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## **Getting a Mortgage in Today's Lending Environment**

A wise individual once said; "no one ever plans to fail, but they often fail to plan". Buying a home and making possibly the largest acquisition in one's lifetime is something that requires planning. Why wouldn't it? We talk a lot these days about how difficult it has become to qualify for a home mortgage, but the reality is that it is no different than it was when most Americans bought their first home. It's a big purchase, it's a lifestyle change (usually for the better) and it requires a plan. There was a departure in lending from that very important step a few years ago that has cost the real estate market dearly, no argument there, but the opportunity for homeownership is still there and it is still a good idea for a lot of people and it still requires a plan.

As stated, homeownership is truly a quality of life decision, not just an investment decision. Real Estate, historically, according to the NAR (National Association of Realtors) has had its peaks and valleys over the years yet has continued to outpace the rate of inflation on a long-term basis. And, there is the operative wording: "long term". In today's lending environment there has been an overreaction to the lack of planning by both industry and consumers now mandating huge amounts of documentation, evaluation and re-examination. Many observers consider this to be a constriction of lending standards and therefore perceiving homeownership as a lost dream. This perception is not only inaccurate but a somewhat dangerous view point to our economy and the freedoms we enjoy in the United States.

Reality in today's mortgage market is that you need to "qualify" and plan for the purchase. There are still many programs available to potential buyers with little or no down payment. In many state-subsidized housing programs there are grants available to first-time homebuyer's. In the case of distressed properties, there are federally-insured programs that can assist the consumer to rehab the property. The level of professionals assisting borrowers has increased significantly. Mortgage originators need to be registered and/or licensed in order to practice their profession. A loan officer working for a non-depository such as mortgage company, or mortgage brokerage, must be licensed and take continued education to keep them apprised of regulations and current issues facing consumers. All of this only enhances the level of service and information available to consumers.

Housing today based on current market prices and interest rates is the most affordable it has been in decades. Information and opportunities abound in this market like never before. Yet, consumers are living in fear of the purchase of part of what makes America great.

If you are considering purchasing a home, don't be impulsive. Consider your options; develop a plan and meet with a professional mortgage lender, preferably one who is a member of the Mortgage Bankers and Brokers Association of NH. Examine your credit, prepare a budget, start a savings plan, and attend a home-buying workshop. Owning a home is the cornerstone to your financial future. Real estate is a long-term investment that gives you not only a better quality of life, but independence, which is the very foundation on which this country came to be. Have a plan and make your home buying dream a reality.

This information has been provided by the Mortgage Bankers and Brokers Association of New Hampshire (MBBA-NH) in conjunction with the New Hampshire Union Leader. Any questions about the content should be directed to the MBBA-NH at 6 Garvins Falls Road, Suite 106, Concord, NH 03301 or by e-mail at [info@mbba-nh.org](mailto:info@mbba-nh.org), website [mbba-nh.org](http://mbba-nh.org). Article supplied by, Bridget McMahon, Communications Administrator at New Hampshire Housing and member of MBBA-NH.

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