

YES, YOU CAN STILL GET A MORTGAGE LOAN



Although efforts to broaden the American dream of home ownership have yielded bad mortgages that created an American nightmare on Wall Street, that doesn't mean the dream isn't still within reach in Salt Lake City.

For the past few weeks, clients and business partners have been asking me if they are still able to get a loan. These questions have been coming from clients who are in the market to buy homes and from REALTORS® that are showing homes.

Every day a new story seems to come out about how our financial system is on the brink of destruction and we are seeing bank after bank either closing down or being taken over.

Most people have heard the reason for the bailout plan is because credit has dried up and banks are not lending. While this is true on the commercial side, it could not be further from the truth on the residential side. Residential lenders do have money to lend and are more than willing to. You can get a mortgage today, contrary to what you may hear, and mortgage rates are at record lows.

The media has been spitting out all the bad without telling any good. Do not get caught up in the negative! The fear of credit drying up is more on the corporate side. Banks are not lending to banks. Corporate credit lines are being restricted or drying up altogether.

These are the problems that the bailout is dealing with. If businesses do not have credit lines they will not survive.

American business runs on credit. Liquidity and faith in the banking system needs to be restored.

There are still 100 percent loan programs for qualified buyers and 88 percent of adults can still qualify for a loan. Some people will need some credit counseling and clean up and they should talk to a reputable, knowledgeable loan officer who has the experience and can help.

In September, Uncle Sam took over Fannie and Freddie and FHA raised their loan limits. This was good news for the mortgage market since a major source of residential money is now secure. The FDIC has done a wonderful job of curing the failing banks and quickly shifting the nation's deposits to stronger institutions with no more than a hic-up. The sky did not fall, and it probably will not fall.

Real estate has always been a great long term investment. The economy has always had its ups and downs, and real estate has always rebounded. So don't worry, there is money to lend at reasonable rates with very good terms.

Finally, work with a real professional that has the tools, experience and integrity to help you not only close more deals but make you look good in the process. In turbulent times, like we have today, professional partnerships are mandatory to not only survive today, but to also set yourself up to thrive tomorrow. 🏠

Jackie Seethaler is a Mortgage Consultant with Republic Mortgage Home Loans, and an Affiliate of the Salt Lake Board Of REALTORS® .