ONE

in this issue >>>

A Monthly Insight into the Current Mortgage Market

guarding your Interest

current topics >>>

The "fiscal cliff" vote extended the Mortgage Forgiveness Relief Act

A short sale is when a homeowner sells their home for less than what they owe with the permission of their current lender. This is called debt forgiveness. Prior to 2007, if you sold your home in a short sale, you were taxed on the amount that was forgiven. If a homeowner couldn't afford the home any longer, usually they couldn't afford the taxes on debt forgiveness either. Under the Act, a seller cannot be taxed on the forgiven debt. The Act is extended through 2013. If you find yourself in a shortsale situation, please check with your CPA for specific guidance on your tax situation.

Cliffhangers

2012 was full of them

I don't know about you, but by about December 28, 2012 I was VERY tired of hearing the words 'fiscal cliff' and whether or not we were going to fall off of it. As you probably know, the fiscal cliff had to do with tax cuts coming to an end, mandatory spending cuts to be implemented and many of the new healthcare laws (expeditures) being put into place. After much bickering and last minute compromises, Congress reached an agreement before we headed off the cliff. There is still a big issue looming for March, which is that the debt ceiling will have reached it's limit. Where does that leave you, the consumer? The general theme for American taxpayers, small business owners and corporations is one of uncertainty.

I am not overly concerned about the fiscal cliff or debt ceiling

I am not that overly concerned about the fiscal cliff or the debt ceiling and how these events will affect mortgage rates. We have seen a bit of a reactionary flare up in rates but already the market has begun to stabilize. We might see more movement again in March around the debt ceiling time. However, our economy will still move. Consumers will still need to purchase staple items. Consumers will still need to move from one location to another and will still buy houses. We're not on a cliff but rather making adjustments to our current economic times.

Jolynn

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set the stage >>>

Staging Your Home For Prospective Buyers

by Stephanie Josey

Home Staging is a form of merchandizing a house by setting the scene so that potential buyers see its best features in the best light possible. It is a powerful selling tool that speeds up the purchase of a house, and can either bring full asking price or raise the asking price. Staging involves many details. It is clearing rooms, one by one, so buyers can envision themselves living there. It is about using items, accessories, and pieces of furniture in new ways. Staging is using a seller's possessions in other ways for the best fit, because most buyers can only see what a property is, not what it could be. Staging is about putting many extra things away. It is about packing up collections early. It is decluttering, and cleaning up all the property. Staging is about the right color scheme inside and out. Home staging works no matter what the market is doing or where interest rates are going. Staging allows sellers to find the best buyer for their property, and allows buyers to choose a much more attractive property. When a staged home does sell, everyone benefits.

The homeowner sells quickly and gets the most money. The buyers can see what they're buying, and easily move on in. It is also easier for the mortgage company to lend money on a good looking property that is easily appraised, sometimes for a higher value.

Stephanie Josey, Interior Designer and Home Stager with Image Interiors in the Metro area. You may contact her at 405-205-5918

On Location >>>

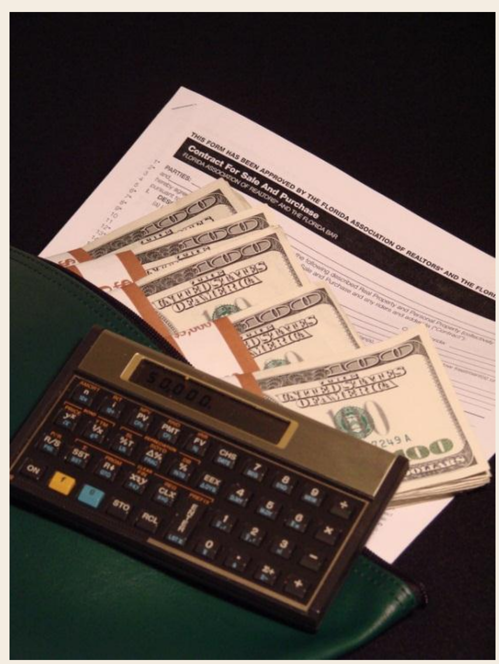
An appraisal is an important step in the lending processess. In 2009, all lenders had to abide by the newly created Home Valuation Code of Conduct (HVCC). This law is designed to protect all parties involved from over-inflating home values. It prohibits any kind of appraiser influence by outside parties. You can be assured that your home is valued in the fairest manner possible.

loan advice >>>

Why is my loan sold?

Many times I have borrowers that call me and say, "But we got along so well! Why did you get rid of me?" Please don't take it personal and let me explain!

If I could hold on to your loan I would. However, to keep mortgages affordable, it's necessary to sell them. Before the creation of Fannie Mae and Freddie Mac, a bank could only lend a certain percentage of their deposits on hand. Once Fannie and Freddie came on the scene, loans could be sold to one of the entities and in turn it would free up more money for the bank to lend. It's still the same today. Banks lend out the money, sell them off, then in turn, are able to lend out more money. It keeps money flowing all through the United States, keeps lenders solvent and in turn, benefits you the consumer with a competitive mortgage market. As always, you are welcome to call me with any concerns or issues. Your loan payments may be made to someone



else, but you're stuck with me for life!

Essential Tips for Buying a Home

Many people have mortgage horror stories that they can tell. Many of those situations could have been alleviated or totally eliminated had the mortgage lender explained the process or if the borrower had known what to expect.

Getting a loan for your new dream home does not have to be an experience you'd rather forget. Sure, due to foreclosures, lawsuits and huge losses, lenders are looking closer at loan applications but it's not impossible. There are a few things though to keep in mind BEFORE you apply.

First, it's necessary to have some money saved up. If you want to upgrade to a bigger home, it can mean a higher payment. If so, a lender is going to look at whether or not you can afford the higher payment. With that, be prepared to show your bank statements. If you're spending all that you have every month, start early putting away what would be your new monthly payment to make sure you can afford it.

Second, meet with me to evaluate your credit. There are a few items that can trip up your scores. Let's start early improving scores, or discussing ways to maintain your scores.

Third, don't make any major purchases right before buying a house. A new credit card payment or a new car payment could cause your debt to income ratio to go over the allowed limits. Also obtaining a large amount of new credit could cause your credit scores to fall.

Q Should I Refinance?

Historically Low Interest Rates May Make Refinancing Sense

The decision to refinance actually has more to do with personal financial goals than with rates. If you're on an adjustable rate, then obviously it makes sense to refinance. However it's best to look at the cost vs savings. Lets say that a refinance closing costs are $3000 which will provide a $100 monthly savings. If we take the cost and divide it by the savings, then it will take 30 months to realize a return. If you plan on staying in your home for more than 30 months, then yes, a refinance will be beneficial. If you know that your situation will be changing within say 20 months, then it's not in your best interest to refinance. There are other factors to consider as well, such as whether or not a refinance will remove mortgage insurance or if you would be able to shorten the term of the loan. Call me for an analysis!

The True Cost of Buying A Home

Many borrowers only look at interest rates when considering the cost of buying a house. However there are many more items to consider other than just rates. First, is the lender charging discount points or additional fees to obtain that low rate? Is the rate you're getting a teaser rate that will not be fixed?

Expenses to expect when buying a home

Along with interest rates, there are other fees that will be incurred. Most transactions will require an appraisal. Most homeowners will want a home inspection. This inspection may also include inspections for well and septic systems if those are located on the property. All government loans also require a termite inspection. Once these services are performed, the providers will need to be paid. Unfortunately if something prevents you from purchasing the home, these fees will still need to be paid

Signing the dotted line

Once you're at closing there are other items to be paid. You will want to make sure that you are the ONLY owner to the home. This is why title insurance policies are purchased. There will also be taxes and deed recording fees. Never fear though! There are mulitple means of help for getting these items paid. Contact me and we'll discuss the options!

Visit me at www.loansbyjolynn.com!

*final***thoughts...**

You may or may not realize this about me, but I love to cook. My parents always believed that we kids should be able to take care of ourselves, so we all learned early to cook, clean, do laundry, and maintain a car no matter if you were a son or a daughter. The cooking part stuck with me. My fondest memories are those spending summer days with my Grandmother cooking in her kitchen. Below is my most requested recipie of 2012!

Buckeye Brownies

19-1/2 oz. pkg. brownie mix
2 c. powdered sugar
1/2 c. plus 6 Tablespoons butter, softened and divided
8-oz. jar creamy peanut butter
6-oz. pkg. semi-sweet chocolate chips

Prepare and bake brownie mix in a greased 13"x9" baking pan according to package directions. Let cool.

Mix powdered sugar, 1/2 cup butter and peanut butter. Mix well and spread over cooled brownies. Chill for one hour. Melt together chocolate chips and remaining butter in a saucepan over low heat, stirring occasionally. Spread over brownies. Let cool; cut into squares. Makes 2 to 3 dozen.

A local mortgage loan professional specializing in purchase and re-finance transactions, finding the best loan product for the client's individual needs whether that be through a Conventional, FHA, VA, Native American or USDA loan. Call today for more information, (405) 256-5110 or (405) 245-9855.

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