

Mortgage Crunch: Not as tight as you think

By Tiffany Lane
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MONROE -- Even with the economy in an upheaval, getting a mortgage isn't as hard as one might think.

David Whitley, president of Whitley Mortgage Associates in Monroe, said the process has become more lengthy since the subprime mortgage crisis in the past year and a half, but mortgage loans are still readily available.

Whitley said those who don't get a mortgage are usually denied for two reasons: they make late payments and have delinquent accounts, or don't make payments at all and have derogatory accounts. These accounts give them bad credit.

Deborah Mingo, a housing counselor with the Monroe-Union Community Development Corporation, sees 40 to 50 clients a week. Many of them are in their 30s and need help getting credit scores up.

The CDC helps low- to moderate-income families find housing and manage payments. Mingo said some of her clients racked up bad credit because they started using credit cards several years ago and didn't know how to manage them.

Even those with good credit have the preconception that mortgages will be difficult to come by, said Mingo, and are discouraged by high interest rates.

But owning a home and making affordable payments is possible, she said.

But, it might take longer.

Compared to last year, Whitley said, it's now possible to "spend twice the amount of time working with a client ... because of underwriters and lenders being more judicious with loan approvals." That doesn't mean there are more loans denied; it just means that more paperwork, such as detailed income documentation, is needed to approve loans.

Whitley's company, which focuses on residential mortgages, approves between 75 and 80 percent of mortgage applications, he said.

Nationwide, this week marks the second week in a row that mortgage rates dropped.

Freddie Mac, the mortgage giant, reported Thursday that rates on 30-year, fixed-rate mortgages averaged 6.14 percent this week, down from 6.20 percent last week. Rates hit a high of 6.46 percent two weeks ago.

Rates on other types of mortgages also fell this week with the exception of one-year, adjustable-rate mortgages which showed a slight increase. Interest rates are decreasing as well.

Whitley said people with good credit shouldn't have a problem getting loans.

Even though credit markets are tighter now than a year ago, he said, "If you've got good credit, not much has changed."

Still, some people seem to be giving up on owning a home.

Several clients with decent credit have called Whitley, asking to cancel appointments, thinking mortgages are nearly impossible to get. But Whitley said especially for first-time homebuyers, there are still affordable mortgage programs available, as well as low interest rates.

The average age of clients who come into Whitley Mortgage Associates is 30; many of them are just out of school or starting families.

"Part of the bailout plan includes provisions that will assist first-time homebuyers," said Whitley, adding that these people had "no part in the economic downturn" in regard to mortgages.

The Associated Press contributed to this article

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