

# The Mortgage Messenger

**W**elcome to *The Mortgage Messenger*, Perennial Mortgage's quarterly newsletter. We just celebrated our first year in business. It's been fun and exciting and, with today's low interest rates, very busy. We extend our thanks and appreciation to all our clients and those who've referred business to us. Being a referral-based business allows us to spend our time working on our clients' loans rather than marketing for new business. It also allows us to lower our costs because we're not spending money advertising. Who do you know that needs a new loan and deserves great service? Send them our way.

Thank you, Heidi Snow, President  
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## What's on Your Credit Report?

We hear about it more and more these days. Someone's identity has been stolen. Their credit rating has been ruined. Creditors and collection agencies are calling them demanding payment on accounts they know nothing about. They can't get the financing terms they deserve. And they spend months and even years trying to sort it out and get things cleared up. Proving their innocence becomes a nightmare.

The Federal Trade Commission received 161,819 identity theft complaints in 2002, up 88% from the year before. Alleged credit card fraud is the most frequent complaint (42%). It takes an average of fourteen months between the time the fraud is committed and when the victim discovers the theft. Victims are spending on average \$1000 and 175 hours to resolve these problems.

At Perennial Mortgage, we look at credit reports every day and it's a rare one that is error free. Sometimes it's minor, like an old paid account that still shows a balance. Other times borrowers are shocked to find multiple accounts with late payments and other derogatory items that they knew nothing about. They are victims of identify theft.

Be vigilant. Here are the things the experts recommend you do to protect yourself. Some of these activities may seem a bit paranoid, but your financial reputation is at stake.

- **Check Your Credit Report Annually.** Contact all three credit bureaus (see below). If there are errors dispute them directly with the credit bureaus. By law they must initiate an investigation within 5 days of receiving the dispute and report back to you within 30 days. Resolving things with your creditors doesn't always result in corrections at the credit bureaus. If you discover someone else is using your information to get credit, ask the credit bureaus to place a fraud alert on your account.
- **Protect Your Social Security Number.** Don't carry your social security card in your wallet and don't print the number on your checks. If you must include a social security number use only the last four digits.
- **Buy A Shredder.** Or at least tear up into tiny pieces any paper with any sensitive information — account numbers, social security numbers or other identifying information. Cut up old credit cards and dispose of them in separate trash pick ups.
- **Install a Locking Mailbox.** Or get a Post Office box. And don't put mail out on your doorstep for the postman to pick up. Mail bill payments from work or directly at the post office.
- **Protect Your Online Connection.** Make sure your internet connection has a fire wall, especially if you prepare your own taxes or use personal finance software like Quicken.



## Homeowners Insurance — Are You Covered?

In 2001 when fire in Los Alamos burned homes to the ground, many homeowners discovered they didn't have the insurance coverage they thought they did. When you bought your home you were required to get insurance. But are you adequately covered?

If you're like me, every year the insurance company sends you a new homeowners policy and you file it away — sometimes you don't even open the envelope. Most people don't like to think about bad things happening or they just don't understand insurance coverage.

For a homeowners policy there are typically three aspects of the coverage: protection if the house is damaged by fire or other disaster; liability to cover you if someone gets hurt on your property; and personal property coverage in case of theft or damage by fire or other disaster.

Your mortgage lender requires only that you have property protection to cover the loan amount. However, as a homeowner, you want to make sure you have enough coverage to replace the home. Over time your home will appreciate and building costs increase. So it makes sense to periodically reassess your coverage. Perhaps you have built an addition or remodeled the kitchen? Your insurance agent can help you determine what it would cost to rebuild the home and assess whether or not you have enough coverage.

Liability coverage is going to vary depending on the property — do you have a swimming pool or other elements that increase risk? Liability limits typically start at \$100,000 but many people want more coverage.

Personal property coverage will replace or reimburse you for standard personal items like furniture, clothing and appliances. But if you have special possessions such as artwork or jewelry, you may need additional coverage for them. It's a good idea to make a list or take pictures of everything you own. This may be time consuming but if your house burns to the ground the insurance adjustor is going to ask for one.

Take the time to talk to your insurance agent to make sure you have enough coverage.



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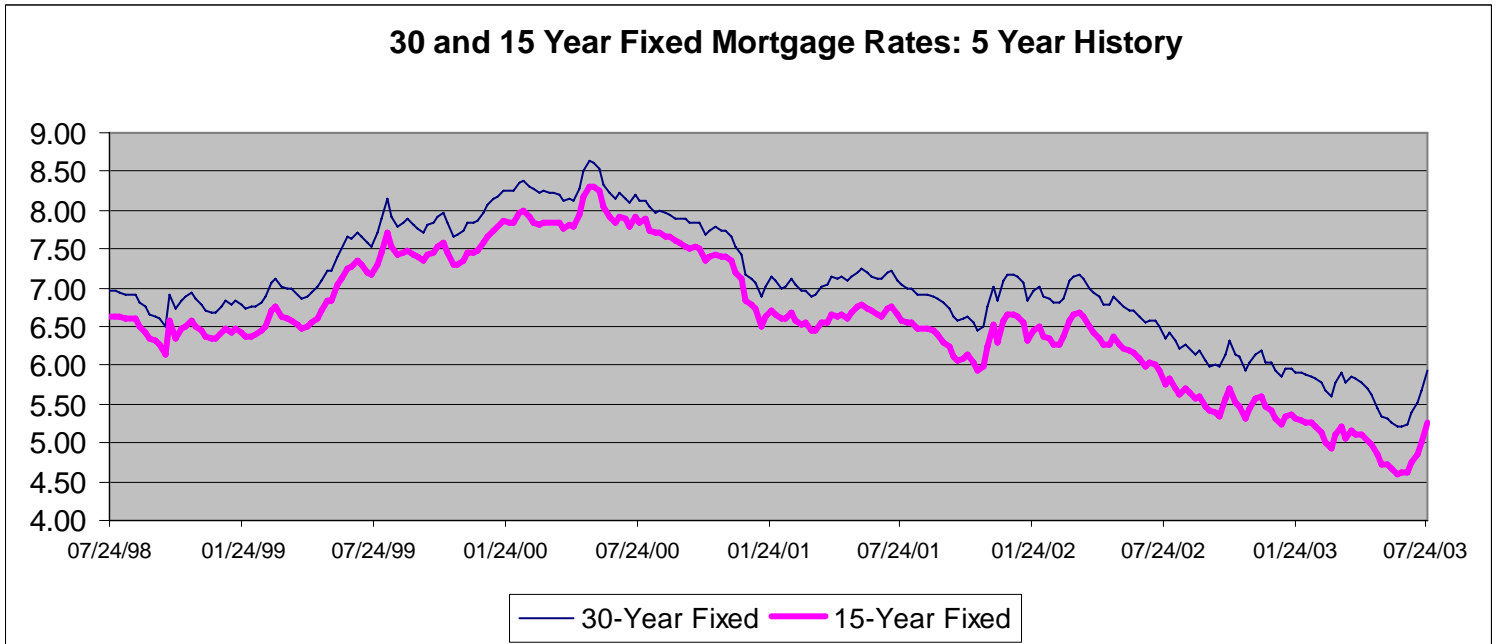
## How to contact the Credit Bureaus.

<b>EQUIFAX</b> P.O. Box 740256 Atlanta, GA 30374-0256 1-800-682-1111 <a href="http://www.equifax.com">www.equifax.com</a>	<b>TRANS UNION</b> P.O. Box 1000 Chester, PA 19022 1-800-888-4213 <a href="http://www.transunion.com">www.transunion.com</a>	<b>EXPERIAN</b> P.O. Box 2104 Allen, TX 75013-2104 1-888-397-3742 <a href="http://www.experian.com">www.experian.com</a>
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**30 and 15 Year Fixed Mortgage Rates: 5 Year History**



**30 & 15 Year Fixed Mortgage Rates** The graph above charts 30 year and 15 year fixed mortgage rates over the past 5 years. As you can see, they take similar tracks with 15 year rates slightly lower than the 30 year rates. The spread between the two rates has been larger over the past 24 months than is typical. The average spread between the two rates over the past 10 years is 0.46 points. However, since the beginning of 2003, 15 year rates have consistently been more than 0.6 points below 30 year rates. Have you thought about refinancing from a 30 to a 15 year term? Now may be the time. Give us a call and we'll help you decide if it makes sense for you.

**We Are a Referral-Based Business!**  
We generate referral business by being extremely knowledgeable about mortgages and providing exceptional personalized service to our clients.  
Who do you know who needs our services?

505-888-9500



**S**ave a tree! You are on our list to receive **The Mortgage Messenger** and other communications from Perennial Mortgage. If you wish to be removed from our list, please contact our office or email us at [hsnow@perennial-mortgage.com](mailto:hsnow@perennial-mortgage.com)!

**Perennial**  
MORTGAGE

*Always there for you*