

FOR IMMEDIATE RELEASE

**Press Contact: Josephine Nicholas, CMPS Institute
888-608-9800 or josephine@cmpsinstitute.org**

Breaking News – Four HUGE Mortgage Guideline Changes

On May 6, Fannie Mae announced four key changes to their residential mortgage guidelines

Ann Arbor, MI, May 9, 2008 – Fannie Mae recently announced four key initiatives that will have a huge positive impact for home owners and buyers. “When Fannie Mae changes their policies and procedures, it has a wide-spread impact on homeowners,” said Gibran Nicholas, Chairman of the [CMPS Institute](#), an organization that certifies mortgage bankers and brokers. “This is because over 60% of US home mortgages are securitized, meaning that they are owned by investors like Fannie Mae and Freddie Mac who issue bonds on the bond market using these mortgages as collateral.”

The four changes are:

1. Fannie Mae will allow borrowers to refinance up to 120% of their home value if they are currently paying their mortgages on time.

“This is a huge positive development for responsible homeowners who are faithfully making their payments, but simply find themselves in a negative equity situation due to declining real estate values,” said Nicholas.

2. Fannie Mae is renewing and expanding their partnership with the state Housing Finance Agencies to provide \$10 billion in financing for qualified first-time home buyers.

“This is important because it gives first time home buyers access to more financing options, thereby increasing the amount of eligible buyers in the marketplace,” Nicholas said.

3. Fannie Mae is teaming up with the Self-Help Credit Union, one of their long-time partners, in order to help families in hard-hit real estate markets get into foreclosed properties through a rent-to-own program.

This will stabilize communities by enhancing the options available to renters.

4. Effective immediately, Fannie Mae will buy new jumbo-conforming loans at the same price that they buy other conforming loans throughout the remainder of 2008.

“This is an enormous benefit for mortgage borrowers in high cost areas who have been largely disappointed with the persistently high rates on jumbo loans,” said Nicholas. As part of the much touted [Economic Stimulus Package of 2008](#), limits on jumbo mortgages were increased from \$417,000 to up to \$729,750 in high cost areas. “The reality of the situation is that these higher loan limits have not really been effective because Fannie Mae has charged higher interest rates and fees on these loans versus traditional conforming loans at or below the \$417,000 limit,” said Nicholas. The new rules abolish this pricing difference, and allow jumbo-conforming loans to be priced exactly the same as traditional conforming loans. “These low interest rates expire at the end of 2008, so now is a perfect time for borrowers in these higher-priced markets to buy homes,” said Nicholas.

About [CMPS Institute](#): CMPS is a training, examination, certification and ongoing membership program for financial professionals who provide mortgage and real estate equity advice. The CMPS Institute was formed as a joint effort by leaders in the mortgage and financial planning industries to raise professional standards among mortgage professionals and integrate sound financial planning advice into the [mortgage process](#). Recognized for its preeminence within the industry, the CMPS curriculum represents the core knowledge expected of residential mortgage advisors, regardless of the diversity of specializations within the industry. For more information or to locate a certified professional near you, please visit www.CMPSInstitute.org or call 888.608.9800.

Press Contact:

[Josephine Nicholas](#)

CMPS Institute

888-608-9800, ext. 102