

SPRING NEWSLETTER

Spring has sprung around the valley; I know this because my daughter is constantly bringing me dandelions from around the neighborhood! I'm excited about the coming year, even though rates seem to continue their upward climb, historically speaking our rates are low, home equity is skyrocketing, and investment properties are selling faster than they can be built. I would like to thank to all of you whom I have the chance to work with recently and I look forward to our continued relationship. 2006 is indeed going to be a great real-estate year.

John Moffatt

Mortgage Loan Originator Licensing Law Effective

(Boise) – 1-26-06 Gavin Gee, Dir. Of Idaho Dept. of Finance, reminded industry and the public today that Idaho's loan originator licensing law went into effect on Jan. 1, 2006.

Idaho's industry-driven licensing initiative for mortgage loan originators follows a national trend in the mortgage industry, according to Gee. "Individual licensing in Idaho was sought by the Idaho mortgage industry as a consumer protection measure to help prevent fraud, implement ongoing education requirements, and provide the necessary tools for regulatory oversight."

Gee said that about half of the states now require licensing of registration of individual mortgage loan originators, including the neighboring states of Montana, Nevada, Oregon, and Utah. The state of Washington is currently considering legislation for loan originator licensing. **Loan officers have until March 1, 2006 to apply for their individual licenses.** <http://finance.idaho.gov/LoLicense.aspx>



"Between stimulus and response, one has the freedom to choose."

Stephen Covey

Mortgage Myths – What's the truth??

Myth 5: You can't get a mortgage if you have blemishes on your credit.

This is a country that believes in redemption. More and more lenders are finding ways to lend to people with flawed credit histories.

The word "subprime" is used to describe loans to people who have credit problems that are serious enough to justify charging higher rates. The lender demands a higher rate to compensate for the higher risk. About one-third of households fall into the subprime category, says David Herpers, director of consumer affairs for mortgage lender Amerisave.

One or two 30-day-late credit card payments won't push you into subprime territory, but bankruptcy, foreclosure, repossession, a habit of paying bills late, and even eviction from an apartment can turn you into a subprime customer. A short, sparse credit history -- a recent immigrant or a college grad -- might be counted as subprime, too.

"Most people start out with prime credit and something goes awry and they're considered a subprime candidate," Herpers says. "Many of the customers we deal with today are subprime and they know they're subprime and they're seeking a subprime lender today."

There is a benefit to applying for a loan from a company that does prime and subprime loans: You're less likely to be steered into a mortgage with a higher rate than you deserve to pay.

When a consumer applies for a loan and acknowledges having credit problems, "we will pull their credit and analyze their credit, and if they can be approved for prime, we will approve them for prime," Herpers says. And someone with several late credit card payments will get a better mortgage rate than someone with a recent bankruptcy.

Lenders are looking for ways to help people who have had financial difficulties. If you have damaged credit, there are a lot of lenders who are willing to help you. Mortgage Brokers are an excellent source for subprime borrowers because they have numerous subprime lenders and programs to offer and your credit report is pulled only once thereby not bringing your score down if you were to shop by yourself. So don't let a couple of credit mistakes put you out of the home ownership game.

Lending Secrets! Shhh...

Paying down your revolving credit lines to under 50% of the total debt allowed for each line is the fastest way to improve your credit score. The credit bureaus want to see you handle your credit well, and they will reward you for that with a better score.

What's your best rate??

Many potential customers simply call lenders up and ask, "What's your rate?" But they fail to indicate what kind of loan they need, how long of a lock period they want, how many discount points they're willing to pay, how long the rate is good for or anything else. Consumers have to specify all of these things or lenders can pretty much say whatever they want, and then provide different figures when the customers come in and blame the lack of specificity.

A loan with a lock period of just 15 days, for instance, usually has a lower rate than one that a consumer can lock in for 60 days. Most consumers opt for loans with longer locks because they need more than two weeks to close. But loan officers sometimes quote rates on their shortest-lock loans over the phone or in print just to sound cheap, knowing full well that many callers will never be able to obtain those loans. Companies can provide rates that include several points to look better, even though many customers either can't or don't want to put down several thousand extra dollars at closing. Have you noticed all the advertised rates in the papers and on the web? Frequently you'll find the rates they put in the paper were rates that were really never available. They kind of low ball their rate. When you come in, they'll tell you the market has moved and the rates are now higher than you expected.

When people call me and ask what my lowest rate is, I tell them I don't have the lowest rate. But what I can get them is the right rate for the exact loan they need. I don't specialize in low rates; I get my clients the loan they need at a great price.

Financial Humor

A young stockbroker decided to take a day off and visit some of his professors in his old school. When he made his way into the entrance he noticed a dog was attacking a small child. He quickly grabbed the dog and throttled it with his two hands. The next day the local newspaper reported the story with the headline, "Valiant student saves boy from ferocious dog." The stockbroker called the editor and strongly suggested that a correction be issued and that the paper will tell the readers he was a successful Wall Street stockbroker and not a student.

The next day the newspaper issued a correction and the headline read, "Pompous stockbroker kills school mascot."

Retired Chef John's Recipe Corner

When I was a Chef in New Orleans, I lived with a family that had been in Louisiana for 4 generations. This dish was a staple in their diet! They actually served it for breakfast sometimes. It's easy and delicious, and reheats great the next day.

As always Bon Appetite!

Recipe – Cajun Jambalaya

Ingredients

12 medium shrimp, peeled, deveined and chopped
 4 ounces chicken, diced
 1 tablespoon Creole seasoning, recipe follows
 2 tablespoons olive oil
 1/4 cup chopped onion
 1/4 cup chopped green bell pepper
 1/4 cup chopped celery
 2 tablespoons chopped garlic
 1/2 cup chopped tomatoes
 3 bay leaves
 1 teaspoon Worcestershire sauce
 1 teaspoon hot sauce
 3/4 cup rice
 3 cups chicken stock
 5 ounces Andouille sausage, sliced
 Salt and pepper

Method

1. In a bowl combine shrimp, chicken and Creole seasoning, (See recipe below) and work in seasoning well.
2. In a large saucepan heat oil over high heat with onion, pepper and celery, 3 minutes. Add garlic, tomatoes, bay leaves, Worcestershire and hot sauces.
3. Stir in rice and slowly add broth. Reduce heat to medium and cook until rice absorbs liquid and becomes tender, stirring occasionally, about 15 minutes.
4. When rice is just tender add shrimp and chicken mixture and sausage. Cook until meat is done, about 10 minutes more. Season to taste with salt, pepper.

Creole Seasoning (good to have on hand)

2 1/2 tablespoons paprika
 2 tablespoons salt
 2 tablespoons garlic powder
 1 tablespoon black pepper
 1 tablespoon onion powder
 1 tablespoon cayenne pepper
 1 tablespoon dried oregano
 1 tablespoon dried thyme
 Combine all ingredients thoroughly.