

Denver Mortgage Lender Responds to Potential New Mortgage Fee Rule Targeting Good Credit Homebuyers

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The US Mortgages In Denver wants to warn good credit homebuyers that they could be affected by the new mortgage fee rule issued by the Federal Housing Finance Agency (FHFA) in its effort boost the capital of Fannie Mae and Freddie Mac and to make it easier for homebuyers who have been previously disadvantaged by their credit scores. These new rules will only be applicable to the home funding backed by Freddie Mac and Fannie Mae for home financing agreements signed on May 1, 2023 or later. The Biden Administration hopes to make it easier for homebuyers who have formerly experienced difficulties when getting access to credit.

Based on the new rules, homebuyers who provide a larger downpayment of 15 to 20 percent could have an increase in home financing fees. However, Bankrate.com mortgage analyst Jeff Ostrowski believes these changes should not change the homebuyers' guiding philosophy. Ostrowski explained that homebuyers who pay less than 20 percent downpayment will need to pay mortgage insurance and this tends to offset the lower upfront fee. In the end, there would be no financial advantage for a homebuyer putting down less than 20 percent in downpayment.

Ostrowski explained that the new fees will be slightly more costly for some homebuyers with good credit while also being slightly cheaper for some homebuyers with lower credit scores. Nevertheless, those who have high credit scores will still pay less compared to those who have lower credit scores. The guiding philosophy of having a better credit score still remains. The reductions in fees will not apply for those who have credit scores less than 680, which means there should be no reason to allow one's credit score to go down.

It is just that the difference will be a bit smaller. That is what critics of the new rules have been harping about. Overall, the effect is that the advantage of paying a larger downpayment or having a higher credit score has been reduced.

Critics point out that the effect is that people with higher credit scores will be subsidizing the improved rates for homebuyers with lower credit scores. And some housing experts warn the new rules might result in the

provision of home funding to those who should not have qualified in the first place, possibly resulting into a financial crisis similar to the one that occurred in 2008. This would be because of too many homebuyers unable to pay back what they owed to the banks. David Stevens, a former commissioner of the Federal Housing Administration, warned that the new rules are ill-timed because the housing market has not yet recovered and is still struggling during the past 12 months.

Founded in 1996, the Denver Based US Mortgages is a provider of a broad range of home funding needs, including refinancing and counseling services. They have been serving the home financing requirements of Colorado homeowners for more than 20 years. They provide a broad variety of products to help clients accomplish their home buying and refinancing goals. They can also provide down payment assistance programs and grants to help clients buy the home they have been dreaming of for only a little or no money down. The company's Personal Mortgage Advisors can offer their counseling to clients and respond to requests for advice with regards to home buying or refinancing concerns.

David Shamansky, owner and CEO of US Mortgages, says, "If you'd like to unlock the power of your home's equity, we have cash out refinance programs at competitive rates so you can start cooking in the new kitchen you've been dreaming about or grilling in your new outdoor living space. You can even pay off your high-interest credit card debts and student loans. We have an A+ rating with the BBB, so talk to US first."

Those who are interested in learning more about the home financing services offered by US Mortgages can check out their website or contact them on the phone or through email.

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For more information about US Mortgages, contact the company here: US Mortgages David Shamansky (720) 524-8020 info@usmortgages.com 6855 S Havana St #500 Centennial, CO 80112

US Mortgages

US Mortgages is a Denver mortgage company that helps you with significant decisions regarding your home financing. After 25+ Years Serving Colorado, We Have Better Mortgages. Zero Closing Costs & Lower Monthly Bills.

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