

SUPER JUMBO LOANS Explained

SUPER JUMBO LOANS ARTICLE OVERVIEW:

Super Jumbo Loans

Super Jumbo loans, are mortgages with loan amounts greater than \$10 Million Our Super Jumbo Loans go to \$30 Million some cases to \$50 Million.

In some real estate markets, a house in the \$10 Million range is little more payment that's why we suggest Interest Only Super Jumbo than a starter home. [Jumbo Mortgage Loan?](#)

Good question. While the rest of us may see the term "jumbo" as relative, Fannie Mae and Freddie Mac, two government sponsored mortgage entities, have definite opinions. Each year, a new "conforming loan limit" is published by these organizations.

What is the Conforming Loan Limit?

The conforming loan limit is the maximum loan size eligible for purchase by either Fannie Mae or Freddie Mac, who purchase the underlying securities from mortgage originators. Those funds are then reinvested in new mortgages, and the flow-of-funds cycle continues.

The conforming loan limit, or "Jumbo Loan amount" is set every January. The 2006 limit for single-family homes and condominiums is \$417,000. Mortgage Loans conforming loan limit has also been raised to \$417,000.

When a Loan Becomes a Jumbo

When a loan amount is higher than the conforming limit, it becomes a Jumbo Loan, or non-conforming loan, with slightly higher interest rates ☹. Jumbo Loans, combined with historically low mortgage rates, can bring greater flexibility for some home buyers to purchase the house they want and make the payment they want.

With interest rates so low, consumer interest in Jumbo Loans is very high. If you are interested in finding out about securing a high end home without the jumbo mortgage rate, or getting your Jumbo Loan with a low (or no) down payment, talk to a super jumbo mortgage loan expert at Eagle Jumbo Loans by calling **888-813-9462**.

Conforming Loans

Conventional loans may be conforming and non-conforming. Conforming loans have terms and conditions that

Jumbo Loans Explained

follow the guidelines set forth by [Fannie Mae](#) and [Freddie Mac](#). These two stockholder-owned corporations purchase mortgage loans complying with the guidelines from mortgage lending institutions, packages the jumbo mortgages into securities and sell the securities to investors. By doing so, Fannie Mae and Freddie Mac, like Ginnie Mae, provide a continuous flow of affordable funds for home financing that results in the availability of mortgage credit for Americans.

Fannie Mae and Freddie Mac guidelines establish the maximum loan amount, borrower credit and income requirements, down payment, and suitable properties. Fannie Mae and Freddie Mac announces new loan limits every year.

The 2006 **conforming loan limits** for first mortgages are:

Loan Limits for:	2006	2005*	2004
One-family	\$417,000	\$359,650	\$333,700
Two-family	\$533,850	\$460,400	\$427,150
Three-family	\$645,300	\$556,500	\$516,300
Four-family	\$801,950	\$691,600	\$641,650

Loan Limits for:	2003	2002	2001
One-family	\$322,700	\$300,700	\$275,000
Two-family	\$413,100	\$384,900	\$351,950
Three-family	\$499,300	\$465,200	\$425,400
Four-family	\$620,500	\$578,150	\$528,700

Loan Limits for:	2000	1999	1998
One-family	\$252,700	\$240,000	\$227,150
Two-family	\$323,400	\$307,100	\$290,650
Three-family	\$390,900	\$371,200	\$351,300
Four-family	\$485,800	\$461,350	\$436,600

* The 1998 - 2005 loan amounts are provided for historical reference.

The maximum super jumbo loan amount is 50 percent higher in Alaska, Guam, Hawaii, and the Virgin Islands. Properties with five or more units are considered commercial properties and are handled under different rules.

The 2006 super jumbo loan limit for second mortgages is \$20 Million (in Alaska, Guam, Hawaii, and the Virgin Islands, the maximum second loan amount is \$10 Million). The sum of the original super jumbo loan amounts of the first and second mortgages cannot exceed \$417,000 (or \$625,500 in Alaska, Guam, Hawaii, and the Virgin Islands).

Super Jumbo Loans

Loans above the maximum loan amount established by Fannie Mae and Freddie Mac are known as 'super jumbo' loans. Because super jumbo loans are bought and sold on a much smaller scale, they often have a little higher interest rate than conforming, but the spread between the two varies with the economy.

If you are looking for a jumbo loan and need more information or advice, we invite you to take advantage of

our database of the most competitive jumbo lenders available. Just [complete a super jumbo mortgage loan application](#) and the best lenders in your local area will contact you with their low jumbo rate.

Bad Credit Jumbo Loans

Jumbo loans that do not meet the borrower credit requirements of Fannie Mae and Freddie Mac are called 'B', 'C' and 'D' paper loans vs. 'A' paper conforming loans. B/C loans are offered to borrowers that may have recently filed for bankruptcy, foreclosure, or have had late payments on their credit reports. Their purpose is to offer temporary financing to these applicants until they can qualify for conforming "A" financing. The jumbo interest rates and programs vary, based upon many factors of the borrower's financial situation and credit history.

Jumbo Loan examples:

1. [3/27 ARM Jumbo Loan](#)
2. [2/28 ARM Jumbo Loan](#)

Super Jumbo Fixed Rate Mortgages

With Super Jumbo fixed rate mortgage (FRM) loan the interest rate and your mortgage monthly payments remain fixed for the period of the loan. Super Jumbo Fixed-rate mortgages are available for 40, 30, 25, 20, 15 years and 10 years. Generally, the shorter the term of a loan, the lower the interest rate you could get.

The most popular jumbo mortgage terms are 30 and 15 years. With the traditional 30-year fixed rate mortgage your monthly payments are lower than they would be on a shorter term loan. But if you can afford higher monthly payments a 15-year jumbo fixed-rate mortgage allows you to repay your loan twice as fast and save more than half the total interest costs of a Jumbo 30-year loan.

Jumbo Mortgage Loans

Jumbo home loans are those above \$417,000 fall into several jumbo categories:

- Jumbo Fixed Rates- Term is for 15 or 30 years although it is common to set another term. Interest rate will not change for the life of the mortgage.
- ARMs- Jumbo Adjustable Rate Mortgages are loans with a fixed rate for a time period usually 1, 3, 5, 7, or 10 years followed by an annual interest rate adjustment. They are usually expressed as 1/1, 3/1, 5/1, etc. Following the initial fixed period, the new rate is determined by adding a margin to an index. For example, a common index is the 1 year Treasury Weekly Index. If your Jumbo ARM has a margin of 2.750 (margins can vary from 2.500 to 3.000 depending on lender and product) and the index was at 5.33 your new rate will be 8.080%. ARMs, like balloons, can be a viable option if you select a term appropriate for your plans. Also, I have several clients who have adopted a strategy where they determined that the low rate associated with a 1 year ARM saves them more money than the cost of an

annual refinance. It may be worth looking at to see if it works for you.

Conforming Loans vs. Jumbo Loans

The conforming limit is a jumbo mortgage amount set by Congress and is the maximum loan size eligible for purchase by either Fannie Mae or Freddie Mac, two Federally chartered jumbo loan organizations who purchase the underlying securities from mortgage originators. Those funds are reinvested in new mortgages completing the flow of jumbo funds cycle.

The current conforming limit is set at \$417,000. Any jumbo loan amount above that figure is considered a Jumbo mortgage loan and is often subject to an interest rate pricing premium as well as to some additional underwriting restrictions. A common strategy to lower overall interest costs if your purchase or refinance balance is above \$417,000 is to use a combination of both first and second trust money, referred to as an 80/10/10 or 80/15/5. Every situation is different, but it is one more option to consider.

Many borrowers are converting from fully loan amortizing payments to an interest only approach with a significantly lower monthly payment. I have some extensive information available on Interest Only Jumbo Loans. Read more to see if this powerful tool could work for you.

We offer you the ability to qualify and close into several unique programs which accommodate borrowers with non traditional income or asset situations. Please visit my [Jumbo No Doc Loans](#) page.

How to calculate your Jumbo mortgage loans qualification ratios.

Prequalify for your [Jumbo Mortgage Loan](#).

Jumbo Mortgage Loans

Eagle Jumbo Mortgage & Loan Corporation offers residential Jumbo and Super Jumbo mortgage loan products for qualified high income home buyers. These programs cover the full range of options from [Stated Income](#), No Documentation, NINA and Full Documentation jumbo mortgage loan programs for loan amounts up to \$25M with very competitive rates and terms.

Home Buyer and Refinance Products Include:

- **30 Year Fixed Rate Jumbo Mortgages**
- **20 Year Fixed Rate Jumbo Mortgages**
- **15 & 10 Year Fixed Rate Jumbo Mortgage**
- **Interest Only Programs**
- **State Income Jumbo Mortgage**
- **[No Income No Asset](#) Jumbo Mortgages**
- **No Ratio Jumbo Mortgage Loans**
- **[No Documentation](#) (No Doc) Jumbo Mortgage**
- **Adjustable Rate Jumbo Mortgage:**
 1. **1/1, 3/1, 5/1 and 7/1 Jumbo ARM Products**

Ask a Jumbo Loan expert: Refinancing a super jumbo loan

Q: I understand lenders charge lower rates for “conforming” mortgages than they do for “jumbo” mortgages. When are mortgages considered super jumbo? And is it a good idea to refinance an old super jumbo loan if it would now qualify as conforming?

A: A mortgage is considered jumbo when it exceeds the conforming limit set by Fannie Mae and Freddie Mac, the federally chartered companies that provide funding to retail mortgage lenders. The limit is adjusted annually based on average house prices. For 2006, it’s been raised to \$417,000 for single-family homes in the continental U.S. (The limit is 50 percent higher in Alaska, Hawaii, Guam and the U.S. Virgin Islands.) If the increase has caused your loan to now qualify as conforming, you may indeed benefit from refinancing.

This is because mortgages over the conforming limit carry a slightly higher rate than conforming loans. For a 30-year fixed-rate mortgage, you would most likely be paying about one-eighth to one-quarter of a percent more, though in some circumstances the difference may be greater. The reason for this higher rate is that jumbo mortgages carry more risk to the lender and usually involve extra underwriting requirements, and these costs are passed along to the homeowner.

The conforming limit for 2006 is much higher than last year’s limit of \$359,650. In fact, it’s a 16 percent increase over 2005, the largest-ever jump in a single year. This creates a refinancing opportunity that can save some homeowners a lot of money.

Here’s an example: Let’s say you took out a \$400,000 fixed-rate mortgage at 6% when a loan of that amount was considered a jumbo. If you refinance today, your mortgage would now be well under the conforming limit, and you would be able to take advantage of the lower rate. For a 30-year fixed rate mortgage, lowering your rate to 5.75% works out to almost \$64 every month; reducing it by half a percent would save over \$125 a month.

Remember that refinancing involves costs of its own, and incurring these costs for a very small reduction in the interest rate may not be worth it. For some borrowers, however, refinancing from a jumbo to a conforming mortgage can save thousands of dollars over the long term.

California Jumbo Loans services include jumbo loans, fixed rate jumbo loans, adjustable rate jumbo loans, super jumbo loans, stated income loans, refinance loans, 2nd mortgages and purchases loans throughout California. Eagle Mortgage California Jumbo Loans is the most knowledgeable and experienced licensed California jumbo mortgage banker.

Contact one of Super Jumbo Loan officers qualified mortgage brokers today for a FREE JUMBO MORTGAGE ANALYSIS -- 24 HOUR APPROVAL -- and a NO OBLIGATION QUOTE

California Jumbo Loan Options

Jumbo 6 month ARM	Jumbo 1 Year ARM	Jumbo 3/1 ARM
Jumbo 5/1 ARM	Jumbo 7/1 ARM	Jumbo 30 year fixed
Jumbo 15 year fixed	Stated Income Loans	Free Mortgage Analysis

SUPER JUMBO LOAN MORTGAGE PROCESS

Super jumbo mortgage loan processing follows this simple pattern:

- Present loan proposal based on the initial jumbo mortgage inquiry
- We gather borrowers home information, social security numbers and income. Finalize 1003 jumbo mortgage application for the super jumbo loan, and obtain preliminary credit approval.
- Send out initial good faith estimate and other disclosures for the California jumbo mortgage
- Request documentation, consisting of income (verified or not), current mortgage information, insurance information, legal authorizations and assets
- Upon receipt of the required documents including, order title work, schedule appraisal, request payoff information and mortgage history, we will submit final documentation to underwriter and set signing date.
- Verify final closing numbers and lock in rate (if not already locked in)
- Print final loan documents and forward to signing agency
- Sign and fund jumbo loan, or wait for 3 day cancellation period to fund

As in any super jumbo mortgage transaction, additional information may be required to finalize a 'clear to close' with underwriting. We will listen closely to your needs up front, so that we may present all necessary information in a timely manner to underwriting.

STATED INCOME SUPER JUMBO LOANS

A stated income jumbo loans is a loan that can help you purchase an expensive home without having to verify your income. This program is less costly for the borrower when compared to other reduced or non documentation type loan programs. This type of loan is perfect if you have a job that make verifying income difficult. As long as you have decent credit you can qualify for the stated income mortgage program. This type of loan is available as a jumbo loan or non conforming loan. Contact the jumbo loan experts at California Jumbo Loans.net for more information on jumbo loans and the other various types of jumbo loans.

BALLOON RATE JUMBO MORTGAGES

CALIFORNIA SUPER JUMBO LOANS

JUMBO LOANS

SUPER JUMBO LOANS

JUMBO LOAN OPTIONS

STATED INCOME LOANS

CALIFORNIA J REAL ESTATE

FREE SUPER JUMBO MORTGAGE ANALYSIS

MORTGAGE DIRECTORY

CONTACT US

CALIFORNIA JUMBO LOAN LINKS

FIXED RATE JUMBO MORTGAGES

A fixed rate jumbo mortgage loan is a mortgage loan that not go with the current market rates. The interest rate that was given the super jumbo mortgage loan is the interest rate that stays throughout the term of the loan. A loan that follows the current market rates would be an adjustable rate mortgage (ARM). The fixed rate super jumbo mortgage loan also is a non-conforming loan, which means that the mortgage

A balloon mortgage is a mortgage that has equal monthly payments amortized over 30 years at a fixed rate for a stated term. Borrowers should be aware that this type of loan has a large lump sum payment due at the end of the loan contract that is equal to the remaining principle balance plus any interest and charges due. Contact California Jumbo Loans.net for more information toll-free at 415.380.2347 and ask for Rich Juarez.

JUMPO REAL ESTATE INFORMATION

California Super Jumbo Loans offers jumbo loans for people all over whether it be for buying a new home or refinancing your super jumbo loan. Check out information on popular areas where we help new residents with super jumbo loans, if you are looking to relocate to an area not listed below contact our office and we will work with you to get you the loan you need in the area you want.

SUPER JUMBO LOANS

MORE CALIFORNIA SUPER JUMBO MORTGAGE HOME LOAN JUMBO LOAN REFINANCE INFORMATION

- Los Angeles California Mortgage Home Loan Jumbo Loan Refinance Information
- San Diego California Mortgage Home Loan Jumbo Loan Refinance Information
- Dana Point California Mortgage Home Loan Jumbo Loan Refinance Information
- Beverly Hills California Mortgage Home Loan Jumbo Loan Refinance Information
- San Francisco California Mortgage Home Loan Jumbo Loan Refinance Information
- Marin County California Mortgage Home Loan Jumbo Loan Refinance Information
- Sacramento California Mortgage Home Loan Jumbo Loan Refinance Information

means that the mortgage loan is above the standard \$417,000 of most conforming mortgage loans. Contact your mortgage professional at Super Jumbo Loan 888.813.9462 and ask for a Super Jumbo Loan Officer.

ADJUSTABLE SUPER JUMBO MORTGAGE

An adjustable rate mortgage loan is a mortgage loan that fluctuates with the market rates based on agreed terms. The interest rate that was given at closing is subject to increase usually in increments. Most jumbo loan borrowers that understand the benefits of utilizing an adjustable jumbo mortgage use our program with the option of refinancing their ARM loan at the end of the initial term. Contact your jumbo mortgage professionals at Super Jumbo Loans at 888.813.9462 and ask for a Jumbo Loan Officer for more explanation on jumbo loans.

Super Jumbo Mortgage Loans

A Super Jumbo Mortgage Loan is a loan amount > \$650,000 and typically goes up to \$10,000,000. A standard Jumbo loan is \$417,000 (as of 2006) up to \$650,000 and we provide both types of loans. These type of loans facilitate the high-end purchase of expensive homes, vacation homes, investment property and upscale luxury homes. They are quite attractive for primary occupants or investors who want to leverage their assets.

If you are considering a Super Jumbo Mortgage, then let one of our licensed mortgage professionals help walk you step by step through the loan process. High end financing requires years of experience which is crucial to finding the best mortgage options to suit your needs.

Some of the Super Jumbo loan programs available are:

Super Jumbo Loan amounts up to \$25,000,000

100% jumbo financing up to \$1,500,000: "Stated Income" 680+ FICO score:

90% financing up to \$2,000,000: "Full Doc or Stated" 660+ score:
Rates from 1.50% on No Neg ARM's

100% up to \$1,500,000: No Income Verification 620+ score:

90% up to \$1,250,000: JUMBO NINA - No Income & Stated Assets; 680+

100% jumbo loan up to \$1,000,000 (No Doc - No Income, Assets or Job)

80% super jumbo loan to \$4,400,000 (No Income Verification 680+ FICO score)

- **Interest only option**> available on all ARM's, Full Documentation, Stated Income Loans and No Asset, Income or Employment verification options. Terms are on the 6 month, 2 year, 3 year, 5 year, 7 year, or 10 year ARM's, 30 yr Fixed and the 1% **Pick a Payment Option ARMs**.
- **Simple and Convenient**
Complete the **easy on-line application for low documentation**. A jumbo loan consultant will be assigned to your file and will contact you to begin the jumbo loan process. (for jumbo mortgages and super jumbo loan).
- **Speed Guaranteed**
Apply for a super jumbo loan online and a jumbo loan consultant will be in touch with you within 24 hours to begin the loan process.*
- **Competitive Jumbo Loan Rates**
Our convenient and speedy process enables us to offer some of the lowest rates in the industry for all types of mortgage loans. We challenge you to find

Jumbo Loans Explained

lower rates and better fees from any other lender out there!

o **No Obligation**

It costs you nothing to apply. You are never charged a fee to apply. No Obligation. No Regrets.

Super Jumbo Loans for High Net Worth Individuals, Entertainers, Corporate Management, etc.

If you have a considerable sized loan on your home then you probably have a financial advisor who is helping you plan for a solid future upon retirement. Considering that sometimes high profile positions are cut short from external factors beyond your control, it is critical you have your money working for you at all times

Interest only loans are recommended by many financial advisors since the tax advantages of borrowing against your home makes the cost of the money far lower than the potential returns invested elsewhere.

Of course each individual has a unique portfolio to consider, so you may want to ask your jumbo financial consultant how you can save thousands of dollars a month. Below is an example so you can see the difference

Example of a Professional Football Player's Loan

A. EXISTING JUMBO LOAN

Existing Loan Balance: \$1,000,000
Product: 15 Year Fixed
Documentation: Full
Rate: 6.25 %
Current P&I Payment: \$8,574.23

B. NEW SUPER JUMBO INTEREST ONLY LOAN REFINANCE

New Loan: \$1,000,000
Product: 5 Year Fixed Super Jumbo Interest Only
Documentation: Stated Income / Assets
Rate: 6.375 %
New Payment: \$4,479.17

**A Savings of \$49,140 a Year! or \$4,095 per month
Stated Income and Stated Assets ***

This example is based on certain super jumbo loan product guidelines but you can see how much extra money can be saved and placed into other forms of investments.

SUPER JUMBO LOANS

<http://www.google.com/search?hl=en&q=super+jumbo+loans&btnG=Google+Search>

<http://www.google.com/search?hl=en&lr=&q=jumbo+loans&btnG=Search>

Jumbo Loans Explained

<http://www.google.com/search?hl=en&lr=&q=jumbo+mortgage+loans&btnG=Search>

<http://www.google.com/search?hl=en&lr=&q=jumbo+loan+refinance&btnG=Search>

<http://search.yahoo.com/search?p=jumbo+loans&fr=yfp-t-501&toggle=1&cop=mss&ei=UTF-8>

http://search.yahoo.com/search;_ylt=A0geutHnrIFFYkoBt55XNyoA?p=super+jumbo+loans&prssweb=Search&ei=UTF-8&fr=yfp-t-501&x=wrt

http://search.yahoo.com/search;_ylt=A0geupP.rIFFe9QAxqhXNyoA?p=jumbo+refinance+loan&prssweb=Search&ei=UTF-8&fr=yfp-t-501&x=wrt

http://search.yahoo.com/search;_ylt=A0geupkkrYFFQv8A639XNyoA?p=jumbo+refinance&prssweb=Search&ei=UTF-8&fr=yfp-t-501&x=wrt

http://search.yahoo.com/search;_ylt=A0geur1LrYFFCbUAnLIXNyoA?p=jumbo+mortgage+rates&prssweb=Search&ei=UTF-8&fr=yfp-t-501&x=wrt