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A Monthly Insight into the Current Mortgage Market

# guarding your *Interest*

*current topics >>>**There's an app for that!*

Have you been looking at homes and wondering what your payments will be? Or are you considering a refinance and wonder if it will save you any money? I now have a loan calculator app that will figure your payments with the monthly PMI! On your smartphone go to **lenderapp.com** and download the app for your device. Once downloaded use the activation code of **nRLUA**. That's it! Also, on the calculator page of the app change the type from "mortgage" to "simple" and you can use it for other calculations, such as car loans. It's simple to use and easy to share with friends!



## But Why?

### *The question of your childhood strikes again*

I am probably asked this single question more than any other. But why are you asking for this bit of information? Why do you need that document? Trust me, I am NOT a paperwork person and I'd rather give you a loan based upon your good looks alone, but unfortunately, I just can't do that. The Dodd-Frank Financial Reform bill that was passed in July 2010 and has many new regulations that apply to banking, mortgages, and most any form of lending, including your credit cards. It's the most sweeping financial reform that has taken place since the Great Depression. One thing the bill did was create the Consumer Finance Protection Bureau. As this new agency implements components of the Dodd-Frank bill,

there are new regulations which apply to mortgages. One of those new rules that went into effect this month is that a lender must document a borrower's ability to repay the loan. Therefore, this means that

**Who's looking out  
for your best  
interest?**

borrowers must be able to prove their income. While many lenders quit doing "no-doc" loans a few years ago, it's now a federal mandate. Other things such as teaser rates that mask the true cost of a loan are no

longer allowed. However, in my 10 years of the mortgage business, I never did any of the loans that are now considered risky. I've been looking out for your best interest for many years and will continue to do so, regardless if it's mandated or not.

*Jolynn*

Visit me at [www.loansbyjolynn.com](http://www.loansbyjolynn.com)!

safety and security >>>

# Has The World Gone Mad?

by Leslie NesSmith

As a homeowner, parent, neighbor and citizen, I have become ardently concerned about the safety and security of our community. Not only has my personal home been



targeted by thieves, but almost everyone I know has been affected by in some way by illegal activity. I hear stories almost daily about someone having a vehicle broken in to, a business being ripped off by dishonest employees, parents who are at their wits-end due to unruly teenagers and the inability to monitor their behavior. The fact is, the world is a different place today than it was

when I was a kid. Yes, there were crooks and misfits 30 years ago, but it seems there are more of them today as a percentage of the population. To make matters worse, these people have access to

technology that simply did not exist back then! However, "we the people" have access to all of the same technology as the bad guys; with one clear advantage, we don't have to hide in the shadows! We can bind ourselves together as a community, get to know our neighbors and do everything in our power to create an environment that makes the reprehensible sector of our



society uncomfortable at the very thought of entering our neighborhoods. We do not have to be victims of this ever changing society. We not only have the right to remain silent, but also the responsibility to speak (and act) out.

*Leslie NesSmith is owner of Chief Datacom, providing video surveillance, cabling, and telephone systems for business and home. You may reach her at 405-708-6510*



loan advice >>>

## How much should I put down?

Many times a borrower has a large chunk of money in the bank and wants to put it down on a home. Sometimes that makes sense and sometimes it doesn't. Let's say that you have

\$30,000 to put down and have a purchase price of \$200,000. If those funds are put down on a 30 year loan at 3.5% interest the drop in the monthly payment is \$135. However, if \$30,000 is needed to finance a vehicle, a 5 year loan at the same rate is a vehicle payment of \$545 per month.

Obviously using the money for other expenditures makes more sense because the cost of other debt is greater than the savings achieved by putting it down towards a mortgage. In addition, mortgage interest is currently the only interest that is still tax deductible. Unless all other debt is paid off and you aren't anticipating any large expenditures, it just makes more financial sense to keep your large deposits in the bank.



## On Location >>>

When an appraiser comes to your home for an appraisal, it is important to have the home in the best condition possible. Photos of the interior of your home will be taken so make sure it is clean and picked up. Also if there are any repairs that are needed, make sure and have those complete before an appraiser arrives. Otherwise repairs may become a closing condition and may delay your closing.

# This may be the year to hire a tax professional

Ask most tax preparers and they will tell you that the healthcare bill was not a healthcare bill, but rather a new tax bill. Many of the changes were implemented in 2012 or 2013.



There was lots of debate in the past political year from both parties regarding taxes and now that the fiscal cliff bill passed January 1 we are realizing what is in store for the taxpayer. What appears to have happened is that for most income brackets taxes were not raised, but some tax deductions expired and some have simply been removed which has a net effect of raising taxes. The first paycheck of 2013 probably opened your eyes to the 2% increase in the Social Security tax. To clarify, the increase is actually

due to a temporary tax cut in payroll taxes that expired and wasn't extended. If you are a person making \$50,000 per year, this equates to \$1000 extra in taxes this year.

Forbes is also reporting that in 2013 there will be changes to the amount taxpayers may take for itemized medical deductions. The law raises the threshold for allowed deductions from 7.5% of adjusted gross income to 10%, further burdening those with the largest medical expenses by limiting how much of these costs they can deduct on their taxes. In addition, the amount that a taxpayer may set aside in flexible spending accounts will be capped at \$2,500. Most tax deductions, of course, depend upon your income and tax bracket. With all the changes, now might be a good time to get with a CPA to make sure you are realizing all the deductions you can. If you need a referral for a good CPA, please call me.

**Q** Can I set up a biweekly payment?  
**A** Yes, but take precautions!

When a bi-weekly payment is set up, you are actually making 26 payments of half of your mortgage. This DOES NOT mean that your payments are being made on the 1<sup>st</sup> and 15<sup>th</sup> of the month. In 2013, you will actually make 3 payments in March and again in August. Many times a lender will not accept bi-weekly payments, but will send you to a third party agency to collect the payments. Many times these agencies charge a fee for their service. Instead of paying for a service, set up the payment yourself. Take your monthly payment and divide by 12. This amount is your extra that is needed for a bi-weekly payment. When your payment is due at the 1<sup>st</sup> of the month, make your regular payment and add the extra bi-weekly amount and send it in. You are still paying off your loan early as you would with a bi-weekly payment and without any additional fees incurred!



## Settling the score with your credit

Credit scores seem to be the elusive number that rules our life, but no one knows how it's calculated. Mortgage lenders use what is called the FICO score. The formula for the FICO is not known, mainly so no one can manipulate the results. Also, the mortgage score is different than what you buy online.

## What isn't on your profile

Credit is not discriminatory so things like your gender, age, race, wages are not reported to the credit bureaus. In order to report to the credit bureaus, the reporting creditor must have a large account base plus pay a fee to provide your payment history. Therefore, items such as rent and utilities typically are not reported. Smaller companies, such as "buy here pay here" car lots also typically do not report.

## ... and what is

Items such as your mortgage and credit cards are almost always reported to the credit bureaus. Also, if you have collections, most of those companies report to the credit bureaus. Depending upon what county you reside in, judgements and tax liens are also reported to the credit bureaus if your home county reports to the bureaus. You can find out exactly what is reported to the credit bureaus by getting a free copy of your credit report directly from the bureaus. Go to [www.annualcreditreport.com](http://www.annualcreditreport.com) to get your copy.

Visit me at [www.loansbyjolynn.com](http://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. Get ready for Valentines with some chocolate!*



## Chocolate Angelfood Delight

1 Angelfood cake  
1 large container of cool whip  
Chocolate syrup

Customize it:

Coffee  
Candy  
Nuts

Tear the angelfood cake into bite size pieces.

Mix the chocolate syrup in the coolwhip. Mix in any additional goodies to the coolwhip. I usually add ¼ cup of cold strong coffee, toffee candy such as a Heath bar, and nuts. In a trifle bowl layer the angelfood cake bites with the coolwhip mixture until all ingredients are used. Make sure and leave enough coolwhip for the top layer. A few more ideas are to use Butterfinger candy or add an additional layer of pudding. This is easy and yummy!

*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.*

*I appreciate your referrals. You can always be assured that your friends and family will be treated with the same care in which you were treated. If you know anyone looking for a mortgage, please send them my way. Thank you!*



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