

# The Mortgage Messenger

**B**usiness is Blooming! And we are growing! Welcome to **The Mortgage Messenger**, Perennial Mortgage's quarterly newsletter. Since our last newsletter two new staff members have joined us. In August **Roger Kennett**, our corporate Secretary/Treasurer, came on board to help manage the office and make sure things run smoothly. In October **Phil Rivera** joined us as our newest loan officer. And, to accommodate our new staff members we have moved into a bigger suite! We're still at our same convenient location on Indian School, across from Winrock Mall and still provide outstanding service and mortgage expertise!

Thank you, Heidi Snow, President  
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## Our Advice Makes a Big Difference

Sometimes small decisions have **BIG** consequences. It isn't uncommon for many homeowners to discover that a \$25 decision could be a \$10,000 mistake. At Perennial Mortgage, our loan officers are trained to evaluate options for our clients and help them make smart decisions based on their individual situation. We have invested a significant amount of time and money in training and software to give our clients a detailed total cost analysis of financial decisions. This helps our clients make an informed choice about the best home loan for them.


For example, a client recently referred his mother who asked about refinancing her home. She had been solicited by one of our competitors offering a really great rate. We also could offer that same great rate. After calculating the total cost of refinancing we pointed out to the client that, because she had already paid 10 years on her current loan, she would actually pay more over the life of a new 30 year loan. We recommended a 15 year term. Her payment didn't drop as much had she refinanced on the 30 year term but, she would reach her goal of having no house payment early in her retirement and she would spend less overall than with her current loan.

At Perennial Mortgage, we take the time to discuss goals with our clients asking them: How long they anticipate owning the home? Is

the least cash out-of-pocket now more important than the lowest possible payment over time? Would they be willing and able to put more down in order to get a better interest rate? Answers to these questions can help us counsel them on:

- Which home loan will help them build equity fastest?
- Which loan is easiest on their monthly cash flow?
- Which loan option will get them debt free the quickest?
- Whether or not it make sense to consolidate consumer debt into their mortgage?
- What loan has the best tax benefits?
- Which loan has the lowest total cost over the time they expect to be in the home?

Our goal has always been to empower our clients and guide them to make truly informed decisions. We recognize that our long-term future really depends on the loyalty and good will of our clients. After all, our average client will purchase three-to-seven homes and refer dozens of friends and family to us during their lifetime. Our aim is to serve their mortgage financing needs for a many years to come. That's why our policy is to consistently strive to exceed our clients expectations. Helping them make smart financial decisions is part of that dedication.


Are you getting the right loan? Give us a call and we will help you figure it out. 

## Biweekly Payment is FREE

So you just got that new house or refinanced your old mortgage. Congratulations! You just took advantage of historically low interest rates. Now the solicitations arrive in the mail: "Biweekly Payments Reduce Your Term." Yes, that's true. Making 26 payments of half the minimum monthly payment every year will drop about 7 years off a 30 year mortgage. It can be convenient for those who get paid every two weeks and have little impact on the monthly budget.

It sounds good but beware of biweekly payment services that can be a rip off! Some companies making these offers are third-party bill-payment services that accept biweekly payments from you and then make your monthly mortgage payment to your lender. They claim to save you large amounts of money if you enroll in their service. In order to sign up you are typically charged a set up fee and there's a good chance you'll be required to sign a contract agreeing to automatic transfers from your bank account for which they charge an additional processing fee. In addition, they don't actually pay your mortgage every two weeks; they pay it monthly which saves some money but because you're charged interest on your balance, it doesn't reduce your term as much as direct bimonthly payments would.

On most mortgages in New Mexico you can pre-pay without penalty. Therefore, if you are disciplined, you can make biweekly payments yourself. Or, you can achieve nearly the same term reduction by making the equivalent of 13 payments a year. Just add 1/12th of your principal & interest payment to every monthly payment. The extra amount is applied directly to principal reduction saving you tens of thousands of dollars over the life of the loan.

Whether or not prepayment makes financial sense is another issue. Would you be better off putting that extra money elsewhere? One strategy is to pay off higher interest loans first and then invest in tax-deferred investments like IRAs. After you've paid off consumer debt and funded your tax deferred retirement, it makes sense to pre-pay on your mortgage. But remember, it's not necessary to pay someone else to do it for you! 

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## Perennial Mortgage Expands!

### New Staff

**Roger Kennett**, Perennial Mortgage's Corporate Secretary/Treasurer, was hired in August to manage the office. Formerly program manager of the Sandia Office of the New Mexico Environmental Department's DOE Oversight Bureau, Roger has extensive management experience. Prior to moving to New Mexico he managed programs for the Arizona Department of Environmental Quality. He has a degree in Geology from Western Michigan University. Roger is married to **Heidi Snow**, President of Perennial Mortgage, but he claims there was no nepotism involved in his hiring.

**Phil Rivera**, our newest loan officer, joined us in October. With his background in sales and economics he is a real asset to the company and his clients. Since May 2001, until joining Perennial Mortgage, he was a sales consultant with Novartis Pharmaceuticals. Prior to that he worked for Coca-Cola and General Mills in sales and development. He earned a Bachelors Degree in Economics from the University of New Mexico in 1982. He has a 12 year old son, Josh. Phil and his wife, Rachel, enjoy skiing, biking and the occasional scuba diving trip.

### New Space

Where do we put these new people? In our new offices. We've moved across the hall from our old suite at 7611 Indian School. In fact we just switched the suite numbers on the doors and moved all our stuff — so everything, suite number, phone, fax, etc. remain the same. Please stop by and see our new offices and meet our new employees. Or, if you are available, we are having an Open House from 3:00-7:00 p.m. on November 14th and would love for you to come by!

## Established Staff Excels and Specializes

We don't want to neglect recognizing the success of our established staff members. **Tracey Cashman** joined Perennial Mortgage in July 2002 as a loan officer. While she does quite a bit of refinance business, her focus is on purchases for first-time homebuyers. She consistently takes advantage of our FHA licensing in helping young buyers achieve their dream of homeownership. She works with several great realtors and can help you or your friends and family buy that new home!

This past February **Karen Hopkins** became a Loan Officer with Perennial Mortgage. Karen is our resident expert on interest-only loan products. If you are interested in having the lowest monthly payment possible, maybe an interest-only loan is right for you. These loan products can help you achieve other financial goals, like planning for retirement. Who do you know who may benefit from an interest-only mortgage? Call Karen for more information on them.

**Alisa Goldsberry** came onboard in March as our loan assistant and receptionist. She's likely to be the cheerful voice on the other end of the line when you call us and works hard to get the documentation needed for your loan approval.

### 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

**Perennial**  
MORTGAGE

*Always there for you*