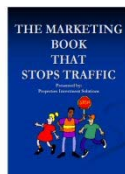


Turning the Key
Secrets to Finding Private Money
 with Joe Roche
 Thurs, June 7th
 7-9pm
 Dedham, MA
 Join us for an evening of Networking and Education!

[Now in our Shop](#)

The Marketing Book That Stops Traffic

[Learn More!](#)

Debbie Siegel's Mortgage Minute



Changes in the Lending Market Impact Investors

As you know, due to the recent high levels of mortgage loan defaults, several sub-prime lenders were forced to leave the business and file for bankruptcy protection. The high rates of foreclosure, coupled with these corporate bankruptcies, **have resulted in changes that are now impacting the entire spectrum of mortgage lending.**

What does this mean for investors?

Now that the pool of sub-prime lenders has dwindled, **the availability of funds for non-conforming loans has dwindled, too.** Indirectly, it means the **flexibility we enjoyed in real estate financing is no longer a guarantee.**

In response to the sub-prime crisis, traditional banks and lenders have **tightened their underwriting guidelines.** Conforming lenders, for example, have increased their own credit score requirements.

For customers with reasonably good credit, these new guidelines make it **more difficult to find 100% financing programs** on primary residences, second homes, and investment properties. In addition, the increased competition for loans has made **alternative documentation loans more difficult to obtain.**

In short, **an excellent credit score and the availability of a down payment** are more important than ever when obtaining a real estate loan.

As gas and oil prices continue to rise - and property taxes, too, in many areas - it's important to remember that when **calculating whether you can afford a mortgage** you'll need to include these costs as well.

In this changing mortgage market, banks and other lenders will be looking at customers' abilities to meet their obligations with **increased scrutiny.**

Got questions about real estate financing? Contact Debbie at Debbie@westchester-mortgage.com or 617-965-1236. She'll consider them for inclusion in a future column. Debbie Siegel is president of Westchester Mortgage in Newton, MA. She is licensed in several Northeastern states.

[« Investing as a Second Career](#)

[May 2007](#)

We need your help! What can we be doing to improve? Please [Let Us Know!](#)