

The Mortgage Messenger

How much turmoil can we stand? Lots. Even though some of our competitors have closed their doors, we are still here helping people buy and refinance their homes. It's been a wild ride so far. Every time we turn around there are more changes in programs and guidelines. I don't expect it to settle down for quite a while. Just remember, if you or someone you know is looking to buy a home or has questions about qualifying for a mortgage, call us. We are "Always There for You."

Sincerely,

Heidi Snow, President

hsnow@perennial-mortgage.com

Client Comment Corner

"Karen went above and beyond the normal service level. She continually checked various rates and gave us invaluable advice. We couldn't have been more pleased." John & Lilia C., Albuquerque, NM

"Matt & Heidi were excellent in helping us with our situation. Thank you for your great service."

Kevin & Julia R., Albuquerque, NM

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

Tax Credit Gives Buyers Interest-Free Loan

The recently enacted *Housing and Economic Recovery Act of 2008* makes many changes to how the mortgage industry will operate. It also institutes a new tax incentive that has the potential to shave off up to \$7,500 on the tax bill for some home buyers. While that sounds great — there's a catch: you have to pay it back.

How It Works: Qualifying home buyers can file for an income tax credit of 10% of the purchase price of their new home, up to \$7,500 for couples or \$3,750 for individuals. For example, if you owe \$3,500 in income taxes to the IRS and qualify for the maximum credit, they will refund \$4,000 to you.

Who Qualifies:

- Must be a first-time home buyer — or have not owned real estate in the last 3 years.
- Property must be your primary residence.
- You must close on the purchase of your new home between April 9, 2008 and June 30, 2009.
- To qualify for the full benefit, adjusted gross income must not exceed \$150,000 for couples (\$75,000 for individuals). The benefit is phased out for those earning more.
- You can't claim the credit if you finance the property using a state or local tax-exempt bond mortgage (e.g., the New Mexico Mortgage Finance Authority bond programs).

Paying it Back: Beginning with the second tax year after your home purchase, you have to start paying it back. The IRS will expect equal payments included in your federal taxes for the next 15 years. For example, if you get the full \$7,500, you will need to add \$500/year to your tax bill for the next 15 years. There's no interest charged.

If you sell the home before the end of the repayment period, and you have no gain on the sale, the remainder of the credit will be forgiven. In effect, the federal government is bearing some of the risk that your property value won't appreciate.

More Information: This program is not an upfront credit on your home purchase. If you can't qualify for financing due to lack of funds, this program isn't going to help you. However, it may take some of the risk out of buying a home. Think of it as an interest-free loan. For more information go to www.federalhousingtaxcredit.com.



Real Estate Investor Course

Today's housing market provides ample opportunities for the real estate investor but the rules on financing investor-owned properties have changed dramatically over the past year. Get educated before delving into the market as a real estate investor.

Senior Loan Officer Matthew Hunter is teaching a course for "The Intelligent Real Estate Investor" through UNM Continuing Education. Starting on October 16, this 4 week course on Thursday evenings will discuss the core principals of investing intelligently in real estate — not as a speculator.

For further information, go to dce.unm.edu or call Matt at 505-888-9500.

No More Seller Down Payment Assistance

If you were hoping to buy a home and get the seller to contribute to your down payment, you better hurry. *The Housing and Economic Recovery Act of 2008* will prohibit "seller-paid" down payment assistance as of October 1, 2008.

Until then, when using Federal Housing Administration (FHA) financing to buy a home, buyers can ask the seller to donate 3% of the purchase price to a non-profit organization. The non-profit will gift that money to the buyer to use for the down payment.

FHA convinced Congress that mortgage defaults resulted more frequently when this type of program was used.



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Hopkins & Hunter Earn Lending Integrity Seal

Congratulations to Perennial Mortgage senior loan officers Karen Hopkins and Matt Hunter for earning their *Lending Integrity Seal of Approval* from the National Association of Mortgage Brokers (NAMB). This seal recognizes loan officers who meet the industry’s highest standards for knowledge, professionalism, ethics and integrity. By earning this recognition, Karen and Matt have demonstrated a strong commitment to achieving the highest ethical standards in the mortgage business.



Karen Hopkins



Matt Hunter

In order to display the Lending Integrity Seal, they have passed a national criminal background check; completed 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. For more information on the Lending Integrity Seal of Approval, visit www.lendingintegrity.org.



You Think You’re So Smart!

The digits from 0 to 9 must be used only once (excluding intermediate steps) to complete this multiplication example below. Fill in the five missing numbers.

$$\begin{array}{r} 02 \\ x9 \\ \hline 1xx8 \end{array}$$

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



Always there for you