

## Mortgage Numbers Stronger in Q1

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ERIC SMITH | The Daily News

The mortgage industry's first quarter was the picture of progress compared to the same quarter a year ago.

Although this year's first quarter fell a little short of Q1 2009, each month of the new year showed a slight improvement and March showed a rare year-over-year improvement, giving the industry hope that recovery is near.

Banks and mortgage companies made 1,555 purchase mortgages in Shelby County during the first quarter (January through March), just 3 percent shy of the 1,606 mortgages made during Q1 2009, according to the latest data from real estate information company Chandler Reports, [www.chandlerreports.com](http://www.chandlerreports.com). (Data for this report didn't include refinances.)

The quarter was highlighted by March, whose 683 mortgages represented a 6 percent increase from 644 in March 2009.

The Q1 average mortgage amount of \$145,869 was just a 2.4 percent dip from \$149,528 in Q1 2009. And the total mortgage volume of \$226.8 million marked a 6 percent dropoff from \$240.1 million in Q1 2009.

[Sam Goff](#), mortgage originator at [Evolve Bank](#) and Trust and president of the Memphis Mortgage Bankers Association, said he likes to hear that mortgage business appears to have turned a corner after a lengthy slump.

"It is definitely picking up," he said. "The phones are constantly ringing."

The phones are ringing at some places more than others. [Community Mortgage Corp.](#) led the county in terms of number of purchase mortgages and total dollar volume during Q1 with 232 mortgages that averaged \$130,675 and totaled \$30.3 million.

[Magna Bank](#) followed in terms of dollar amount (118, \$171,793, \$20.3 million). Next came Wells Fargo Ltd. (74, \$182,244, \$13.5 million), [Patriot Bank](#) (75, \$165,505, \$12.4 million) and [Financial Federal Savings Bank](#) (53, \$209,319, \$11.1 million).

[Mary Floyd](#), senior vice president at [Financial Federal Savings Bank](#), said one of the reasons for the solid performance at her company – as well as the high mortgage average – was the improvement in the jumbo loan market.

Jumbo loans are any mortgages more than \$417,000 and therefore not guaranteed by federally chartered Fannie Mae or Freddie Mac. Many banks had reduced their jumbo loan activity and raised rates on in the tightened market.

Although jumbo lending has improved, overall lending guidelines remain tight, meaning a return to the lending volume of 2005 and 2006 likely won't happen.

Still, mortgage bankers said they are busier now than they have been in a long time, with new mortgage applications piled high on their desks and lunchtime pushed back to handle all the paperwork.

One reason is a growing trust in the market as home values creep slowly back to normal. Another is the coming expiration of the homebuyers tax credit, set to end April 30.

“We’re seeing a lot of people scurry around trying to meet that deadline,” Floyd said.

Goff said there is some concern within the industry that it will see a dropoff in mortgage activity after the deadline passes and all those sales close.

“We’re excited about the increase in business that we’re experiencing, but there’s a little trepidation about April 30,” he said.

Despite the tax credit ending soon, mortgage bankers and real estate agents alike are seeing positive signs everywhere, like multiple offers on homes and people’s willingness to buy knowing their current homes will sell.

“People are sort of stepping out and may put a contract on a house before they’ve sold theirs,” Floyd said. “To me that’s an indication of consumer confidence, that the market is coming back.”

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