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.125% to .250% higher than for mortgages that fall under the standard conforming loan limits.

Over the last month, we have seen rates in this high balance category run an increase of between 1% and 2% higher than the standard conforming interest rates. For some high balance mortgages that fall into higher risk categories, not only have the rates increased but the origination fees have also increased; in some cases, high enough to indicate that lenders are trying to push borrowers away from this loan category. By the time you receive this newsletter, I am anticipating the High Balance category interest rates to start coming back in line as lenders are able to clear their pipeline of existing mortgages to make more room for newer transactions.

The higher risk loan types include refinances, where the borrower is taking additional cash out of their equity (cash-out refinance), purchases, and refinances of investment properties, and lower money-down-payment purchases. Lower credit scores are also having a very negative impact on interest rates for mortgages in the high balance category.

For mortgage loans that do not conform to Fannie

Mae/Freddie Mac loan limits and guidelines, a.k.a. non-conforming or “Jumbo” mortgages, the industry has taken a pause overall right now and is not offering many loan products for this category.

Thank you again for your continued patronage, support, and patience during this historic time. Wishing you and your loved ones good health in these stressful times.

*As always, your mortgage guy
Viral (Vic) Joshi
Home of Real Mortgage Advice*



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My mission is to help buyers qualify for the best loan available for their circumstance. I spend a generous amount of time with each client to educate them about how the mortgage industry works, through free “Mortgage 101” consultations, so they can make good decisions and get the best loan possible. I’ve revamped my website to give clients the best resources to supplement my consultations.

When I’m not doing loans, I’m an avid scuba diver and certified Rescue Diver. Eventually I’d like to become a dive instructor, so I can share the joys of this ocean sport with others.

I give back to the Monterey Bay Aquarium, Divers Alert Network (DAN), and the National Outdoor Leadership School (NOLS). I’m also a longtime Warriors fan with season tickets that I frequently share with associates and clients.



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Vic’s Mortgage Report

“Home of REAL Mortgage Advice”

Jumbo Mortgage Loans Are Also Sheltering In Place

Hello Friends,

As the shelter-in-place directive is impacting all areas in our society and the global society at large, the effects are being felt in the mortgage markets as well. Mortgage interest rates that fell to the 50-year low in the last week of February and the first week in March, have since increased, and then started falling again in the week ending April 10th.

This more recent rate reduction applies to conforming loan products only. Conforming mortgage loans are those that meet the loan limits and underwriting guidelines for mortgages being sold to Fannie Mae and Freddie Mac.

For single unit, residential properties (Single-Family Detached Residences, Condominiums, and Townhouses), the standard conforming loan limit nationwide is \$510,400. For residential two-, three-, and four-unit properties, the standard conforming loan limits are \$653,550, \$789,950, and \$981,700, respectively.

Mortgage loans that fall within the standard conforming loan limits and guidelines are thus seeing fixed interest rates head back towards the 50-year low levels again, as we gain some distance from the massive market volatility of two months ago.

In 2008, the markets were reeling from what became known as the beginning of the Great Recession.



Jumbo Mortgages Taking a Pause

At that time, congress authorized a temporary increase of the conforming loan limits — part of the 2008 economic stimulus package. This “Temporary High Balance Conforming” category still exists today. The high balance conforming loan limits currently are \$765,600 for a single-unit residence, \$980,325 for a duplex, \$1,184,925 for a triplex, and \$1,472,550 for a fourplex.

Mortgage interest rates for the high balance category are usually within
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...And More Stuff Every Homeowner Should Know