

The Examiner

HOMEBUYERS' GUIDE

MILITARY MOVES



ANDREW HARNIK/EXAMINER FILE

Thousands of families are moving to the Mark Center area of Alexandria because of Base Realignment and Closure decisions.

Local resources offer help for BRAC families

By Merlisa Lawrence Corbett
Special to The Washington Examiner

As a military wife, Cindy Jones knows what it means to get Permanent Change of Station orders. As a Realtor, she believes just understanding military-speak helps her deal with clients affected by Base Realignment and Closure Commission decisions.

"I speak the jargon, I understand the lingo. I know what it's like to get those PCS orders," Jones said.

Thousands of BRAC families are moving to the Washington area, with communities near Fort Belvoir, Fort Meade and the Mark Center area of Alexandria expecting the biggest impact.

Military families have the same moving concerns as nonmilitary families, Jones said.

"The main difference is the lack of time to plan," she said, which increases anxiety about where to find the best communities, the right schools and commuting options.

Consolidation of facilities under BRAC began in 2005 and must be completed this year. Because the Washington area is in the final stages of BRAC, most military families that need to relocate have received their orders by now, Jones said.

Luckily for those moving to the area, "there's good inventory out there," she said. Still, finding the right house can be tough on a three-month

Resources

- » **Realtor Cindy Jones:** cindyjoneshomes.com
- » **Pentagon Foundation:** pentagonfoundation.org
- » **Pentagon Federal:** PenFedREalty.com, PenFed.org
- » **Navy Federal Credit Union:** navyfederal.org
- » **Defense Department BRAC Family Resources:** defense.gov/brac/pdf/Family-Resources.pdf
- » **Welcome BRAC MD:** welcomebrac.com
- » **Anne Arundel County relocation guide:** welcomebrac.com
- » **DISA BRAC Information Portal:** disa.mil/brac/moving/relocation101.html
- » **General moving tips for military:** move.mil/home.htm

timeline.

In some cases, Jones said, couples rent houses sight unseen. Short sales are an option for military buyers, but Jones warns clients not to "get into a waiting game."

Jones said some military buyers suffer from sticker shock because of the higher rents and home prices in the Washington area. "They get a housing allowance and what that allowance got them in San Antonio won't get them the same thing here,"

Jones said.

There are financing options available to military families to help ease the sting of relocating. Beyond the VA loan, competitive mortgage rates can be found at military-affiliated credit unions such as Navy Federal and Pentagon Federal.

"We are a nonprofit. As a credit union we are owned by our members so all the value we derive goes back to our members," said James Schenck, executive vice president of real estate for Pentagon Federal.

PenFed has nine real estate branch offices in the area. "Our model is different than most of the national players because we offer folks moving into the area a 1 percent rebate on their sales price," Schenck said.

PenFed's most popular product is a 5/5 adjustable-rate mortgage that covers all closing costs, including appraisal fee, tax service fee, title fees, credit report fee and recording fees. It's popular with military families who move an average of every three years.

The Dream Maker program that offers a \$5,000 grant to first-time military buyers through the PenFed Foundation also is popular with military families.

Jones said it is important that families begin planning their move as soon as they get an assignment. They can go online to look at resources listed by county and city governments that are affected by BRAC.

FINANCING

Jumbo loans for higher-end homes make a comeback in metro market

By Dean Bartoli Smith
Special to The Washington Examiner

Jumbo mortgages have made a comeback following the housing bust and should be readily available to buyers with good credit, even as the Federal Housing Administration lowers its maximum loan limit in the Washington metro area from \$729,750 to \$625,500 on Oct. 1, real estate experts said.

After 2008, the jumbo loan market that finances upper-bracket housing purchases collapsed. Credit restrictions tightened and banks, struggling to regain their footing, were reluctant to back large sums of money.

"We didn't have jumbo loan products after the crash," said Donna Evers, president of real estate firm Evers & Co. "We didn't have \$1.5 million loans like we do now, with 20 percent down at 4.25 percent, even a year ago. It took quite a bit of time."

Jumbo loans in the \$1 million to \$3 million range, with interest rates between 4.25 percent and 4.75 percent, are available to buyers with credit scores of at least 740, Evers said. To snag one of these loans, buyers must have their paperwork in order, and Evers recommended using smaller, local banks.

"Big banks are having a tougher time," she said. "Underwriters with stacks of loan requests on their desks are far away. Small, local banks have smoother-running operations. You call the lender and the underwriter is right there."

All types of jumbo loans are available, from standard 15- and 30-year notes to loans with home equity lines to adjustable-rate mortgages. During the subprime crisis, ARMs with teaser interest rates got a bad rap because they were approved for buyers who couldn't afford them in the first place.

"ARMs are really coming back," said Troy Toureau of McLean Mortgage. "They are meant for people who know they are going to be in a house for a certain period of time. They've moved to D.C. for a government job for a few years. They were not meant for buyers to get a bigger house."

Agents and mortgage brokers



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Jumbo loans, home mortgage loans in amounts above conventional conforming loan limits, are making a comeback.

said sales activity has increased in an effort to close deals before the Oct. 1 FHA deadline.

"Title attorneys will be working 24 hours a day at the end of September," Evers said. "Borrowing is so cheap and we are in our 15th straight month of price increases in a steadily improving market."

Though most expect the effect of the new limit to be minimal, Toureau is concerned the lower FHA loan limit may affect the move-up buyer market — specifically buyers in the \$625,000 to \$750,000 range.

"In the high-balance conforming and jumbo market, no one was moving up. No one was selling \$500,000 and buying at \$1 million," he said. "Recently, people have been moving up. There will be a small percentage of buyers in the \$625,000 and \$729,000 range who will no longer be able to put 3.5 percent down. It may hurt the market in that range."

Fred Bowers, president of Intercoastal Mortgage, said jumbo money is there but restrictions are tighter and he is concerned the FHA reduction will mean homes stay on the market longer as buyers have a tougher time qualifying.

"The impact will be more demand for jumbo loans because of the decrease in the limit," he said. "Bottom line is that it will cost the buyers more."