



1 Mortgage Way
Mt. Laurel, NJ 08054

Memorandum

To: Our Valued Clients
From: Marshall Gayden, Senior Vice President - Sales
Date: 10/02/2008
Re: Mortgage Availability

Over the last few days, we have received many questions in regards to the availability of mortgage funds in the credit markets. Now that the Federal Government controls Fannie Mae and Freddie Mac in addition to FHA and VA, these traditional sources of mortgage funding are still readily available. In addition, working with a direct lender like Coldwell Banker Mortgage can help ensure a seamless process and access to these loans. More problematic is the availability of jumbo financing, as the current credit crunch has curtailed many lending options for loan balances above the expanded limits established by congress for Fannie Mae and Freddie Mac. Jumbo mortgages are, however, still available to qualified buyers.

As you know, eligibility terms have tightened and pricing is now dependant on the loan-to-value ratio (LTV) and credit scores of the borrowers. In markets characterized as “stable”, conventional financing is available to a 95% LTV while a first time home buyer can potentially obtain conventional financing to a 97% LTV. In markets characterized as “declining” by mortgage insurance companies, larger down payments are required in some states, and credit scores typically need to be ≥ 680 in order to obtain MI on conventional loans. MI companies analyze sales price data market-by-market and make determinations in regard to which markets they consider “declining”. These designations can vary by MI company. FHA financing is generally available to a 97% LTV and VA to a 100% LTV as long as the veteran has ample VA eligibility.

The ability to document income and assets has become increasingly important though higher quality loans may receive some degree of documentation relief, at the choice of the lender, to enhance the process as much as possible for the borrower.

Coldwell Banker Mortgage appreciates your business and we are here to serve your mortgage financing needs. Please contact one of our Mortgage Advisors who can provide pricing and products for your specific needs.