WILLOW Realty Newsletter

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Vol. 10 October 2015

From the Broker's Desk

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We have seen a lot of changes in the mortgage industry since the Dodd-Frank Act was enacted in 2010. The Act has impacted almost every part of the nation's financial service industry and the impact continues. If you have purchased a property in the past, I am sure that you remember the loan officer providing you with a Good Faith Estimate during the application process that itemized the cost of securing your mortgage. Likewise, at closing you were given a HUD Closing Statement which itemized your charges and credits and these figures should have closely approximated the figures on the Good Faith Estimate. As of October 3, 2015, these documents have been eliminated and replaced with the Loan Estimate given at application and the Closing Disclosure given at closing. Doesn't appear to be a big deal until you analyze how it will impact the mortgage process. Borrowers will now need to know what kind of loan they will apply for at the time of offering on a property. Obtaining pre-qualifications should be easier since lenders cannot require extensive written documentation as a condition of providing a Loan Estimate. This allows the borrower to secure Loan Estimates from various lenders to determine what the best loan program and lender might be for the borrower. A Loan Estimate has to be provided by the Lender within three days of request and is good for ten business days. No fees can be collected by the lender until the borrower confirms, within the ten day grace period, that they want to proceed at which time fees become payable for appraisal, application, credit report, etc. Once the loan is in progress, delays can still occur. If there is an increase in the interest rate, a prepayment penalty is added or the basic loan product changes, then a new Loan Estimate must be generated and there will be a three business day wait for the borrower to review and approve the changes before the loan can progress. The borrower cannot waive this review period. A three day review will not be required for adjustments made for repairs/damages found in the final walk thru, changes made to payments at closing for utilities, taxes, escrow accounts or for typos found in closing docs. Borrowers must receive the Closing Disclosure three business days prior to closing and it is recommended that the lender provide it seven to nine days prior to closing so if changes have to be made requiring the three business day review, the closing date can still be met. These changes were made to increase transparency for the borrower but it has made more work for the lender which may generate higher fees for the borrower and has added two to four weeks longer to the loan process. Lenders are telling Realtors to use a date for closing in the purchase agreement that is two months out and to be sure that all sale documents are fully executed and accurate to prevent a three business day review delay. Realtors will no longer be provided a Closing Disclosure unless a copy is provided by the borrower or the borrower instructs the closing agent, in writing, to provide their Realtor with a copy. Buyers will need to be more thorough in reviewing the Closing Disclosure for accuracy since fewer eyes will now be reviewing it. When speaking with your lender be aware that you will no longer be referred to as the buyer but as the Consumer, your lender will refer to themselves as the Creditor and the closing will be called a Consummation. No one wants another recession but this " Know Before You Owe" rule may benefit a first time borrower/consumer but it sure has created speed bumps for the seasoned borrower. Remember that the experienced Agents of WILLOW Realty are here to assist as you buy and sell in today's market.

Pumpkin Seed Brittle

© Food Network/ Alton Brown

1 tsp vegetable oil, &extra for coating
7 oz hulled pumpkin seeds (these are the green ones)
1/2 tsp cayenne pepper
1/2 tsp ground cinnamon
1/2 tsp kosher salt
1 lb 6 oz granulated sugar
12 oz water

Place the oil and seeds into a 10-inch saute pan and set over medium-high heat. Toast the seeds while constantly moving the pan. You will smell their aroma and hear some of them begin to crackle when they are toasted, 4 to 5 minutes. Transfer the seeds to a small mixing bowl, add the cayenne, cinnamon and salt and stir to combine. Line a half sheet pan with a silicone baking mat. Place a 3-quart saucier inside a large cast iron skillet. Add the sugar and water to the saucepan, and cook over high heat, stirring occasionally with a wooden spoon, until it comes to a boil. Stop stirring, cover and cook for 3 minutes. Uncover, reduce heat to medium, and cook until the sugar is a light amber color, approximately 25 minutes. Remove from the heat and stir in the pumpkin seed mixture. This will greatly reduce the temperature of the sugar, so work quickly. Once evenly mixed, pour the mixture onto the prepared half sheet pan. Using an oiled spatula, spread thin. You will have to work quickly when pouring out and spreading the mixture in the pan. Cool completely, approximately 30 minutes, and then break into pieces. Store in an airtight container for up to 2 weeks.

10 Steps of the Home Buying Process - Contract to closing.– Part 1

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The steps below are typical of those you'll follow from your initial contract to your closing, but ultimately each buyer's process will be unique to the circumstances of their purchase:

1. LOAN APPLICATION: Immediately after they negotiate the contract, buyers should apply for any financing necessary to complete the purchase. The agent's advice can help them select a reputable lender whose products and service best meet their needs. Notification of loan application is passed to the listing agent, who keeps the seller informed as the process progresses. During this process, buyers must furnish the lender pertinent information regarding their assets, income, debts and credit history.
2. HOME INSPECTION AND REPAIR RESOLUTION: The rise in the importance placed on home inspections is probably the most significant change that has occurred in the home selling process in recent years. Typically, the process involves a top-to-bottom inspection of the property, performed by an inspector who is chosen and paid by the buyers. After the buyers review the report, they have the right to ask the sellers to address any concerns they have about the property. This is done during the Due Diligence Period which is part of the Purchase & Sale Agreement.
3. DUE DILIGENCE: During this period, seller grants the buyer the option of terminating the agreement for any reason. Buyer may arrange financing, conduct evaluations, inspection, appraisals, examinations, surveys & testing. During this period the buyer may also inspect for active termite infestation. This process can easily amount to a complete renegotiation of the contract. The role of the listing and selling sales people is critically important to successfully negotiating this often difficult process.
4. APPRAISAL: As a part of the loan approval process, the lender will require that the property be appraised to ensure that the value of the property is adequate to justify the loan. Although the buyer and seller have already agreed on a price, the appraiser's evaluation must support that price.
5. LOAN APPROVAL: When the appraisal has been satisfactorily completed and the lender has verified the buyer's income, credit, etc., the lender can then make a decision on loan approval. Both listing and selling agents will work to ensure that all necessary steps are taken to reach this point.

We are so accustomed to disguise ourselves to others that in the end we become disguised to ourselves. ~ Francois de La Rochefoucauld

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