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THE MORTGAGE ADVISOR

NEWS AND EVENTS BROUGHT TO YOU BY YOUR MORTGAGE PROFESSIONAL



www.MAGLOANS.COM 2nd Quarter • 2010

Mortgage Rates Will Not Stay This Low Forever!

The financial turmoil in Europe is providing an unexpected windfall for American homebuyers. International money seeking a safe haven is flowing into the U.S., pushing domestic mortgage rates to the lowest levels of the year and back near 50-year lows.

The housing industry had been bracing for months for a period of rising mortgage rates. Instead, many in the industry now say that rates will not rise as soon as some economists projected, making significantly lower payments for Americans buying homes or refinancing their mortgages.

Falling mortgage rates can give a powerful lift to the housing market. Homebuyers can take advantage of this by being approved for a higher price point or a lower monthly payment. There have been many indicators that the real estate economy is coming out of its downward spiral. Snohomish County saw a nearly 28 percent increase in home sales compared to a year ago. In Snohomish County the median price is \$272,000 down by 9.3 percent from 2009. King County median price is \$346,000 down by 1.6 percent from last year. If you are planning to purchase a home now is the time to do it!

Falling rates have increased the amount of refinances we are seeing which goes against the prediction of the summer months seeing a large decrease in home refinancing. Rates on a 15-year fixed-rate mortgage are at their lowest levels since Freddie Mac began tracking the mortgage rates in 1991.

If you are dreaming of buying a home, investment property or considering a refinance there are great loan programs available for you. Call your Mortgage Professional today to discuss in detail those options available to you. It could be the best thing you've done all year! ■



The Advantages of Loan Pre-Approval

Real estate experts tell first-time home buyers that it's critical to apply for a loan before shopping for a home, and it's true; this is an essential first step. Did you know there is a difference between a pre-approval and pre-qualification? There are more advantages to gaining pre-approval than you would initially surmise. The process of getting a mortgage loan pre-approval requires you to establish a relationship with a lender, present certain financial and credit information and to fill out an application. When the lender hands the borrower a pre-approval letter, it means the borrower can:

Save Time by Looking at the Right Homes

If your real estate agent is sending you automatic e-mail listings of available homes, you can ask to change the price range of the search to match the pre-approved loan amount provided by your lender. If you're not receiving e-mails from your agent, ask to have them sent to you. Most MLS systems allow an agent to send clients much of the same data that agents receive. This way, you'll save time by checking out homes you can actually afford to buy instead of falling in love with pie in the sky.

Spend More Time Examining the Right Homes

By decreasing the inventory of homes to those that fit your parameters, you can allot more time to thinking about all the little nuances each home has to offer. Lots of home buyers never move past the price point when sorting out

their preferences, but now you can devote your energies to looking at the little things that matter to you most such as whether the yard is suitable for a pet or the bedrooms fit the needs of a growing family.

Gain Confidence and Avoid Disillusionment

Now when you find that perfect home, nobody can take it away from you by telling you that you do not qualify to buy it. You can minimize anxiety and remove last-minute loan surprises that could disqualify you. You'll sleep better at night knowing that the home you selected is in the right price range and fits your needs; thanks to the professional help of your trusted Mortgage Advisor and Realtor.

Increase Bargaining and Negotiating Power

Sellers will be more likely to immediately accept your offer, even if that offer is for less than list price, because you are giving the seller peace of mind knowing they are working with a buyer that has taken the time to become pre-approved by a qualified lender.

Enjoy a Faster Closing Period

Pre-approvals are valid for 90 days after the date of your credit report that was pulled by your lender. You now have the time to shop with confidence without feeling rushed to make a decision. Once you have selected a home, your process will proceed much faster because you have been pre-approved. Appraisals can be ordered immediately. Because mortgage approval is generally the longest contingency to satisfy in a purchase contract, it is to your advantage to obtain a pre-approval letter as soon as you're ready to begin your search.

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Dear Valued Client,

As the real estate and mortgage industry recover and prices stabilize, new and improved loan products are becoming available and home sales are improving. This is great news for all home buyers as well as investors.

A benefit worth noting is the relaxing of credit score requirements for some loan programs, including FHA. If your credit score is 640 or higher, we can most likely qualify you for a home purchase.

As you can see, now is a great time to buy! At Mortgage Advisory Group we offer these benefits and many others to fulfill your mortgage needs.

We would like to take this opportunity to thank you for your business and to let you know that we value and appreciate you.

Best Wishes,

Your Mortgage Professional



THE MORTGAGE ADVISOR



“This step is called pre-approval and can save you much time and trouble by assuring you are looking in the appropriate price range.”

The Advantages of Loan Pre-Approval *Continued from page 1)*

Lenders will render a decision based on your complete loan application, employment verification and data from all three credit reports.

For Your First Meeting with Your Mortgage Professional You Should Bring:

- Checking and savings account statements for the past two to three months
- Pay stubs, W2 withholding forms, tax returns for two years, or other proof of employment and income verification.
- Divorce settlement papers, if applicable
- Credit card bills for the past few billing periods, or canceled checks for rent or utility bill payments, to show payment history and amount of revolving debt
- Information on other consumer debt, such as car loans, furniture loans, student loans and retail/credit cards
- Balance sheets and tax returns, if you are self-employed
- Any gift letters, if you are using a gift from a parent, relative or organization to help cover the down payment and/or closing costs. This letter simply states that the money is in fact a gift and will not have to be repaid

Having these items on hand when you visit your Mortgage Professional will help speed up the application process.

If you or any family, friends, or co-workers may be thinking of buying call your Mortgage Professional to get pre-approved today. ■

Low or No Down Payment Programs and Refinancing Options

Traditionally, lenders have required that home buyers be able to make a down payment of at least 20 percent of a home's purchase price to get a home loan or mortgage. However, there are loan programs available to home buyers with a down payment of as little as 0 to 5 percent of the purchase price if the mortgage is insured.

In fact, home loans with down payments of less than 20 percent are becoming increasingly popular. They are called “low or no down payment mortgages.” This is good news for the millions of home buyers who are finding it difficult to save a large down payment, especially for their first house.

Mortgages backed by the government are insured by the Federal Housing Administration (FHA) or guaranteed by the Department of Veterans Affairs (VA) or the U.S. Department of Agriculture's Rural Housing Service (USDA-RHS).

An example is an FHA mortgage that requires 3 to 5% down payment. USDA has a 'No Down Payment' program. Maximum loan amounts and program availability is affected by geographic location. Check with your Mortgage Professional for more information.

More and more borrowers are taking advantage of low or no down payment mortgages and becoming homeowners with minimum down payment. Although anyone can apply for the FHA loan program, the other two government mortgage guarantee programs have restrictions.

The VA program is limited to qualified, eligible veterans and reservists. The USDA Rural Housing Service insures loans for the construction and purchase of homes in rural communities. These programs are very specialized, so contact your mortgage professional for more details.

Qualifying for a Low Down Payment Loan

Qualifying for a low down payment loan is much like applying for a regular loan. To be considered for a low down payment loan, you generally need to have:

- Sufficient income to support the monthly mortgage payment
- Enough cash to cover the down payment

- Sufficient cash to cover normal closing costs and related expenses
- A good credit background that indicates your payment history or “willingness to pay”
- Sufficient appraisal value, which shows the house is at least equal to the purchase price
- In some instances, a cash reserve equal to two monthly mortgage payments



On average, closing costs run 2 to 3 percent of the house price. This percentage may vary, depending on where the property is located.

Besides price range, there are many other factors to consider when purchasing a home. It's in your best interest to take care in selecting a home that will have lasting value as well as provide shelter. Be sure the neighborhood and house meet the needs of your family. If you have children, you may want to know if there are other children in the neighborhood and what schools or playgrounds are nearby. Also consider the availability of public transportation and how far family members will have to commute to work or school.

Check the condition of the plumbing, heating and electrical systems and whether they are up to regulatory codes. The best and easiest way to do this is through a home inspection from a certified inspector.

If you are like most people, a home is the single largest purchase you will ever make. It is important that you select a home that will meet your family's needs and keep you happy for years to come. And most important, you must be able to afford to remain in that home for as long as you please.

Refinancing Options

FHA refinancing offers benefits for current real estate home owners who are seeking to complete a refinance mortgage of their existing real estate mortgage(s). A FHA home loan refinance may also benefit you even if you do not currently have a FHA loan.

Some advantages of using an FHA mortgage for your mortgage refinance are as follows:

- Cash-out refinance up to 85% for existing or new FHA mortgages
- Consolidate first and second mortgages into a single loan
- Bill consolidation
- Easier credit and income qualifications
- FHA regulated closing costs
- Rate and term mortgage refinancing up to 97% of your homes value
- Competitive rates for borrowers with a bankruptcy older than two years
- Competitive rates for borrowers with a foreclosure older than three years
- Easier credit and income qualifications
- FHA regulated closing costs
- FHA Streamline Refinance for existing FHA loans only
- Zero cost refinance options available
- Easily switch amortization for adjustable to fixed or vice versa

This is just a sampling of the options that are available to you. If you are considering a refinance please contact your Mortgage Professional for more details. ■

Be Clever, Be Greener

It seems all you hear today is about living a greener lifestyle. You need to reduce your carbon footprint and your environmental impact. We all know that this is important, but it can feel like being lectured at times.

Making your home more green will also make it more comfortable. Big windows will let in more light, so you can leave your electric lights off longer, fluorescent bulbs and energy efficient appliances will save energy and money too. Turn off the air when you are away, fix those hot water leaks, hang clothes on the line when weather permits. These seem like little things but they will make a big difference in your energy bill.

Contrary to popular opinion, it is easy to be green and even easier to go green. It saves you money while doing something good for the environment. Before you know it, living green will be second nature and you'll be looking for ways to add some more green living to your lifestyle. ■



Grilled Chicken with Crunchy Apple Salsa

SALSA

2 cups Washington Gala apples (or another variety) halved, cored and chopped

3/4 cup (1 large) Anaheim chili pepper, seeded and chopped

1/2 cup chopped sweet onion

1/4 cup lime juice

salt and pepper to taste

Combine the above ingredients and serve with marinated grilled chicken.

GRILLED CHICKEN

Marinate 4 chicken breasts in a mixture of 1/4 cup dry white wine, 1/4 cup apple juice, 1/2 tsp grated lime peel, 1/2 tsp. salt, and dash pepper for 20 to 30 minutes. Drain and grill over medium hot coals, turning once, until chicken is done.

Calories: 214; fat: 3.7 g; sat fat: 1 g; cholesterol: 66 mg; sodium: 334 mg



MAG COMMUNITY CONNECTIONS

Featured Artist



Susie Howell

Since 2000, Susie has been photographing weddings, events and portraits. Her home and studio are located in Marysville, Washington. A Northwest native, Susie's passion for exploring and capturing the essence of her subjects with an artist's eye is evident in her imagery. In such a busy world, we sometimes forget what is important: the people we love and our relationships. A celebration of real life moments displayed as an heirloom piece in black and white, sepia or color.

Susie says “I am passionately drawn to a place that evokes peacefulness, which balances my other world of responsibility and many projects. I can frequently be found following the light on Spencer or Smith Islands (located between Everett and Marysville, Washington) with my canine companion and camera backpack. Exploring nature throughout the seasons, whether hiking in the Cascade Mountains or road-tripping to the coast, eastern Washington or the Southwest states, I find inspiration for my art photography.”

“My unique style of photography is expressed through my own personal connection to the world; a visual communication seems to emerge from my subconscious self. Repeated elements include water, trees, old buildings and various critters such as birds, horses and dogs. I'm very attracted to an impressionistic look in these works. I use digital or traditional paintbrushes to add subtle color on some of these images. Some of most current works are drawing-like images of birds on bare branches printed on handmade papers or canvas.”

You can see Susie's art now on display at Mortgage Advisory Group's Everett Branch. ■

