

The Mortgage Messenger

Today's real estate market still seems to be dominated with negative press, but the Albuquerque area continues to shine relative to the rest of the nation. The Greater Albuquerque Association of Realtors recently released their data for April 2008 showing an increasing number of sales, shorter days on the market and stable home values.

It's a great time to buy. If you or someone you know is in the market for a new home, please call us for a free, no obligation mortgage pre-approval.

Sincerely,

Heidi Snow, President

hsnow@perennial-mortgage.com

Client Comment Corner

*"Karen Hopkins was awesome to work with."
Carlos & Natina S., Albuquerque, NM*

*"Matt was the best loan officer ever. Your company was an absolute pleasure to deal with."
Anne K., Albuquerque, NM*

*"Heidi was a terrific guide in a very unfamiliar and sometimes complex process."
Cynthia C., Albuquerque, NM*

See more at: www.perennial-mortgage.com/testimonial.htm

Good Credit Saves You Money

As mentioned in the last Mortgage Messenger, lenders have begun charging higher rates or extra fees for lower credit scores. What does this mean for the average borrower?

Let's assume you're buying a home for \$180,000 and financing 90% or \$162,000 on a 30 year fixed conventional mortgage. If you have a 720+ credit score you won't pay any extra fees and will get the best interest rate. For this example, based on the recent market the rate would be 5.875%, which would generate a principal & interest payment (P&I) of \$958.29 per month.

However, in New Mexico the average credit score is 660. For borrowers with that score the lender will charge an extra 1.25% discount point (\$2,025) at closing to get the same rate as the 720+ score borrower. Alternatively, if the borrower doesn't have those additional funds or doesn't want to spend that money at closing, the rate will be 6.25%. That would increase their payments by \$39 per month, or more than \$14,000 over 30 years. For borrowers with credit scores below 640 conventional lenders will charge an extra 2.75% discount (\$4455) at closing or increase the rate to 7.25%. This will result in an extra \$146 per month or nearly \$53,000 over 30 years compared to the 720+ credit score borrower.

It's important to know how to get and keep a high credit rating. Remember that 65% of the score is determined by your payment history (how timely payments are) and your outstanding debt (how much is owed and how many accounts you have).

Things you can do to help your credit score:

- Establish over time a variety of credit types (credit cards, auto loans, signature loans, mortgages, etc) and pay everything on time.
- Never borrow more than 50% of the available balance on credit cards.
- Don't consolidate accounts onto one or two cards.
- Keep and continue to use credit cards that have long payment histories.
- Avoid "finance companies" that give credit to "anyone" - it's not a good reference on your credit report.
- Don't close accounts that have outstanding balances.
- The most recent data counts the most. If you have had problems in the past, make sure you establish new accounts with positive payment histories to replace derogatory data.
- Check the accuracy of your credit data by getting a free credit report at www.annualcreditreport.com and dispute inaccurate data.

Call Perennial Mortgage if you have questions about your credit and how it will affect your ability to buy a home.



Lending Integrity Seal Earned

Heidi Snow recently earned the Lending Integrity Seal of Approval from the National Association of Mortgage Brokers (NAMB). The new seal recognizes individual brokers and loan officers who meet the industry's highest standards for knowledge, professionalism, ethics and integrity.

"I am proud to bestow this symbol of excellence on Heidi Snow," said George Hanzimanolis, President of the National Association of Mortgage Brokers. "By earning this recognition, Heidi has demonstrated a strong commitment to achieving the highest ethical standards in the mortgage business."

In order to display the Lending Integrity Seal, a mortgage broker must: pass a national criminal background check; possess a state license; complete professional education including ethics training; live up to NAMB's Code of Ethics and Standards of Best Business Practices; and pledge to abide by NAMB's formal ethics grievance review process.

"The Lending Integrity Seal of Approval is transforming the mortgage industry," Hanzimanolis said. "We believe it will soon become to the mortgage industry what the Good Housekeeping Seal of Approval is to the makers of consumer products."

For more information on the Lending Integrity Seal of Approval, visit www.lendingintegrity.org.



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Programs to Help Homeowners

With the recent turmoil in the mortgage industry, new programs are being offered to help homeowners in distress. This includes the new "FHA Secure" program which allows a refinance even if late payments have occurred due to rate adjustments. Conventional lenders are preparing to introduce a program to refinance homeowners who owe more than their homes are worth, lending as much as 120% of the property value. This program will help as many as 150,000 homeowners avoid foreclosure in areas where property values have declined.

Home buyers are also taking a new look at FHA financing. FHA advantages include:

- 3% down payment for owner occupied properties up to \$271,000;
- More lenient credit guidelines than conventional programs;
- Down payment assistance programs;
- Not limited to first time buyers; and
- Parents or relatives can co-sign for borrower.

If you or someone you know would like more information on these or other mortgage programs, please give us a call.

You Think You're So Smart!

What do all the things in Column A have in common that none of the things in Column B share?

COLUMN A

The Beatles
The Monkees
The Shirelles
Creedence Clearwater Revival
The Doors

COLUMN B

The Supremes
The Rolling Stones
The Beach Boys
The Platters
Peter, Paul, and Mary

If you want to see if your answer is correct, or you can't figure it out and want to know the answer, email or call Roger Kennett (our resident "Mensa Dude") at rkennett@perennial-mortgage.com or 888-9500.

We Are a Referral-Based Business!

We generate referral business by being extremely knowledgeable about mortgages and providing exceptional personalized service to our clients. Whom do you know who needs our services?

505-888-9500

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MORTGAGE

Always there for you