April 2, 2020

We hope this letter finds you healthy and staying busy. Rest assured your TMBA is working and staying informed of the current industry changes.

What we are currently seeing:

• Banks are taking a very cautious position on future lending as there is too much uncertainty on how long the COVID-19 pandemic is going to continue.
• Underwriting guidelines are changing constantly. Minimum FICO scores are being raised, debt-to-income ratios are being lowered, and loan product offerings are narrowing.

What we are recommending:

• If you have received a pre-approval letter from a lender or borrower, check back with the lender and ask if there have been any guideline changes regarding your buyer’s situation. What was approved yesterday may no longer be acceptable. (Until a loan is locked in, the guidelines are subject to change.)
• Before showing a property, ask your buyer if they have been in touch with their lender in the last week. Recommend they make contact with their lender to see if any changes have occurred that could impact their situation.

We will update you with more information as it becomes available to us. What is most important is that we remain calm, stay informed and educate our clients. This may be our new normal, but it is not permanent!

Peyton von Hirsch
TMBA President