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Fall 2007

FALL NEWSLETTER



"Adam was the only man who, when he said a good thing knew that nobody had said it before him."

Mark Twain



SOURCE
MORTGAGE, INC

Bring on the chill! Fall in Idaho is one of my most favorite times of the year. Today, as I wrote this, we had an entire day of rain, thunder, and lightning. Suddenly, at 3:00PM the sun came out, the clouds vanished, and the sky was so blue I thought it was fake. The tree's were still wet, so the backyard was as crisp and clean as I could imagine. My goodness I love Idaho and it's changing seasons.

Our mortgage climate is changing as well, if you find yourself confused and bewildered by all that is going on, let's get together and share a cup of coffee. I can help navigate the storm.

Free Annual Mortgage Check-up

When was the last time you looked at the specifics of your home mortgage? For most of us, the last time we saw the specifics of our loan was during the signing of the paperwork. Let's face it, times change, debt shifts, and markets change. The small child you once read books to is now thinking about college, and the "new" car you were so proud of is now considered a classic. How is your mortgage fitting into your overall investment scheme? Are you on track to pay off your home, or will your children inherit your debt? Do you control your mortgage or does it control you? These are the tough questions that need to be asked.

As part of my broker client relationship with you, I want to offer a free no-obligation loan check up to help you achieve your financial goal. By simply asking a few basic questions, and comparing where you are now to where you were then, together we can decide if your current mortgage is working for you in the way you had intended. Maybe your in a short term adjustable mortgage, and your ready for a little security? Or perhaps you are looking for a way to pay off your mortgage early. Whatever the challenge, I can help you decide if where you are today is a place you want to be. Call or visit my website at www.idahogreatloans.com and schedule a time to meet with me. Let's get you on track to where you want to be.

Mortgage Myths – What's the truth??

Myth: Somebody tells you they just got a "No Closing Cost Loan"

The idea perpetuated by the "no cost" mortgage advertisers that refinances don't contain closing costs, is another mortgage myth I am continually shocked folks believe. I'd estimate half of the people I've discussed mortgage refinancing with over the last year have wanted to "know more" about the 'free loans' they saw on TV or heard about at their bank. So let's clear this up once and for all... There are only 3 ways mortgage closing costs get paid on a refinance:

1. Borrower Pays by bringing a check to the closing. (not very popular)
2. Borrower Pays by using yield spread premium to pay them (taking a higher rate creates money to pay costs-the typical "no cost" method uses this means to the end.)
3. Borrower Pays by rolling them into your loan. In other words, financing the costs into the new loan.

My Dad always told me there was no such thing as a free lunch. Was he an expert on culinary prices? No. He simply understood what we all tend to forget sometimes, that everything costs money. Just because you didn't pay the bill at the restaurant doesn't mean the meal was free. Somebody had to pay, and pay they did. Lenders and banks often pay themselves with hidden fees. A bank can't afford to give you a loan for free. Sure they will make money off the interest of the loan, but they have to pay for the person you talked to, they have to pay the light bill, and they have to pay to process your loan. If they gave you that "no cost loan", that really meant no cost that you can see or find.

Remember, closing costs are in every refinance. There is no getting around it. Anyone attempting to get your business claiming the opposite is playing word games. Ask them to explain to you, how they can stay in business if they don't charge you for their services. You might be surprised by what you hear!

Lending Secrets! Shhh...

Mortgage insurance is gaining fast ground as an affordable solution to borrowing more than 80% of your homes value. In past years, a combo loan was the cheapest solution, but that is not always the case. There are alternatives, and depending on the situation, you may save money each month by using a loan with mortgage insurance instead of taking out a second loan. If you need to borrow over 80% of your home's value, call me and we can discuss the pros and cons of both.

FHA is Back in the Game!

Not too long ago, challenged credit or no money for a down payment meant a first and a second loan. As times change, FHA is fast gaining ground as the loan of choice. The FHA program is intended for home buyers and homeowners with weak credit. Borrowers with FHA-insured loans - which they get from private lenders as they would any other mortgage - pay a small premium to the FHA every month. The FHA, in turn, uses those premiums to cover the lender in the event of foreclosure and requires lenders to pursue viable ways to help borrowers avoid foreclosure if they become delinquent. Lawmakers have been working on legislation to reform the FHA to modernize its standards so that they reflect changes to the housing market in the past 30 years. Among the changes on tap, lawmakers want to raise the loan limits, reduce down payment requirements, and reduce the complexity of FHA system. Separately, the Department of Housing and Urban Development, which oversees FHA, may move to introduce risk-based pricing. Riskier borrowers would have to pay higher premiums than less risky borrowers. If you find the need to borrow 80-100% of your homes value or you have challenged credit, give me a call. I can help determine if FHA is the solution you need.

Financial Humor

A customer moves away from a bank window, counts his change, and then goes back and says to the cashier, "Hey, you gave me the wrong change!" "Sir, you stepped away from the counter," said the cashier. "We don't make corrections after you leave. There's nothing I can do about it now. That's the policy of this bank." "Well, ok," answered the customer. "Just thought you'd like to know that you gave me an extra twenty."

Retired Chef John's Recipe Corner

When April and I need a fast, easy family meal, we make this very easy soup. By simply purchasing one of those Deli Roaster Chickens, you get an easy chicken soup that can be made in the morning and enjoyed through out the day.

Makes a great Saturday or Sunday meal.

Call me if you get stuck ☺

As always Bon Appetite!

Recipe – Roasted Chicken Soup

Ingredients

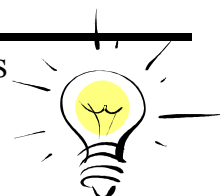
1 Deli Pre-cooked Roaster Chicken
4 T Butter
1 Large Yellow Onion, large dice
6 Whole carrots, sliced
6 stalks of celery, chopped
6 medium potatoes, diced 1”
1T Oregano
¼ C White Flour
2T White or Black Pepper
1T Fresh Garlic, Minced
1T Celery Salt

Method

1. Cool Deli chicken, wash hands, and pull all meat off the bird. Set aside in a baggie in the fridge until later. **SAVE BONES AND PAN DRIPPINGS FROM THE CONTAINER**
2. In a large stock pot or soup kettle, place all the bones, skin, and pan drippings from the plastic container the cooked bird came in.
3. Fill the pot with water, enough to cover the bones, heat until a rolling simmer.
4. Continue to simmer water and bones for about 3 hours. Remove from heat, remove bones with a strainer and set on a plate to cool. When cool, remove any extra meat for soup.
5. In a separate pan, sauté the onions and the garlic in the butter.
6. Ad flour to the pan with the onions, garlic, and butter, stir until sticky and pasty. This is a roux, used to thicken the soup.
7. Take a ladle, scoop some of the warm stock and ad this to the pan with the roux and onions. Careful of the steam!!
8. Remove from heat, with a spatula ad this mixture to the soup, mix well with a wisk.
9. While that is cooking, cut the potatoes into 1” by 1” squares, ad to simmering soup with the remaining ingredients.
10. Simmer for about 1 hour, or until the potatoes are cooked enough for a knife to easily slide into them. Serve with crackers or buttered bread.



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