



Fannie Mae Updates Mortgage Pricing Model

Periodically, Fannie Mae reviews all factors that affect its pricing to be sure they are positioned to continue to provide liquidity to its mortgage lending partners. These reviews sometimes result in changes to how loans are priced which ultimately affects the associated interest rate. Recently Fannie Mae issued announcement SEL-2010-17 which implements more stringent pricing adjustments for certain [loan to value](#) and [credit score ranges](#). A 20% down payment with a borrower who has an 800 credit score will now have a pricing adjustment which may have a small affect on their interest rate. The new threshold to avoid a pricing adjustment is 30% down and a credit score of 740 or higher.

What impact will this have in the Arizona marketplace? I anticipate more Arizona buyers will be utilizing FHA Loans as the loan to value and credit score adjustment included in the recent announcement only affects conventional mortgages. When comparing a 3.50% down FHA loan to a 3%-15% down conventional mortgage with a borrower who has a 720 mid credit score, the FHA loan fairs better in rate by roughly .375% under the new pricing structure. FHA does require mortgage insurance on all 30 year loans even with a 20% down payment, so we'll still factor in the total cost including mortgage insurance when comparing options for our Arizona clients.

Don't hesitate to call me and request a [Brush up on FHA Loans](#) meeting. Or, if you need CL Continuing Ed courses and want to find out the latest on [Financing in Today's Market](#), join me on February 23rd from 9:00-11:45 at the Gainey Ranch Golf Club. This class is offered by Southwestern School of Real Estate, for more details go to: www.southwesternschool.com.

I hope you find some time to get out and enjoy our beautiful city this weekend ~

Kelly

Quote of the Week: Think big thoughts, but relish small pleasures. ~ H. Jackson Brown

The business card is blue with white text. On the left is a headshot of Kelly L. Zitlow, a woman with blonde hair. To the right of the photo, her name and title are listed: 'Kelly L. Zitlow, CMPS® Branch Manager, Licensed Mortgage Professional, NMLS # 164330'. Below this, contact information is provided: 'Direct: 480-398-4908, E-Fax: 480-240-5324, Email: kzitlow@ccmclending.com, Website: www.kellyzitlow.com'. At the bottom left is the Equal Housing Lender logo and 'AZ BK #0904024'. On the right side of the card, two other employees are listed: 'Tara Bradley, Transaction Coordinator, NMLS # 203298, Direct 480-398-4903, tbradley@ccmclending.com' and 'Karen Hunt, Sr. Loan Processor, Direct 480-398-4902, khunt@ccmclending.com'.

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