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lenders to see if they are in compliance with the avalanche of red tape that has been implemented over the past three or four years. The new disclosure requirements are adding one to three weeks to the process and lenders keep introducing new disclosures every week or month to make it harder than ever to close a loan. The volume is so crazy right now that purchase transactions are being impacted. There is no way to close a purchase in the standard 30 days unless the loan is ready to submit the day the purchase goes into contract. If you are trying to buy a house, just be prepared for delays because of the backlog.

I am hearing on the street that lenders are trying to hire like crazy in all departments, but especially in underwriting. Since the underwriter is the main gate keeper on the funding of each loan, the pressure is on the underwriter in case the loan defaults. Due to the stressful nature of this job and the lack of qualified underwriters who can underwrite to today's ever increasing guidelines, this problem doesn't appear to be improving any time soon.

Getting a mortgage today is harder than it has ever been. Please remember that what may seem like common sense to you and me has no bearing on the underwriting of the loan. The only thing the lender cares about is whether or not they can sell the loan to the taxpayer via Fannie Mae, Freddie Mac, Ginnie Mae (FHA — Federal Housing Administration), or VA (Veteran's Administration). If the underwriter doesn't think there is enough documentation in the loan file to satisfy the ever increasing guidelines put forth by these government

entities, then the loan will not fund. Believe me when I tell you that every loan file is a phone book and some are two phone books worth of documentation. Don't be surprised if the documentation requirements seem like overkill. There is no way around the crazy documentation requirements in the current market, so keep all of your income and asset documents and statements handy if you have any thought to be in the market for a mortgage now or in the future. Throwing away pay stubs and bank statements is not a good idea anymore and throwing away even the last few pages of a bank statement that has no information on it could come back to haunt you when applying for a mortgage!

Rates are closing in on 3% for 30-year fixed and that is going to cause this refinance frenzy to keep escalating. Even though times are great right now for me, I am actually looking forward to rates increasing to slow things down a bit, but I don't think that will happen until 2014 or 2015. That means people have time to get their existing mortgage sorted out or to purchase a property with a mortgage at these historically low interest rates. Just be prepared for a lengthy process.

This is all I have time for now. Back to another 16-hour work day! Phew!

Viral (Vic) Joshi

P.S. If you want to get more timely market updates, I have a weekly newsletter that goes out via e-mail. E-mail me, **viral@vicjoshi.com**, so that I can put you on the mailing list.

Vic's

Mortgage Report

"Home of Free Mortgage Consultation"

Viral (Vic) Joshi

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Hello Friends,

The rate madness continues. I have been inundated with so many requests that I

don't have time to be proactive and look into each and every one of your mortgages to see if you can benefit from the most recent drop in interest rates. Rule of thumb is that if your rate can drop by 1% for no points or even .5% for no points/no fees, it makes sense to refinance. That means if you are at 4.25% or higher on a 30-year fixed or 3.75% or higher on a 15-year fixed, you may want to consider refinancing.

The mortgage industry is completely buried right now with the longest turn times to process a loan application that I have ever seen. It is taking roughly 60 days to refinance with me and that is likely a lot faster than going to your bank or existing lender where turn times may be upwards of 90 days. ...Some lenders are taking 6 weeks (!) to underwrite a loan submission. That turn time for underwriting is usually 24-48 hours during normal times.

The documentation requirements continue to escalate with the new Consumer Finance Protection Bureau, CFPB, conducting audits on
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