subprime market, made it easier for unscrupulous lenders to entice borrowers with a low initial payment, regardless of whether the borrower can manage future payments. Costly fees and prepayment penalties associated with predatory loans also strip equity, making it harder for borrowers to refinance and forcing them into foreclosure more quickly..

Regulation in the industry

In Washington State amendments have been made to the Mortgage Brokers Practices act to require that all lenders that originate loans in the state be licensed. This requires a background check, testing, continuing education, and fees.
To help homeowners in distress the Foreclosure Fairness Act was passed.

The Dodd Frank Act was passed by Federal government in 2010

Dodd-Frank is intended to curb the extremely risky financial industry activities that led to the financial crisis of 2007–2008. Its goal was, and still is, to protect consumers and taxpayers from egregious practices like predatory lending.

The Dodd-Frank Act requires banking regulators to revise and/or establish the minimum leverage and risk-based capital requirements for bank holding companies and systemically important nonbank finance companies.

It threw a blanket over most of the wide ranging fraud and predatory lending that was happening every day, everywhere in the industry.

Credit Issues

The Importance of Credit in Mortgage Loan Decision

A credit score is a numerical expression based on a statistical analysis of a person's credit files. It represents the creditworthiness of that person, which is the likelihood that the person will pay his or her debts. A credit score is primarily based on credit report information typically sourced from credit bureaus.

The credit score is used to evaluate the potential risk posed by lending money to consumers and to mitigate losses due to bad debt. Lenders use credit scores to determine who qualifies for a loan, at what interest rate, and what credit limits.

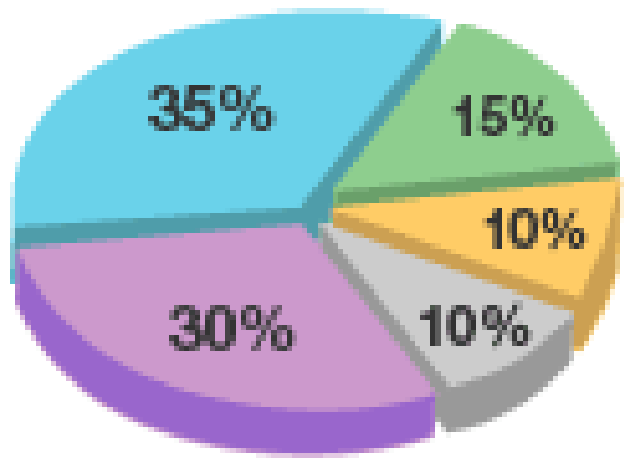
Typically the credit score comes from each of the three major credit reporting agencies. They include Experian, Trans Union and Equifax. They each obtain information independently so the scores are not only called different names but will differ from one agency to the next. Lenders evaluate all three.

MyFico.com gives the consumer information about credit scoring.

- FICO scores are your **credit rating**
- They range from 300-850, **higher is better**
- Most lenders **base approval** on them
- Higher scores mean **lower interest rates**

FICO scores are calculated based on your rating in **five general categories**:

- Payment history - 35%
- Amounts owed - 30%
- Length of credit history - 15%
- New credit - 10%
- Types of credit used - 10%



We're the **inventor** of the FICO score
We're the **only site** offering all 3 of your FICO scores
The median FICO score in the U.S. is **723**

How to Establish Credit for First Time Buyers.

Building Non Traditional Credit can be done by first time buyers. They have bills such as rent and utilities that show a steady payment history.

How to Fix Credit Problems

The best way to fix credit problems is to pay bills on time.

In one day a consumer can get over a dozen offers for credit in the mail, get offered discounts on store merchandise in exchange for filling out a credit application, and watch hours of television and radio ads for credit cards that will make their life better.

Consumers need to say "no" to credit offers and "yes" to paying bills. Purchase products when you have the money in your account.

There is no magic formula for changing a credit score or fixing credit problems. Most consumers are afraid of the credit score and what it might represent to them.

First of all, order your credit. At www.MyFico.com you can order your credit report from the major three credit reporting agencies. You are allowed to get one free report annually from each of them.

FNMA and FHLMC Risk Based Pricing

To answer the need in the industry for better more flexible mortgage products FNMA and FHLMC have created Risk Based Pricing. There are three categories numbered 1,2,3.
A borrower that might fit into the third category with the highest risk may have a higher interest rate to reflect the lender risk.

But, a program called the Time Payment Option for those in higher categories gives the borrower an opportunity to lower payments by up to One percent if the payment is made on time for the first 24 months.

Beware of Credit Repair Companies

They often charge high fees and may not actually "fix" your credit." There are so many that are unscrupulous. They make promises they cannot keep and charge money without doing anything. What they cannot do it just eliminate debt, change your mortgage payments, or change your credit score.

First Time Home Buyers Mortgage Programs

FNMA My Community program with risk based pricing

FNMA has created the My Community Mortgage^{TM}, a flexible mortgage product for low- and moderate-income borrowers.

Key Features

- No minimum borrower contribution.
- Up to a 40-year term.
- Options for lower initial monthly payments with a 5-year or 10-year interest-only period.
- Funds for down payment and closing costs can come from a wide range of sources, such as a gift from a family member; a gift, grant or loan from a nonprofit organization, municipality or employer; or the borrower's own funds.
- Loan-to-value ratios permitted up to 100 percent for 1-unit properties.
- Extra flexibility on credit histories, including consideration of nontraditional credit histories.
- Extra flexibility on income sources including consideration of boarder income even if boarders are not related to the borrower.
- Cash reserves at closing not required in most cases.
- Part-time and overtime income is considered.
- Purchase a single-family home (including a condo or co-op), a two-, three-, or four-family home to live in one unit and rent out the others (minimum 3 percent borrower contribution for two- to four-unit properties).

The following options for MyCommunityMortgage may provide additional flexibilities for qualified borrowers:

- Community Solutions^{TM} for teachers, police, firefighters, and healthcare workers.
- Community HomeChoice^{TM} for borrowers with a disability or a family member with a disability.

FHA limits, credit and property standards update

To provide mortgage insurance for a person to purchase or refinance a principal residence. The mortgage loan is funded by a lending institution, such as a mortgage company, bank, savings and loan association and the mortgage is insured by HUD.

The property must meet standards to qualify for an FHA loan. But, those standards are basically the same as convention lenders. Note, the mortgagee letter the discusses repairs.

What are the eligibility requirements?

- The borrower must meet standard FHA credit qualifications.
- The borrower is eligible for approximately 97% financing. The borrower is able to finance the upfront mortgage insurance premium into the mortgage. The borrower will also be responsible for paying an annual premium.
- The borrower income required is going up.
- Eligible properties are one-to-four unit structures.
- Mortgage limits are going higher over time
- Part of the Overhaul of HUD also has provisions for zero down payment FHA Financing and also provides for financing down to a credit score of 560.

VA limits, deregulated, funding fees and other updates

VA limits have been raised with zero down payment and also allows for Jumbo VA loans. Under the Jumbo Program the Veteran must pay 25% down payment for the amount over their loan limit.

Veterans pay an up front funding fee and do not pay any mortgage insurance. Veterans that receive any disability from the VA are exempt from paying the funding fee. If the funding fee is applicable the amount can be added to the base loan amount and financed into the transaction.

Sellers are allowed to pay all closing costs and pre-paid expenses for the VA buyer. The Veteran is exempt from paying an escrow or settlement fee and tax service fee.

VA loans are underwritten to the same basic guidelines as FHA. A Veteran needs to have one year of clean credit to qualify for a VA Loan. Debt ratios are standard at 41%, however a Veteran can qualify up to a 60% debt ratio with other compensating factors such as excellent credit, reserves left over after closing, and previous home ownership without late payments.

Down Payment Assistance Programs

Down Payment Assistance programs help home buyers cover down payment and closing costs. Potential home buyers who can make a house payment with no difficulty sometimes can't buy a house because they don't have the funds required for a down payment and closing costs. One solution to the problem--use a down payment gift assistance program, sometimes called a down payment grant program.

How Down Payment Gift Assistance Programs Work

A little bit of background first. Home sellers can help buyers pay closing costs by giving a portion of their proceeds back to the buyer at closing. The amount of seller assistance that's allowed depends on the type of loan the buyer is getting.

Sellers are not allowed to give home buyers down payment funds. That's where gift assistance programs step in, providing a "work around" of those laws.

The funds come from the sale price of the house… in effect, if the borrower raises the price of the house to cover the funds, the borrower is actually paying fir the funds over the next 30 or so years.

The seller enrolls their house in a suitable program and contributes an amount equal to the assistance their buyer will receive at closing--plus a fee. (Most Web sites that disclosed the fee stated that it's 0.75% of the home's sales price.)

When the transaction closes, the down payment funds are wired from the gift assistance program to the closing agent. The seller has no part in the transfer of funds.

Does HUD Approve Gift Assistance Companies?

Yes and No.   Here's what HUD says about the programs: "HUD does not approve “gift” programs administered by charitable organizations and, thus, will not offer a formal approval of your program. Mortgage lenders are responsible for assuring that the gift to the homebuyer from the charitable organization meets the instructions described in HUD Handbook 4155.1 REV-4, CHG-1 Paragraph 2-10(C) (e.g., no repayment implied, etc.). Those charitable organizations that comply with existing regulations and policy guidelines are permitted to give cash gifts to eligible homebuyers and do not need prior FHA approval to do so."

So HUD does not issue formal approvals for gift programs--it puts the burden of working with a legitimate program on the lender. The major programs all appear to comply with HUD's requirements. Your lender can verify that the program you choose is one that is acceptable.

Program Guidelines

Program guidelines may differ slightly, but many down payment assistance programs offer the same basic services.

- Home buyers must qualify for a loan that allows gift funds.
- There are no minimum or maximum income requirements for buyers, but there may be top limits set on the sales price of homes.
- Typical assistance seems to range from 1% to 7%.
- Funds can be used for the down payment and for closing costs.
- Gift funds can be used for new or existing homes.
- Unused funds must be returned to the gift program.
- Assistance programs cannot be used to refinance a house or for improvements.
- Sellers cannot use the gift as a charitable contribution, but it may be deductible as a selling expense. Talk to a tax professional.

Why Would a Seller Want to Participate?

Home sellers usually price their homes to include some negotiation space. What matters to a seller is his bottom-line--how much money he takes away from the closing table. A buyer who has the funds to close may get a better deal on the house, while a buyer who needs help will pay closer to (or more than) the asking price, but in return can negotiate help from the seller. One thing to keep in mind is the home's appraisal value. The lender will not allow gift funds that result in a loan that exceeds the appraised value of the home. The lender can help choose a down payment assistance program and explain how your offer to purchase should be worded to ensure compliance with its underwriting guidelines.

State Bond Program and USDA Loans

There are opportunities for homebuyers with these programs. Income and location of the property are taken into consideration. Check with your lender on if they are available to your borrowers.

What can we expect in the future with the Mortgage Industry

For almost a decade, fluctuating interest rates are rarely discussed. The rates have remained in the low single digits year after year. The economy in the Puget Sound region has remained strong and the housing market has been hot with little inventory for the number of buuyers. This has resulted in multiple offers on properties and escalation clauses.

The market has seen a slow down as we head into 2018. There are predictions everywhere, but few are warning of a crashing market.

Discussion

What do you think is ahead with interest rates?

How do you see the inventory and sales balance changing?

How will you change how you do business in 2019 and 2020 based on the market predictions?

Do you see interest rates rising and a refinance boom starting again?

What is the highest you ever paid in interest rate for a home mortgage?

Conclusion

The mortgage industry is a thriving financial business in our country, unlike other countries around the world. It will continue to grow and new programs will be developed as the industry faces changes and regulation over the next few years.