



**New Real Estate Mortgage Financing Strategies**

With the new **meticulous** underwriting and careful appraisal reviews, it really pays to plan out your new mortgage financing in advance. Here are some strategies to obtain the best terms and to help smooth the process:

◆ **Manage your credit score in advance.** Having a good score improves the loan pricing significantly - just a few points can add .5% or more in fee to a FNMA or FHLMC loan. You can utilize a **Rapid Rescore** if needed for corrections or it can take 30 to 60 days for the changes to be reported correctly. Obtain a copy of your report and make sure it is correct. If you would like a report or are not certain of your score, go to [www.fedmtg.com](http://www.fedmtg.com) and click on **Credit Score Wizard** to obtain a full mortgage credit report and analyze ways to improve your score. Plus we can use the same report to submit a mortgage loan!

◆ **For refinances,** make sure that you have information on recent comparable sales before the appraiser arrives. With the new **Home Valuation Code of Conduct** in many cases your loan officer and mortgage company cannot talk to the appraiser, but you sure can. Look up the recent sales near you on the Multiple Listing Service in advance (we can help). When the appraiser arrives, obtain their business card and explain to the appraiser why certain homes should be used for comparison (it will save the appraiser some work too).

◆ **Be prepared to provide all of the documentation.** Virtually all of the mortgage loans being done now are based on fully documented income and assets. You will be asked to provide the most recent bank statements, investment statements, W-2's, paystubs, and tax returns if you are self employed. Dig them out now and scan or copy them.

◆ **Be Honest:** With all of the verifications virtually nothing will be missed. The lenders will request from the IRS a printout showing the tax returns before funding a mortgage.

◆ **Allow extra time for the loan process.** With all of the double checking, verifications, and reviews does add extra time. A 30 day rate lock may not be enough time for a refinance. Utilize mortgage companies that have a **free float down rate lock** and faster service.

◆ **Utilize an experienced and knowledgeable loan officer.** Now is the time when you need to use someone who really knows what they are doing. Carefully analyzing the underwriting, reviewing the appraisals, creating an accurate cash flow from tax returns, knowing the new regulations, and assembling a very good loan package is very important to obtain the best pricing and takes an experienced loan officer and a knowledgeable processing staff.

◆ **Review the Good Faith Estimate and lock policy very carefully.** The new Regulation Z guidelines effective July 30th can add an extra 3 or 7 days to obtain closing documents if the Truth in Lending APR changes more than .125% before closing, so an upfront accurate Good Faith Estimate and Truth in Lending showing all the fees are very important.

**Call Mary Kay, Conrad, or Mike on 206-325-8400 at Federal Mortgage Company** if you have any questions about this information or if you would like to talk about a specific real estate financing scenario.

Try our New  
**Credit Score Wizard tool**  
at [www.fedmtg.com](http://www.fedmtg.com) which  
allows you to obtain  
a report with the scores  
**AND** a special tool to  
see how the score can  
be improved !! Plus we can  
use the same report for a  
new mortgage loan.

**King County Home Sales Trends Improve**

**In July** there were **1,727 closed sales** out of 9,655 listings which lowered the inventory level to 5.7 months – the best closed sales level since August 2007. The **Pending Sales** at 2,217 were down from June but still higher than July last year when just 1,855 homes were pending. The median home price for single family homes in **King County** slipped to **\$384,000** but is still **up 5.5%** from the low of \$363,850 in March this year. Of the 1,727 closed sales in King County 85 or **4.9%** were **Short Sales**, and 172 or **9.9%** were denoted as a **Bank Sale**. If the Bank Owned and Short Sales are excluded, the **July median home price would be \$405,000 in King County**. See our website at [www.fedmtg.com](http://www.fedmtg.com) and click on Single Family Sales Data for the latest detailed information.

