

# The Mortgage Messenger

**A**nother year has come and gone. As we look ahead in 2006 we wonder what it will bring. Fortunately, we are anticipating a strong market. In fact, the Albuquerque metro area was ranked the 14th best real estate market in the country and 1st in the West. Appreciation of 6.5% is predicted for Albuquerque in 2006 and 6.1% in 2007. Those numbers are good news for home owners in the area. Real estate can be a great investment, whether you live in the property or rent it. Interest rates are still low and it's a good time to buy. Please call us to help you finance your next real estate transaction.

Sincerely,

Heidi Snow, President, [hsnow@perennial-mortgage.com](mailto:hsnow@perennial-mortgage.com)

## Client Comment Corner

*"Jessie is great She made everything so much easier and comfortable!" Chad & Jovanna, Edgewood, NM*

*"My sincere thanks for your expert assistance in closing Dana H. Your efficiency and attitude made this a simple and pleasant transaction. I look forward to the next." Margaret Keller, KL Werner & Associates*

## Reverse Mortgages: Options for Seniors

Perennial Mortgage is now offering Reverse

Mortgages. Reverse Mortgages are an innovative loan program that enables seniors to tap into their home equity without having to sell their homes. The funds they receive are tax-free cash and, unlike traditional equity loans, no repayment is required until the home is no longer a principal residence.

### Why get a Reverse Mortgage?

A reverse mortgage allows older homeowners to remain in their homes as they supplement retirement income, pay for health care expenses, make home modifications, or simply establish a cash reserve for emergencies.

### Who is eligible?

- Homeowners who are at least 62 years of age and occupy the property as their primary residence.

- Properties can be a single-family home, condominium or town home, or up to 4-unit dwelling.

- The home must be owned free and clear or have a small remaining mortgage balance that can be paid off with proceeds from the reverse mortgage.

- No income, employment or credit qualification is required.

### How much cash can someone receive?

The amount that can be borrowed is based on a formula that factors in the age of the youngest homeowner, the interest rate, appraised value, and the county where the property is located.

### What are the tax-free cash options?

- One lump sum cash advance.
- Fixed, monthly cash advances.
- Line of credit that make cash available upon request

### What are the benefits?

- The customer always lives in their home and retains ownership.
- The loan proceeds can be used for any purpose.
- Loan proceeds are not considered income and do not affect Social Security, Medicare, or Medicaid benefits.
- The heirs can keep the home once the reverse mortgage is repaid.

### How is the loan repaid?

- The reverse mortgage is due and payable when the property is no longer considered the customer's principal residence.
- The loan must be repaid in one payment—either the owners or their heirs can sell the home or pay off the balance through other resources (such as refinancing into a traditional mortgage).

### What costs are involved?

There are fees to obtain a reverse mortgage including origination, title insurance, and appraisal. All of these costs can be financed into the loan.

### What else should you know?

A reverse mortgage isn't the right answer for every senior. That's why consumer counseling is required for all applicants.

If you or someone you know is interested in a reverse mortgage, please call us for more information.



## Smart Remodeling Pays Off

So you've been thinking about making some improvements to your castle. Before you go off and spend a small fortune, you will want to go to [www.remodelingmagazine.com](http://www.remodelingmagazine.com)'s recent report on "Cost vs. Value" to help you determine what improvements are likely to pay off.

A moderate remodel of your kitchen or bathroom is likely to bring the biggest payoff. According to the report, a midrange (\$10,499) bathroom remodel recoups 102% of its cost, while a moderate kitchen remodel (\$14,913) recovers 98.5% of the costs. If you are looking to add a sunroom or remodel a home office, you are likely to recoup just over 72% of the costs. The study also looks at window replacement, bathroom additions and other projects.

Of course the best guidance about our local market and your specific neighborhood comes from local real estate professionals. If you would like a referral to helpful and knowledgeable professionals here in Albuquerque, please call us.

Once you've decided what kind of project you are going to undertake and how much it's going to cost, **don't forget to call us about home improvement financing options.**



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**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 [rkennett@perennial-mortgage.com](mailto:rkennett@perennial-mortgage.com)



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## Your Mortgage Specialists



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### You Think You're So Smart!

Sallie likes things with certain characteristics.

She likes apples but not pears.  
She likes beets but not turnips.  
She likes beef but not lamb.

Does she like cheese or custard, and why?

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](mailto: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**

**Perennial**  
MORTGAGE

*Always there for you*