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**U.S. Homeowner Affordability and Stability Plan - Major FNMA and FHLMC changes**

The Federal Housing Finance Agency which governs FNMA, FHLMC, and FHA has been working overtime creating all new programs to help homeowners purchase, refinance, and renegotiate current financing terms. These Stimulus Programs are all designed keep homes affordable and increase home sales. While the agencies have issued the guidelines, we are just now getting the specific mortgage lender implementation procedures. Many of these programs require all new automated underwriting guidelines so we can assume that the programmers have been working overtime too. See <http://makinghomeaffordable.gov> for the overview and specific guidelines and how to determine if you are eligible for a specific program.

Other recent changes include the new **Fannie Mae Multiple Property Program** for borrowers with 5 to 10 financed properties on fixed or adjustable rate terms, and are fully amortizing conventional conforming first lien mortgage loan programs with excellent pricing.

Thanks to the efforts of the Federal Reserve the current 30 year fixed rate conforming loans are still **quite good** and near the lowest they have been in 50 years. The 30 year fixed rates as of April 10 were 4.875% with zero points, and just 4.49% with one point for mortgages over \$350,000 if the credit score is over 750 and the loan to value is less than 60%.

More details will be available soon with the implementation of these programs. For questions check the websites or call **Mary Kay Morse or Conrad Wouters at 206-325-8400** at **Federal Mortgage Company** to discuss specific programs and estimates and pricing. We can help provide real estate financing information on and specific solutions for your home or investment properties.

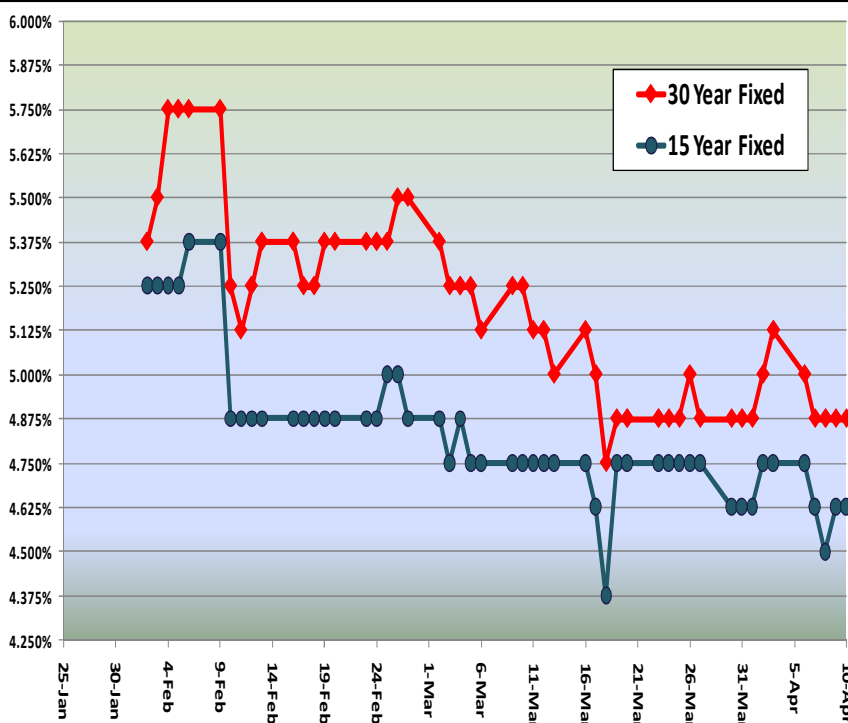
**Strengthening Confidence in FNMA and FHLMC**

The Treasury Department has increased its funding commitment to both agencies to ensure the strength and security of the mortgage market and keep mortgage rates low. This included purchasing billions in mortgage backed securities and increasing the size of the agency portfolios. *Without these efforts the mortgage rates would be much higher than they are now.*

**Refinance to 105% Loan to Value with No Mortgage Insurance**

This program allows homeowners who are current on their **FNMA** or **FHLMC** mortgage to refinance their home and take advantage of the current low rates (or get out of an ARM that may have payment increases) if the value of their home has dropped. All of the more strict underwriting guidelines apply - income is fully documented and the debt to income must be approved by the new automated underwriting systems. It must be FNMA to FNMA and FHLMC to FHLMC refinances. *This program works really good if there is NO second mortgage or mortgage insurance currently in effect (plans for those situations are currently being developed).*

**Conforming Mortgage Rate Trends**



**Home Affordable Modification Program**

This **complex** set of guidelines is designed to help past due homeowners with a valid hardship facing imminent default on their primary residence. For those who qualify it provides a standardized work out plan in which the mortgage payment ratio does not exceed 31% and offers a good solution for these borrowers to keep their homes. Several new *Beware of foreclosure help scams and offers - all the help one needs is free!*

**Home Valuation Code of Conduct**

For all FNMA and FHLMC mortgage loans originated after May 1, 2009 the appraisal **cannot** be directly ordered by the loan officer or mortgage company, and must be ordered through an approved **Appraisal Management Company**. This is designed to insulate the mortgage originator from the appraiser and eliminate any coercion, influence, collusion or any other attempts to influence the property valuation. The Code sets forth specific ethics and standards to ensure an objective valuation. *It may slow down the appraisal process, and could result in lower valuations especially in a declining market: stay tuned on this issue!*

Federal Mortgage Company, Inc. is a member in good standing of the Washington Association of Mortgage Brokers, the Seattle Mortgage Bankers Association, and the National Mortgage Bankers Association. We are licensed and bonded to originate loans in Washington, Oregon, and Idaho. See [www.fedmtg.com](http://www.fedmtg.com) for more information or call Mary Kay Morse or Conrad on 206-325-8400 or email us at [conrad@fedmtg.com](mailto:conrad@fedmtg.com) for a detailed estimate. We always specialize in Self Employed borrowers!