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REAL ESTATE MARCH 10, 2017

Thousands cut from home buying opportunity under Trump presidency



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For new homeowners, it is both surprising and odd that President Donald Trump's first decision from the White House was to overturn former President Barack Obama's cut in the FHA mortgage insurance rate. Regardless of which side of the Trump versus Hillary Clinton presidential debate you're on, this decision could affect 750,000 to 850,000 new home buyers and an estimated 30,000 to 40,000 who wouldn't have qualified to buy a new home, according to [Snopes](#). The lower insurance rates would've gone into effect on Friday, January 27.

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[New York Senator Chuck Schumer](#) stated this decision leads to homeowners not being able to save “an average of \$500 per year,” which is definitely a deal breaker for those with riskier credit scores. Trump also plans to “dismantle” the Dodd-Frank Wall Street Reform and Consumer Protection Act, according to [NPR](#), which is alarming for low income users who may have been protected under the Emergency Homeowners Relief

income users who may have been protected under the Emergency Homeowners Relief Act. (With this [Act](#), the Secretary of Housing and Urban Development would be authorized to make repayable emergency mortgage relief payments directly to a mortgagee on behalf of homeowners whose mortgages are held by a financial institution and are delinquent on mortgage payments.)



Has Trump made it more difficult for you to own a home? (Photo credit: Pixabay)

To be fair, since homeowners affected by this weren't able to get the financial relief in the first place after Trump's swift response, they didn't technically lose money. [Loan industries](#) who weren't affiliated with regular banks certainly lose potential funds though. And new homeowners under the Trump presidency may have lost the opportunity to get a new home altogether because they could not afford the higher rates.

What are some things FHA borrowers should consider:

1. Negotiate a credit: FHA borrowers may want to consider negotiating a closing credit from the seller in the purchase agreement. Negotiating this credit may help

credit from the seller in the purchase agreement. Negotiating this credit may help to reduce the amount of money the seller has to bring to the closing. Borrowers should be mindful that FHA guidelines limit the amount of credit the seller can extend to the borrower.

2. Knowledgeable mortgage broker: Borrowers applying for an FHA loan should look for a broker that has strong knowledge of loan approval.
3. Be prepared to bring more money to the table. Even with closing credits, the potential homeowner may have to bring more money to the table than anticipated. FHA borrowers should start saving in advance to be able to cover the closing costs associated with purchasing a home.

Have more real estate and FHA questions? Contact [J. Paye & Associates](#) today.

Shamontiel L. Vaughn contributed to this blog. Find out more about her at [Shamontiel.com](#).