

COVID-19 AND YOUR MORTGAGE

The spread of COVID-19 and its expected impact on world economies has created stock market turmoil, unprecedented bond rallies, and the lowest mortgage rates on record.

Unprecedented Rates, Unprecedented Demand.

You've seen the empty shelves that once displayed anti-bacterial soap and hand sanitizer, right? The rush on mortgage loans is just as dramatic for the home financing industry.

How can you help with your loan?

Be patient. The influx of demand is felt by service providers throughout the loan process, including appraisers, title agents, attorneys, loan processors, underwriters, county clerk's offices, and more. It's possible the system will become strained and the process will take a little longer than normal.

Be aware. The sudden rush of refinance activity can carry unseen costs for lenders. They may pay penalties when a loan is refinanced earlier than expected or sustain a loss when rates shift suddenly after customers have locked.

As a result, lenders may act conservatively to protect your rate lock and the cost of possible extensions. We expect to pay more for insurance policies that cover higher risks. Similarly, longer locks may carry a cost or marginally higher rate than you see in the news.

How can you avoid delays?

You've heard the real estate cliché about location, location, location? When getting a loan approved, think "documentation" instead!

Provide everything requested. Pay attention to the details. Respond to inquiries as quickly as possible. Keep your credit clean. Avoid job changes during the process.

And if you have questions or experience problems in any of these areas, please talk to me first. Together, with good communication and documentation, we'll get your loan through the process as quickly as possible.

