

Mortgage Finance: What's Really Available Today?

On June 25, 2009, REALTOR® Magazine hosted a [mortgage finance webinar](#) with speakers Thomas Gamache, Retail Mortgage Sales Executive, East Division, of Bank of America Home Loans, and Judy Zeigler, CRB, CRS, GRI, SRES, e-PRO, of Windermere Real Estate in Palm Desert, Calif. Afterward, Tom and Judy agreed to answer questions that weren't addressed during the 60-minute session.

Q: Does Bank of America Home Loans offer Energy Efficient Mortgages or Energy Improvement Mortgages or other types of "green" financing? *Tom:* Check with your local Bank of America Home Loans mortgage officer to see what energy efficient mortgages are offered in your region. Some branches, for example, offer a \$1,000 credit at closing if the home has the Energy Star rating.

Q: During the session, you mentioned Bank of America's Clarity Commitment. Could you explain it? *Tom:* The Clarity Commitment™ was developed in response to consumers' desire for clarity in lending. In clear, simple terms on a one-page summary, it tells homebuyers what their loan terms are, what their payment will be, and that those terms will never change.

Q: Are you offering consumers any online help to understanding the home loan process?

Tom: In April, we launched the Home Loan Guide: bankofamerica.com/homeloans. The Web site is different than anything else in the market and available to everybody. The online Home Loan Guide is designed to provide personalized answers, walking consumers through the entire home loan process—from understanding affordability through loan options to the loan process itself.

Q: Why aren't short sale prices set by the bank before the property gets listed on MLS? Wouldn't this greatly decrease the transaction timeframe? *Judy:* Because the banks don't own the property, they can't set a list price. However, in order to expedite a short-sale process, the sellers/owners need to obtain and complete a short-sale package, which includes financial statements, for each lender that has a mortgage on the property.

Q: Do you see the short sale process becoming easier and less time-consuming for real estate practitioners to work on? *Judy:* The NATIONAL ASSOCIATION OF REALTORS® has been talking with both the federal government and the lending community about how to streamline short sales. Right now, I don't see the process becoming easier or less time-consuming. However, if you have the sellers/owners complete a short-sale package and get it to all of the lenders involved as soon as you take the listing, you'll be able to find out whether the lenders will even agree to do a short sale on that property with those owners. That'll give you a head start.

Q: Can you charge more than a 6 percent commission on a listing with FHA financing? *Judy:* There is no set commission on a listing; all real estate commissions are negotiable. However, there are restrictions on what the sellers can pay on behalf of the buyers (such as closing costs). Check with a trusted lender for more information.

Q: Are you finding that sellers or banks are unwilling to accept offers from FHA borrowers because of the implications or repairs involved? *Judy:* When conventional loans were easily obtained with low downpayments, many sellers did prefer to accept an offer from a buyer who was using conventional financing because of the possibility of extra expenses with FHA. Today, however, unless there are multiple offers on a property, I would hope that sellers would be happy to get an offer from a qualified buyer, regardless of what type of financing the buyer was obtaining.