

BANK OF CAPE COD

Do you qualify for a jumbo mortgage?

A Q&A with Bank of Cape Cod

What defines a jumbo mortgage?

A conforming mortgage is the conventional mortgage product that is available to borrowers. This type of mortgage can be secured by mortgage backed securities from Fannie Mae and Freddie Mac on the secondary mortgage market. This provides the financial institution with additional leverage when assessing the risks involved with writing a particular mortgage.

Freddie Mac and Fannie Mae's conforming mortgage limit for 2010 in Barnstable County is \$462,500, while Dukes and Nantucket County's limit is set at \$729,750. A loan that exceeds this dollar amount is classified as a jumbo mortgage.

What type of financing is available for jumbo mortgages?

While the housing market has experienced turbulence over the past 2 years, there is money to lend in the jumbo mortgage market and there are fantastic opportunities to purchase the home of your dreams.

While requirements can vary among financial institutions, the following is a sample of some general requirements when applying for a jumbo mortgage at Bank of Cape Cod:

- 20 percent minimum down payment to qualify
- A 30 percent down payment results in a 1/2 percent rate reduction
- Maximum loan amount is \$1,000,000
- Fixed rate mortgages and adjustable rate mortgages are available
- Primary and secondary homes are eligible if there is no rental income

What's involved in the application process?

Be prepared to supply the following documentation when submitting an application:

- Most recent copies of the past two year's tax returns
- W-2s or 1099s for 2009 if tax returns haven't been prepared
- Paystubs for the past 30 days
- Three months of bank records
- Current mortgage statement if a refinance
- Executed purchase and sale agreement if mortgage is for a purchase

Once this information is collected, the application can be processed and it generally takes between four to six weeks to close the mortgage in most situations.

To learn more, please contact Tracy Buckley-Scott at the Bank of Cape Cod, 508-568-2304 or TSCOTT@bankofcapecod.com.