



WINTER NEWSLETTER



Happy New Year! I can hardly believe its 2006! I hope this letter finds you and yours blessed and well, thankful for the blessings in your life. I know I am. The New Year has brought some exciting changes for me. As some of you might know I have been writing loans for over a year now and have been really enjoying learning the mortgage business. However I have also retained my full-time employment at Hewlett Packard. Needless to say this has been at times a difficult and intense year, but a necessary evil while supporting a young and growing family. I am happy to announce though that I have gone for it and resigned from my old engineering career to pursue writing mortgages full time. Yea! Please keep this in mind if you should find yourself in need of a loan or just wanting to ask some questions. Always happy to serve you-

John Moffatt

The Holidays are over; Attack Your Debt...

Overwhelmed by holiday spending? Scared to open your credit card bills? The best way to bounce back from overspending is often the simplest. Here are some ideas;

1. Stop using your cards. This alone won't fix the problem but it has to be step one.
2. Set up a budget if you don't have one or rededicate yourself to your old one.
3. Use cash to pay for all expenses (pay bills online or with checks), but don't spend your change. Save it.
4. At the end of the month count your change. The average person can save \$35.00-\$55.00 just in change. Apply that amount each month directly to your bill.
5. Sell something. Look around, many people have valuable things they no longer use that could be sold either in the newspaper, on E-bay, or at a consignment store. Take the proceeds and apply to your debt.



When I hear somebody sigh, "Life is hard," I am always tempted to ask, "Compared to what?"

Sydney J. Harris

Mortgage Myths – What's the truth??

Myth #2: "You have to pay Mortgage Insurance if you do not have enough money to put 20 percent down at the time of closing!!"

This is True, to a point. However, there is a way to avoid the mortgage insurance without putting your money down on the loan. It's sometimes called 'piggyback financing', and you will find this type of financing in almost 50 percent of home purchases today. A piggyback loan lets you avoid paying for mortgage insurance.

A combo loan, or piggyback mortgage, consists of two loans. The first is for 80 percent of the purchase price. Then there's a second "piggyback" loan for the rest of the purchase price, minus the down payment. An 80-10-10 mortgage has a 10 percent down payment and a 10 percent piggyback loan; an 80-15-5 has a 5 percent down payment and a 15 percent piggyback loan; and an 80-20 doesn't have a down payment at all.

The piggyback loan has a higher rate than the primary mortgage for 80 percent of the price. But for people with good credit, piggyback financing usually costs less than getting one mortgage for more than 80 percent of the price and then paying for mortgage insurance.

Another neat benefit to a first and a second mortgage is when your financial picture changes and you find yourself able to afford more each month towards your house payment, pay off the second mortgage. Most times, the rate you had on the 80% loan is a good rate, so pay off the piggyback loan first, which carries a higher interest rate, and what you're left with is a good long term loan at an acceptable rate.

As always, each person's financial picture is different, so consult a broker to determine what is best for you. The answer might surprise you....

Lending Secrets! Shhh...

Even if you already have one, or two, or more mortgage loans, there always seems to be a secret of the trade that nobody knows. For example:

1. Did you know that you can take out a loan for your elderly parents or disabled child as a primary residence? Most people think that if you want to take a loan for a home for your elderly parents to live in, you would need to do so as a second home or investment property. By doing so, you would have to pay a higher rate, and more than likely put more money down. However, Fannie Mae guidelines state that you can obtain a loan for this unique situation and run the loan as a primary residence. Now, you can do the right thing for your folks or dependents, and pay much less to do so.

Sounds Too Good To Be True?

It probably is. Most times our gut instinct is right, but our hope and excitement takes over. How many of us have been in a situation where three or four lenders are quoting rates and fees all in the same ballpark, and then out of the blue, an internet loan site or an ad in your mail box states a company can get you a loan for much less? Well, just like your gut is telling you, loans and mortgages are services provided by professionals. You're paying for their service. If you needed open heart surgery, would you flip through the phone book, looking for the cheapest doctor? No, you would ask your friends, check references, and get to know the doctor before the surgery. Loan officers and brokers are no different. There will always be somebody that can beat my rate, I'll be the first to admit that. Don't do business with somebody just because they are the cheapest. Do business with a professional, somebody with a reputation, a history, and with satisfied customers. Pick whose right for you and your loan, not the person who's cheapest.

Financial Humor

A man walks into a New York City bank and says he wants to borrow \$2,000 for three weeks. The loan officer asks him what kind of collateral he has. The man says "I've got a Rolls Royce -- keep it until the loan is paid off -- here are the keys." The loan officer promptly has the car driven into the bank's underground parking for safe keeping, and gives the man \$2,000.

Three weeks later the man comes into the bank, pays back the \$2,000 loan, plus \$100 interest, and regains possession of the Rolls Royce. The loan officer asks him, "Sir, if I may ask, why would a man who drives a Rolls Royce need to borrow two thousand dollars?"

The man answers, "I had to go to Europe for three weeks, and where else could I store a Rolls Royce for that long for \$100.00 dollars?"

Retired Chef John's Recipe Corner

I dug this recipe out of my journals from Remington's in Colorado Springs, Colorado. I used to love to prepare this dazzling entrée, mainly because it looks way more difficult than it really is. As always Bon Appetite!

Recipe – Stuffed Flank Steak (Serves 4)

Ingredients

1 1/2 lbs. flank steak
6 garlic gloves
1 1/2 cups croutons
2 tbs. chopped Italian parsley
1/2 tsp sea salt
2 tbs. olive oil
kitchen string
2 tbs. butter
Italian parsley sprigs for garnish

Method

1. Pre-heat oven to 400°
2. In a small sauce pan cover the garlic cloves with water and simmer until softened - about 20 minutes; add more water if necessary. Drain and let cool.
3. Combine softened garlic, croutons, parsley, salt and olive oil a small bowl or mortar and crush ingredients till a coarse paste is formed.
4. Spoon paste on top of flank steak.
5. Roll steak with the grain (lengthwise) and tie approximately every 2 inches with kitchen string to hold position of roll. (Steak will look similar to a jelly roll with the garlic and crouton mixture inside the roll.)
6. Melt butter in skillet and sauté the steak on all sides till lightly brown.
7. Place steak in oven-proof pan and bake in 400° oven for 10 minutes. Reduce heat to 225° and continue roasting for approximately 1 1/2 hours.
8. To serve - slice the flank steak across the grain in approximately two inch rounds, remove strings, and drizzle lightly with olive oil if desired. Garnish each round with parsley.

