

Local Voices



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Sonoma County Mortgages: How It Works

You probably already know that if you have a decent credit score, have an overall low monthly debt picture and have at least 3.5 percent equity into the transaction, you can get a loan from a pool of available Sonoma County mortgages.

Most folks seeking home mortgages know at the end of the day it is the banks ultimately dictate who can and cannot get a loan. To add on this further, the federal government plays a significant role in the securitization of mortgages as well as mortgage aggregators Fannie Mae and Freddie Mac. Before we discuss how the mortgage business works, we should quickly touch on who exactly we can get a mortgage from. Who are the folks that provide the best home [Mortgage Rates in Sonoma County](#)? A depository institution for example like a bank or credit union is one choice and they usually provide a brokering gateway to a wholesale lender who will ultimately fund the mortgage and sell the mortgage to an investor. These folks are regulated by the Federal Reserve.

Sonoma County Mortgages are also originated by mortgage brokers.

The mortgage broker is licensed by the California Department of Real Estate and the NMLS. These people take the loan application and then the loan file actually leaves their physical possession and goes to a wholesale lender. A wholesale lender is the Sonoma County mortgage lender that funds loans originated by brokers. Brokers only originate loans, they do not fund them.

The final group that we have is the mortgage banker often referred to as the direct lender. These people use a monthly credit line to originate mortgages fund loans in their own name and then sell the originated loans as mortgage-backed securities to Fannie Mae and/or Freddie Mac in the secondary market. These folks have their own skin in the game and can help people obtain the best home mortgage rates available in the marketplace better than a broker or a big depository institution. This group of people is licensed by and regulated by the Department of Corporations which is overseen by the Federal Reserve and the NMLS.

So where do you go to get the best Sonoma County Mortgage Loan?

There are really two ways to go about doing this. There is a wholesale lender and then there is a retail lender. Retail lenders cut the the mortgage broker (middleman) and go right to the consumer and can offer the loan at a substantially lower cost than a broker. Wholesale lenders also provide Sonoma County Home Mortgage Rates for mortgage brokers who act as intermediaries and charge middleman fees accordingly.

Sonoma County Mortgages are originated and funded whether retail or through wholesale by mortgage banks. The banks are the folks who control the transaction and will ultimately dictate who gets the most preferred mortgage rates. Sonoma County Mortgage loans to \$417k are in demand on wall street, thus the best mortgage rates are for these loans. Sonoma County Mortgage maximum loan amounts are to \$662,500.

So after you've refinanced your home or purchased a home and have already attained the best Sonoma County Mortgage rate what happens next? After your loan funds and records, you will receive a payment coupon booklet in the mail. This payment coupon booklet for your Sonoma County Mortgage loan will reference when the monthly payment is due, monthly amount and any escrow accounts for taxes if applicable. In this letter you will probably see verbiage that your mortgage loan has been sold. Mortgage loans made in Sonoma County are bought and sold by the lender that funded your loan into what are called mortgage-backed securities or MBS for short which are traded every day on Wall Street. These securities backed by US home mortgages nationwide provide rates of return to investors. Simply put if you take a look at your IRA, 401(k) statement or any of your stocks you will see you are already invested in Fannie Mae and Freddie Mac bonds. These bonds are made by the origination and securitization of mortgages. In fact its us: you and me the consumers are the ones that set underwriting guidelines as well as back the risks.

The buying and selling of mortgage-backed securities backed by Sonoma County Mortgages is big business in the secondary market, in fact many times homeowners often complain that their mortgage has been sold to three even as much as four different lenders since they took out their loan. This is because the owner of their mortgage is trying to maximize profit by getting the highest return possible on their mortgage investment. They sell one loan in exchange for taking on another. Investors want the highest possible return, so selling loans makes sense.

The buying and selling of mortgage bonds backed by Sonoma County Mortgage loans has a heavy influence on mortgage rates as well.

It is because of this reason that you could lock in a loan today at 4.875% and then your neighbor tomorrow can lock in the same exact loan other things constant, and receive a 5.125% mortgage rate.

Sonoma County Mortgages provide the best mortgage rates. [Mortgage Rates Sonoma County Mortgages](#) go to maximum loan amounts are 417k and 662,500k respectively. Lots of folks want to pay off their mortgage faster or strategically set up the Sonoma County to accomplish buying a home or refinancing. Send me an email scott@sonomacountymortgages. [Scott Sheldon is your best source for the lowest and best mortgage rates. Visit \[www.sonomacountymortgages.com\]\(http://www.sonomacountymortgages.com\) today!](#)

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