

# HISTORY OF LENDING



- Full doc until late 1990's
- Low doc, Alternative doc,
- No doc
- Stated Income Stated Assets
- No Income No Assets
- Interest Only loans
- Negative Amortization loans
- Sub prime products
- Almost everyone qualifies for a mortgage
- Demand for housing increases
- New mortgage companies (not offering FHA or VA)
- Inexperienced loan officers
- Uneducated buyers
- Little regulations on advertising
- Mortgage fraud rises
- Housing market Peaks 2005/2006

- Fall 2007 housing bubble begins to burst
- Existing Subprime loan rates adjust upward 5%
- First round of foreclosures
- Housing market suffers
- Subprime loans no longer offered
- Economy suffers
- More Job Losses
- Foreclosures continue
- House prices drop even further
- People can't sell
- Government steps in: Bail outs: HARP
- Fannie Mae and Freddie Mac tighten guidelines.
- Mortgage Reform: Safe Act, Dodd Frank, CFPB TRID, Patriot Act
- Underwriting requirements tighten. Fraud guard/Red flags checklist LDP GSA List, Identity guard
- Everything must be documented
- Back to full doc and more



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