



Formerly Cobalt Financial Corp.

4811 Telegraph Ave., #511
Oakland, CA 94609



Viral (Vic) Joshi

*Branch Manager/
Loan Consultant*

Cell: (510) 853-2407

DRE Lic. #01242935
NMLS #244388

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



Compliments of: Viral (Vic) Joshi

C2 Financial Corporation is licensed by the CA Dept. of RE, License #01821025 • NMLS #135622

(continued from front page)

Freddie does allow for investment properties to be refinanced through this product. Yet other lenders are only allowing it for Fannie Mae loans and not for Freddie Mac loans. And still other lenders will only allow the product for mortgages that they currently service!

In case you haven't noticed, the banks don't care about any of us or for the greater good of our society as a whole. The greed and avarice that the banks demonstrated prior to the economy collapsing continues unabated, despite what they want you to believe. This program is a boon and is supposed to help millions of borrowers keep their homes, but the banks are still only interested in protecting themselves.

Now, you may ask why the banks would add so much additional red tape to a product where the loans are held by an outside investor, such as Fannie/Freddie. The answer is that Fannie/Freddie have been coming after the banks that service their loans on every loan that defaults. Fannie/Freddie have been losing billions of dollars every quarter on loans that default and they do what is known as a "forensic audit" on every one of these to see if they can catch the originating lender making errors on the loan packets prior to selling them to Fannie/Freddie. In their contracts with the various lender/servicers who sell loans to Fannie/Freddie, there are buy-back clauses specific to errors that the lender/servicers may make on a loan file, if such loan defaults after being sold to Fannie/Freddie. This means that even though the Obama administration and congress have mandated that Fannie/Freddie help borrowers refinance their existing loans with Fannie/Freddie, if the borrower still defaults after refinancing

into HARP, the originating lender/servicer may be forced to eat that loan after a "forensic audit" is completed by Fannie/Freddie.

Therefore, Fannie/Freddie are offering products that no lender/servicer really wants to bring to market because there is a good risk that the borrower who refinances on their underwater property may still default and the originating lender/servicer will get taken for a ride at the end of the process. The fun never stops in the mortgage industry!

At this point, I am getting people into the HARP 2.0 program, but I am doing it very slowly and carefully to make sure each borrower gets matched up with the right lender and the best interest rate. If you think that story was fun, wait until next month when I tell you my experiences with the other recently mandated program, National Mortgage Settlement (<http://www.nationalmortgagesettlement.com/>). This is the one that allows those folks who are not with Fannie/Freddie, while also upside down on their mortgage, to refinance with the big five mortgage originator/servicers, BofA, Chase, Citi, GMAC/Ally, and Wells Fargo. This one is loads of fun and I can't wait to share my experiences with you in the next issue. Feel free to contact me directly if you can't wait that long to hear about my findings on this one.

*As always, your loan guy,
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

*Branch Manager/
Loan Consultant*



Hello Friends,

We are now into the HARP 2.0 (Home Affordable Refinance Program 2.0)

and not all lenders have entered the field to offer this product. It seems that every lender has a different take on the new product being offered by Fannie Mae and Freddie Mac for those home owner's whose mortgage are with Fannie/Freddie. Despite the clear directive from the Obama administration to refinance as many mortgages that are upside down as possible, where the home owner owes more than the value of their property, the banks are again putting their own overlays and rules changes on the products that they offer to the consumer.

The new product allows for home owners to have any amount of negative equity in their homes and still be eligible to refinance as long as their mortgage is with Fannie/Freddie and was sold to Fannie/Freddie prior to May 31, 2009. Unfortunately, some lenders are capping the Loan-To-Value at 125%, the cap on the previous HARP 1.0 version. Other lenders are not allowing investment properties to qualify for the product even though the product offering from Fannie/

(continued on back page)

Office: (510) 655-2868

Cell: (510) 853-2407

Fax: (510) 291-2824

viral@vicjoshi.com

www.vicjoshi.com