

HIGHER LOAN LIMITS SET TO EXPIRE

SEPTEMBER 30 EXPIRATION: The higher conforming jumbo loan limits that were a part of an economic recovery law are due to expire on September 30, 2011 unless extended by Congress and the President. While there is some thought that the limits may be extended no legislation has been filed and there can be no assurances if filed that it will be successful, particularly given the recent debt limit legislation.

SETTING CONTINGENCY AND CLOSING DATES: Therefore it is imperative that if you are working on any home sales whereby the loan amount will exceed the new limits that you work to put the home under agreement by August 30th at the latest, with a closing date earlier than September 30th. The earlier the better for the closing date as each investor is setting different dates to provide themselves with sufficient time to meet the September 30th date. In fact you should apprise your loan officer as early in the process as possible so they review the different dates that each of the investors are setting and how they will apply to the financing requirements of your particular buyer.

NEW LOAN LIMITS: After September 30th the costs to the consumer to secure a jumbo loan will be higher for FNMA and FHLMC type loans, while the product itself will be eliminated for FHA loans except under the new limits. Attached is the schedule of the new loan limits for FNMA and FHLMC, if your county is not listed then the limits will be \$417,000 for single family property, \$553,850 for 2 family, \$645,300 for 3 family, and \$801,950 for 4 family. Also attached are the projected limits for FHA although please note that HUD has not finalized their numbers as of yet.

William Raveis Mortgage is committed to helping you to close more sales by keeping you out in front of the ever changing landscape for home financing. If you have questions please consult your Executive Mortgage Banker or give us call.