



Viral (Vic) Joshi
Branch Manager/
Mortgage Consultant
(510) 655-2868
DRE #01242935
NMLS #244388

Copyright © 2018-2019 Vic Joshi, NMLS #244388, DRE #01242935

This licensee is performing acts for which a real estate license is required. C2 Financial Corporation is licensed by the California Department of Real Estate, Broker #01821025; NMLS #135622, with headquarters at 10509 Vista Sorrento Pkwy #200, San Diego, CA 92121. C2 Financial Corporation is an Equal Opportunity Mortgage Broker/Lender. C2 Financial Corporation is approved to originate VA and FHA loans, and has the ability to broker such loans to VA and FHA approved lenders. C2 Financial Corporation is not acting on behalf of or at the direction of HUD/FHA or the VA. Loan approval is not guaranteed and is subject to lender review of information. A loan is only approved when a lender issues approval in writing. Specified rates may not be available for all borrowers. Rates are subject to change with market conditions. The services referred to herein are not available to persons located outside the state of California.



PRESORTED
STANDARD
U.S. POSTAGE
PAID
MONUMENT, CO
80132
PERMIT #57

(Continued from page 1)

hike for refinances likely have to do with the obvious; we are in the middle of the largest refinance run in our country's history with rates at all time lows, so raising the cost to refinance is an easy way to generate huge profits. Also, this fee hike likely has to do with the GSEs (Government Sponsored Enterprises) Fannie Mae and Freddie Mac moving closer to becoming private corporations again and no longer under government conservatorship, which was put in place during the Great Recession of 2008 to keep the GSEs from failing.

Calabria seems to be moving full steam ahead with privatizing the GSEs and not letting the coronavirus slow him down. The capital requirements the GSEs need to hold seem to be north of \$200 billion. Using the current refinance boom, with rates at historically low levels, is one of the means Calabria and the FHFA have latched onto to help them get to the capital requirements needed to privatize and get out of government control. This seems contrary to the Federal Reserve's intentions of suppressing interest rates to keep stimulating the economy, while we get out of this economic depression created by our flawed response to the pandemic. Somehow, I am not surprised considering that Calabria was economic advisor to current Vice President Mike Pence. Profiting from the misery of our nation seems to be

something our government is good at facilitating in the current administration.

In the grand scheme of things, the markets will recover from this refinance fee increase if the Fed continues to work to suppress interest rates. Purchase transactions are not affected with home purchases on the rise due to the historic rates. Frankly, I am happy to get the slight reprieve. At the time I am writing this, I have had three days off in 25 weeks straight.

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*

Office: (510) 655-2868
Cell: (510) 853-2407
Fax: (510) 291-2824
Email: viral@vicjoshi.com
Website: vicjoshi.com

2009

Vic's Mortgage Report

"Home of REAL Mortgage Advice"



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.



Office: (510) 655-2868
Cell: (510) 853-2407
Fax: (510) 291-2824
Email: viral@vicjoshi.com
Website: vicjoshi.com

Mark "The Shark" Calabria

Hello Friends,

Mortgage interest rates continue to be near the all time low levels we have continued to experience since June of this year. Rates bottomed in the first week of August with the run ending on 8/12/2020. This was a reprieve from the torrid pace set by the Federal Reserves' continued commitment to suppressing interest rates to stimulate consumer spending during the worst economic crisis since the Great Depression.

The rise in mortgage rates was focused on refinances and was directly caused by the FHFA, Federal Housing Finance Agency, led by Mark Calabria. Calabria and the FHFA control the large institutional mortgage investors, Fannie Mae and Freddie Mac, where the bulk of mortgages are originated and sold. On 8/12/2020, towards the end of the day, it was announced that Fannie Mae and Freddie Mac were instituting a new "Adverse Market Refinance Fee." That fee is basically a 50 basis points fee (0.5%) hike to mortgage refinances sold to Fannie/Freddie starting Sept. 1, 2020. Lenders immediately increased the one-time points fee by .5 point on all refinance loans on the evening of 8/12/2020 and into the next day. One industry group says the new fee increases the average cost of a refinanced mortgage by \$1,400. I am seeing this refinance tax increasing the one-time cost to my borrowers by between \$500 – \$3,750 on a conventional refinance that conforms to Fannie/Freddie

guidelines and loan limits. Those transactions make up 90% of my current loan volume.

The FHFA tax translates into a raise in mortgage rates for refinances of between .125% and .375%, depending on the loan product selected and the combination of borrower and subject property statistics. This means that for the same one-time cost prior to the titling being implemented by Mark Calabria and the FHFA, the rate is higher by roughly .25% across the board. The reason for this sudden fee

(Continued on back page)

Contents...

- **From the Inside...**
"Why isn't my home selling as fast as I think it should?"
- How To Protect Yourself From Identity Theft!
- 8 Sure-Fire Ways to KILL Your Credit Score!

...And More Stuff Every Homeowner Should Know