

Monday, September 29, 2008



From: Ron

"Call Ron for your Real Estate and Mortgage needs!"

Mortgage News

Offered by Ron Hidalgo / Saunders Realty
Montgomery, AL
Mobile: 334.546.1410
Toll Free: 1.866.508.3535



Montgomery, AL. 36109
334.546.1410 Toll Free 1.866-508.3535

E-mail: Ron@RonSellsAlabama.Com Web: www.RonSellsAlabama.Com

We're offering current Mortgage and Finance information that may be of interest to you.

We pray that you find these messages of interest and helpful.

For your convenience, we've listed "The Topics" below for your convenience, scroll to the article of your interest or need.

- Winter Weather Tips for Maintaining Curb Appeal (page 2-3)
- These are challenging times (page 3-4)
- Looking for an Agent/Broker who studies the market and stays abreast of its trends? (page 4)
- "Why Use Ron For Your Realtor®/Agent Broker." (page 4-5)
- FoxNews - "a Draft" of the economic-rescue package (page 5-6)
- House votes down bail-out package (page 6-7)
- John Herzog CMB on: supporter of free market capitalism than me,... (page 7)
- SUMMARY OF THE "EMERGENCY ECONOMIC STABILIZATION ACT OF 2008" (page 7-9)
- **3510 available residential homes currently on the market** (page 9)
- QUOTE: From- - Arthur C. Clarke (page 9)
- The Big Bailout - The Good, The Bad, and The Ugly (page 9-11)
- Bailout Plan to Face Big Spotlight Today - House Vote Set (page 11-12)
- FREDDIE MAC WEEKLY RATES (page 12-13)
- **LeadSteps Mortgage, Montgomery Alabama rates** (page 13-14)
- RATES provided by BankRate.Com (page 14)
- COMPASS BANK Mortgages* Rates (page 14-15)
- WellsFargo Mortgages* Rates (page 15)
- Mortgage Calculators (page 15-16)

Mortgage News and Updates from Mortgage Originators

- Lori Harris: ANCHOR Mortgage, Manager Millbrook, Alabama
 - Market Comment & Durable Goods Orders (page 17)
 - Looking AHEAD (page 18)
- Notes from Ron: **For The Alabama Housing Authority Program** (page 19)
- **Mortgage America Inc. Current Rates** (page 19)
- Dick Lepre and Western States Rates) (Page 19-22)
- **Disclaimer:** (page 22)

→Need information concerning real estate or mortgages call or email Ron

New on → www.RonSellsAlabama.Com we have recently placed informational links for scenic Taverns and Parks within Alabama, Tennessee, Georgia, and Mississippi. You will find these useful links in "[Useful Links](#)" under "[Helpful Information](#)" from Montgomery, these Taverns and many parks are within close driving distance for family enjoyment. We also placed information about "[Chattanooga, Tennessee Fresh Water Aquarium](#)" if you have not seen this Fresh Water Aquarium, it's a must go to for education and fun.

Have Questions? Email Ron at: Ron@RonSellsAlabama.Com
Mobile: 334.546.1410 * * * Office: 334.356.9700 * * * Toll Free: 1.866.508.3535

Winter Weather Tips for Maintaining Curb Appeal

RISMEDIA, Sept. 27, 2008-While snow isn't on most of our minds this time of year, now is the time for homeowners to get their concrete driveways and walks ready for winter. Snow and ice can cause damage, diminishing a home's curb appeal! So before you get out the snow shovel, here are a few simple steps to protect your walkways and driveways from inclement winter weather.

Apply Sealer--- A sealer should be applied during October or November to prevent flaking or pitting during harsh winter weather. The concrete should first be cleaned by power washing, and then the silane or siloxane based penetrating sealer applied according to manufacturers' recommendations. The sealer should last for three to 10 years, depending on traffic.

Shovel Regularly--- You can help maintain concrete by shoveling the snow from your driveway, sidewalk and steps regularly. By keeping the snow cleared, there is less chance that moisture will penetrate the surface. The fewer times that water enters concrete and freezes, the less likely that it will become damaged.

Select the Right Tools--- Bent or sharp corners of a worn metal shovel can damage the surface of concrete, which may lead additional deterioration. Do not use picks or other sharp tools to break up or remove ice from the

driveway. This will prevent damage to the surface of your driveway.

Avoid Salt and Chemicals-- While exposure to de-icing salts cannot be completely avoided, it is important to limit the amount of de-icing salts applied directly to the concrete. This is especially important during the first year after the concrete is laid. De-icers containing ammonium sulfate or ammonium nitrate, as well as certain lawn fertilizers, chemically attack concrete. They should never be applied.

Your concrete driveway should remain low-maintenance, durable and long-lasting if you take these few steps to protect it from the elements. Learn more about properly maintaining your driveway by contacting your local concrete producer or contractor,

Homeowners Guide to Healthy Concrete

Concrete driveways and walkways can greatly enhance the appearance and value of a property. Healthy concrete, however, does not happen by accident. Thoughtful planning, a quality mix, professional placement and the proper curing and maintenance can produce beautiful concrete that will last for years. The time to think about what you want from your concrete in terms

of appearance, performance and maintenance is NOW - before the concrete is placed.

You may hear many things about what to do with your newly placed concrete - some are good ideas, others are myths and misconceptions. Here are a few guidelines to help you, the homeowner, understand what is needed for healthy concrete and to separate these myths from reality. While the information will not make you a concrete engineer or contractor, it will help you to make informed choices when planning your concrete driveway and walkways. In particular, this information is designed to help you understand the curing and sealing processes as these are often the homeowner's responsibility once the concrete has been placed and finished.

Concrete Construction Responsibilities

Concrete construction is a complex set of activities requiring professional skills and an extensive understanding of concrete. Usually several parties are involved - the general contractor, the home builder, the concrete contractor, the ready-mix producer and the homeowner. The technical aspects of installing concrete such as planning, preparation, mix specification, placing and finishing are the responsibility of the homebuilder, ready-mix producer and largely, the concrete contractor. Concrete curing should be done based on a joint decision between the homeowner and the concrete contractor. Ultimately, any ongoing maintenance is the homeowner's choice and responsibility.

By Julie Escobar

These are challenging times, to be sure. Our economic conditions, market fluctuations and, of course, the extraordinary efforts our media puts forth to fuel the negative all play a part in what has become a "perfect storm" for consumer fear and information.

Julie Escobar: Will, you have an interesting take on what you believe to be the American Dream. Can you share that with our readers?

Will Weaver: The American Dream means something different for everyone, really. Some would say its freedom or the pursuit of happiness, or the ability to work hard and get paid accordingly. Others believe homeownership defines the phrase. I believe it's all of those things and more. In fact, historian and writer James Truslow Adams coined the phrase, "The American Dream" in his 1931 book, "The Epic of America" and shared that it is "that dream of a land in which life should be better and richer and fuller for everyone, with opportunity for each according to ability or achievement."

Unfortunately, today's shifting economy has created shortcomings and loss for many consumers who are working hard to live richer, fuller lives yet find themselves losing jobs, family and homes. What's more unfortunate is that so many feel like they are all alone, with nowhere and no one to turn to for help.

JE: It's something that affects so many people these days, Will. I know that you and a team of Floyd Wickman trainers specialize in teaching real estate professionals how to really be there for their customers with the information and resources they need to keep their heads above water. What can you share with them here?

WW: First of all, get educated so you can educate. **So many customers are in the dark as to their legal rights and the options that are available to them. They're starving for information and an ally they can trust. I urge all real estate professionals to be both for them.** A partner and I recently ran a full-page ad in four local papers inviting consumers to a free workshop called "*What Every Homeowner Needs to Know . . .*"

Looking for an Agent/Broker who studies the market and stays abreast of its trends?

Ron works hard keeping not only his Clients up dated, Ron sends weekly real estate & mortgage information to: visitors of www.RonSellsAlabama.Com along with, customers, and clients. That's current Clients and clients who Ron has represented. Ron studies the local and state government and where the government is going with issues pertaining to mortgages & real estate. He sends these facts to all who's on his "**Weekly Real Estate & Mortgage update**" list keeping them abreast of events that may affect their buying *and/or* selling decisions.

WHY USE Ron For Your REALTOR®/Agent/Broker?

Full Time Successful Marketing, Relocating Newcomers, Financial Knowledge, Third Party Negotiating, Qualifying Buyers, Proven Home Marketing System, and Buyer Reserves are a few reasons; We can expose your property through a *Net Working System*" and to all REALTORS® in the **National and Local working systems.**

There are real estate agents/brokers, and then there are dedicated real estate agents and Brokers . . . Just as there are Doctors, Lawyers, Engineers, CPA's, electricians, plumbers and carpenters, etc. Good successful REALTOR® juggles and satisfies their clients real estate needs with; Mortgage lenders, Appraisers, Lawyers, Surveyors, Home Inspectors and countless other associates **EVERY DAY** of the week, as most nights, weekends, holidays, anniversaries, and on special occasions. **It is a full time job!**

What makes Ron different is;

- **Full time**, and being in the general construction (1973) and real estate profession *since 1984*
- **Knowing construction, financing, listening to and understanding my clients and customers needs**
- Belonging to the Gold Medallion Club and closing millions of dollars of transactions
- **Being available and responding quickly**, when needed by my clients and customers
- **Negotiating and writing contracts with my clients best interest**
- **Qualify buyers before presenting offers to the Seller**, and finding the proper financial package for the buyer's best needs
- **Third Party Negotiating---** In my opinion, **this is the greatest professional skill** every SELLER and/or BUYER needs working for them

Marketing your home properly is a combination of many factors, (We'll help you recognize little things that will improve the value of your home C Promote your home to hundreds of real estate members of our cooperative selling team, and help you coordinate all the things that goes into receiving the highest value for your property.) **You deserve nothing less!**

TRANSFERRING? If you are transferring to another city, we will introduce you to another qualified **REALTOR®** in that area. Before you arrive that **REALTOR®** will have contacted you and have homes ready for your viewing C meeting your specification and needs.

Visiting with me will only cost you some time, but not visiting with me could cost you plenty!

You may reach me by calling:

Mobile: **334.546.1410** or

Office: 334.356.9701, (Please ask for Ron)

Toll Free: 1.866.508.3535 (Please ask for Ron)

Like most days, I am working out of the office, however, you may be connected E-mail or Mobile phone, please leave your name, phone number for day & evening. Your call will be forwarded to me, and your call will be personally returned as soon as possible, because you are important. **I am, looking forward to hearing from you.**



Ron Hidalgo, REALTOR®/Broker *Since 1984*
associated with



7020 Fain Park Drive Suite 1 Montgomery, AL. 36117
Mobile: (334) 546-1410 Office: (334) 356-9700
Email : Ron@RonSellsAlabama.Com
Web : www.RonSellsAlabama.Com

Ron believes, ***“Professional and Quality Service is not Expensive, It’s priceless, and Ron’s Clients deserve nothing less!”***

At **Saunders** REALTY we earn your business and work hard to obtain your trust and commit to your success!

FoxNews

URGENT: \$700 billion financial rescue bill voted down in House, triggering selloff on Wall Street — at one point, sending Dow down more than 730 points.

The below link is to **“a Draft”** of the economic-rescue package that’s currently being discussed on Capitol Hill. Please be advised that this is the Sunday draft of the legislation--- and is in very preliminary form – so anything contained here will not necessarily make it into the final legislation . . .

http://www.foxbusiness.com/pdfs/rescuebill_First%20Draft.pdf

Sep 29, 4:07 PM EDT

By JULIE HIRSCHFELD DAVIS

Associated Press Writer

WASHINGTON (AP) -- **In a stunning vote that shocked the capital and worldwide markets, the House on Monday defeated a \$700 billion emergency rescue for the nation's financial system**, ignoring urgent warnings from President Bush and congressional leaders of both parties that the economy could nosedive without it.

Democratic and Republican leaders alike said they were committed to trying again, though the Democrats said GOP lawmakers needed to provide more votes. Bush huddled with his economic advisers about a next step.

Bush and a host of leading congressional figures had implored the lawmakers to pass the legislation despite howls of protest from their constituents back home. Not enough members were willing to take the political risk just five weeks before an election.

"No" votes came from both the Democratic and Republican sides of the aisle. More than two-thirds of Republicans and 40 percent of Democrats opposed the bill.

Page last updated at 18:52 GMT, Monday, 29 September 2008 19:52 UK

House votes down bail-out package

The lower house of the US Congress has voted down a \$700bn (£380bn) plan aimed at bailing out Wall Street.

The rescue plan, a result of tense talks between the government and lawmakers, was rejected by 228 to 205 votes in the House of Representatives.

About two-thirds of Republican lawmakers refused to back the rescue package, as well as 95 Democrats.

Shares on Wall Street plunged within seconds of the announcement, after earlier falls on global markets.

.....But these concessions ultimately failed to persuade many lawmakers that the plan was in the best interests of the nation.

- Sep 29, 4:07 PM EDT
House ignores Bush, rejects \$700B bailout bill

By JULIE HIRSCHFELD DAVIS

Associated Press Writer

WASHINGTON (AP) -- In a stunning vote that shocked the capital and worldwide markets, the House on

The vote came as banks failed in the US, Europe and the UK.

The fourth largest US bank, Wachovia, is being bought by Citigroup after becoming the latest to hit problems.

In Europe, Benelux giant Fortis was bailed out by three governments, while in the UK the Bradford & Bingley bank was nationalised.

The US Federal Reserve, the European Central Bank and eight other central banks announced further moves to combat the crisis, by making a further \$330bn available to provide liquidity to global money markets.

Monday defeated a \$700 billion emergency rescue for the nation's financial system, ignoring urgent warnings from President Bush and congressional leaders of both parties that the economy could nosedive without it.

Democratic and Republican leaders alike said they were committed to trying again, though the Democrats said GOP lawmakers needed to provide more votes. Bush huddled with his economic advisers about a next step.

"No" votes came from both the Democratic and Republican sides of the aisle. More than two-thirds of Republicans and 40 percent of Democrats opposed the bill.

Republicans blamed Pelosi's scathing speech near the close of the debate - which attacked Bush's economic policies and a "right-wing ideology of anything goes, no supervision, no discipline, no

regulation" of financial markets - for the vote's failure.

"We could have gotten there today had it not been for the partisan speech that the speaker gave on the floor of the House," Minority Leader John Boehner said. Pelosi's words, the Ohio Republican said, "poisoned our conference, caused a number of members that we thought we could get, to go south."

Republican John McCain spoke with Treasury Secretary Henry Paulson and Federal Reserve Chairman Ben Bernanke before leaving Ohio for a campaign stop in Iowa, a spokeswoman said.

We thank John for his continued support and finance & mortgage informational knowledge.

John Herzog CMB
Vice President/Regional Manager



September 22, 2008

There may not be a bigger supporter of free market capitalism than me, but I find myself unwilling to face the consequences of allowing the present economic crisis to run its course without government intervention. An old economist once said, "a recession is when you are unemployed and a depression is when I am unemployed." I am afraid for most of us in the Real Estate industry had the government not acted this weekend and if the bills do not pass this week, there will be a real estate depression. If you have been getting this update for long you know how optimistic it normally is, but without this action to inject capital back into the market, there simply would be no money for mortgages within days and our whole real estate system would come to a halt and housing values would collapse. I do hope those in charge of the assets in this plan will manage them wisely and get the maximum return for the tax payer as the work out moves forward. This is not the end of the fix, it is just the beginning and how it is managed will be the key as to whether or not it works.

On a second note, FHA combined with AHFA remains the best 100% LTV program with lower credit score. FHA and AHFA tell me they have been flooded with applications by lenders to participate now that all the other alternatives go away on October 1. Be careful where you place these loans as there will be many lender "practicing" their first FHA loan on your client unless you ask how long they have been doing FHA financing. Most do not have delegated underwriting and your file could be backed up for literally weeks as FHA reviews their first 10 cases BEFORE they can close. As you know we have been the FHA expert for years.

Finally on October 1, FHA changes the UFMIP to 1.75% for all buyers and the monthly factor becomes .55%. I have attached a calculator you can download to your computer to assist you with this new MIP calculation on Wednesday.

Have a great week.

SUMMARY OF THE “EMERGENCY ECONOMIC STABILIZATION ACT OF 2008”

I. Stabilizing the Economy

The Emergency Economic Stabilization Act of 2008 (EESA) provides up to \$700 billion to the Secretary of the Treasury to buy mortgages and other assets that are clogging the balance sheets of financial institutions and making it difficult for working families, small businesses, and other companies to access credit, which is vital to a strong and stable economy. EESA also establishes a program that would allow companies to insure their troubled assets.

II. Homeownership Preservation

EESA requires the Treasury to modify troubled loans – many the result of predatory lending practices – wherever possible to help American families keep their homes. It also directs other federal agencies to modify loans that they own or control. Finally, it improves the *HOPE for Homeowners* program by expanding eligibility and increasing the tools available to the Department of Housing and Urban Development to help more families keep their homes.

III. Taxpayer Protection

Taxpayers should not be expected to pay for Wall Street’s mistakes. The legislation requires companies that sell some of their bad assets to the government to provide warrants so that taxpayers

will benefit from any future growth these companies may experience as a result of participation in this program. The legislation also requires the President to submit legislation that would cover any losses to taxpayers resulting from this program by charging a small, broad-based fee on all financial institutions.

IV. No Windfalls for Executives

Executives who made bad decisions should not be allowed to dump their bad assets on the government, and then walk away with millions of dollars in bonuses. In order to participate in this program, companies will lose certain tax benefits and, in some cases, must limit executive pay. In addition, the bill limits “golden parachutes” and requires that unearned bonuses be returned.

V. Strong Oversight

Rather than giving the Treasury all the funds at once, the legislation gives the Treasury \$250 billion immediately, then requires the President to certify that additional funds are needed (\$100 billion, then \$350 billion subject to Congressional disapproval). The Treasury must report on the use of the funds and the progress in addressing the crisis. EESA also establishes an Oversight Board so that the Treasury cannot act in an arbitrary manner. It also establishes a special inspector general to protect against waste, fraud and abuse.

John Herzog CMB
VP/Regional Manager

Brenda Johnson, Montgomery Branch Manager
Loan Officers: *Paige Beavers – Chris Nolan*

277-3355

FOR CURRENT RATES & MORTGAGE PROGRAMS
Call on the above loan originators for the Alabama River Region!



Go to www.RonSellsAlabama.Com

To the right on the opening page you will find ‘*helpful information.*’ On the bottom of this section you see ‘Useful links’ open it and look for “Ron’s CyberSpace News Letter.” At the bottom of this useful site, you are able to

open and view previous Newsletters. **It's FREE** and *available on my web . . . visit and have fun.*

Oh and when you're ready to *Sale your house or real estate property or purchase*, I would appreciate a call. Thanks, *Ron*

NOW, If you are considering *looking for your next home of choice and need assistance from a Realtor®*, call or email Ron today for a list of homes to consider and view. **Ron will be delighted to find those homes from the current 3510 available residential homes currently on the market that'll fit your particular needs.** Ron has a Buyer want list-guide that'll help you point to the areas and possibly trigger thoughts you have for gotten about.

Last week's listing count was **3,555**.

Wish to purchase a Mobile Home?

There are presently **63** on the market for sale, as of September 29, 2008.

Interest rates remain low and lenders have money to lean . . . we're getting Buyers qualified every day, let Ron and Saunders Realty help you. **Check rates below!**

Need assistance in locating the mortgage of choice? Ron will be happy to assist and guide you in finding a mortgage of choice for your particular needs.

Email or call Ron when you're ready to begin your mortgage and home search!

Ron@RonSellsAlabama.Com or

Mobile: [334.546.1410](tel:334.546.1410) or Office: [334.356.9701](tel:334.356.9701) or Toll Free: [1.866.508.3535](tel:1.866.508.3535).

Sellers, do you have a need for a "Full Time Professional REALTOR®/Broker" to assist you with **preparing and positioning your home for todays "Buyer's Market?"**

Contact Ron at: Mobile: [334.546.1410](tel:334.546.1410) or Office: [334.356.9701](tel:334.356.9701) or Toll Free: [1.866.508.3535](tel:1.866.508.3535).

Send an **e-message** to: Ron@RonSellsAlabama.Com and give dates and times for your call to be returned.

QUOTE --- **The only way to discover the limits of the possible is to go beyond them into the impossible. - Arthur C. Clarke**

A good negotiator **will always allow all parties involved to win** "Power negotiating is not about one side winning everything; it's about obtaining what's important to ones particular needs."

Knowledge **IS** Power!

The Big Bailout - The Good, The Bad, and The Ugly

By: [Hanley Wood](#)

The federal government has now intervened to provide support for the economy and restore investor confidence by potentially risking hundreds of billions of taxpayer dollars. While allocating taxpayer money to support illiquid mortgage assets of questionable value is hardly ideal, it will likely prevent the failure of a major facet of the U.S. financial system.

The good news is that action by the Fed, the Treasury Department, and in coming days, Congress, should provide short-term stability in the face of what had been a rapidly accelerating financial crisis that was having impact around the globe.

The bad news is that these actions will obligate U.S. taxpayers to as much as \$1 trillion dollars in future cost. Additionally, the situation is not likely to right itself in rapid fashion as the many years of loose lending cannot be repaired overnight.

The ugly is that the federal government providing the "solution" is the same entity that has been asleep at the wheel while the massive government sponsored enterprises of Fannie Mae and Freddie Mac recklessly expanded their lending practices to the point of eventual failure. To make matters worse, they had plenty of private investment banks and lending institutions come along for the ride. Such a failure, the American people were assured, would never happen to Fannie and Freddie, yet somehow here we sit today. And as a result of all the bailout activity, the federal government will be the primary backer for the lion's share of residential mortgages for the foreseeable future.

Data released in the past week continued to show weakness in the housing market and the economy. Both housing starts and building permits continued to pull-back as negative sentiment and increasing foreclosures hurt sales of new homes. Leading economic indicators were also lower, indicating that a more sluggish economy can be expected in the coming months. The

economy has already recorded job losses for every month so far this year while the nation's unemployment rate jumped to a five-year high of 6.1% in August. Weaker economic growth and the effects from developments in the financial markets this past week are only going to put additional pressure on the employment picture in the months to come.

The Economy--- Housing starts fell to a 17-year low in August as slower conditions in the housing market continue to force builders to pullback on building activity. Total starts fell 6.2% to a seasonally-adjusted annual rate of 895,000 in August. Declines in both single and multi-family housing starts contributed to the overall slowdown in building. Building permits also continued to correct in August with total permits falling 8.9% to an annual rate of 854,000 units. Both single and multi-family building permits posted monthly declines to drag issuances to a fresh 26-year low.

Leading indicators fell again in August signaling that further sluggishness can be expected in the coming months. Leading indicators posted a 0.50 point drop in August while the index for both June and July were revised higher by 0.10 points. The leading index now stands at 100.80, down from an upwardly revised July figure of 101.30. The index is down 1.0 point from its levels six months ago when it was 101.80. This is the second straight month that the leading index has posted a monthly decline.

The economy continued to shed jobs with total non-farm payrolls falling by 84,000 in August. This is the eighth straight month that the economy has posted job losses while the nation's unemployment rate has now jumped to a five-year high of 6.1%.

Housing Market--- National average mortgage rates declined to 5.78% in the latest Primary Mortgage Market Survey released weekly by Freddie Mac on September 18th. This is the fifth straight week that rates have

declined and the lowest they have been since mid-February. In the week ending September 12th, the MBA's seasonally-adjusted Purchase Index increased to 380.4 from 371.5 in the previous week. The latest figure reflects a 2.4 percent increase from last week but a 15.84 percent drop from the same period last year. Falling mortgage rates have caused purchase applications to increase for four straight weeks while also sparking a jump in refinance activity.

Both new and existing home sales increased in July. New home sales in July increased from its lowest levels since September 2001 last month. Sales increased 2.4% in July to a seasonally-adjusted 515,000 homes, up from a revised June figure of 503,000. Sales for the previous three months, however, were revised lower by 46,000 units. The number of new homes for sale continued to decline as builders continue to scale back

production. New home inventory declined to 416,000 which is the lowest it has been since October 2004. In July, median new home prices increased for the second straight month to \$230,700.

Annualized sales of total existing homes in July rebounded to its strongest pace since February. Sales increased 3.1% from June levels to 5,000, 000 units. Sales of existing homes are down 13.2% from the 5.76 million units in July 2007. Median existing home prices in July declined to \$212,400 from \$215,100 in June. This is the first time since February that median existing home prices posted a monthly decline. The number of existing homes for sale increased 3.87% to 4.669 million units. At the current sales pace, there are 11.2 months of existing homes supply on the market which is an all-time high.

Bailout Plan to Face Big Spotlight Today - House Vote Set

RISMEDIA, Sept. 29, 2008-(MCT)-

After reaching a compromise to pump \$700 billion into the world's financial markets, lawmakers took on an even tougher task Sunday: selling the pact to skeptical

colleagues and wary Americans. Congressional leaders and White House officials reached a tentative "phased-in" Wall Street bailout deal yesterday-and now it's time for deeply divided rank-and-file lawmakers to have the final say on an historic bill some argue is as important and contentious as the Iraq war vote in 2002.

As congressional leaders fanned out to explain the deal struck in the wee hours Sunday-and as exhausted staff members rushed to write the actual bill before a House vote today-many members questioned the wisdom of shot-gunning a take-it-or-leave-it bill through Congress in a matter of hours.

But House and Senate leaders, including top House Republicans, said that the new plan sets the first real limits on executive pay, that it provides aid for

homeowners facing foreclosure and that it comes with an IOU from Wall Street and the next administration for any money taxpayers spend.

Rep. Mike Rogers, R-Brighton, said the backers of the compromise "haven't gotten me there yet. There are a lot of changes I'd like to see, and I've heard from a lot of smart people that there are alternatives we haven't heard about."

But the lawmakers who crafted the compromise said speed was of the essence, and that the time for major changes to the bill had passed. While few senators appeared to outright oppose the plan, several House members from both sides of the aisle said support was slim.

- **An IOU for taxpayers.** The U.S. Treasury plans to eventually sell the bad debt it buys, and assumes those values will rise. If the loans never recover, the new plan requires the treasury to take an ownership stake in the firms that sold the debt.

Should the treasury remain underwater on its investments in 5 years, the pact requires the president to tell Congress how the



difference will be made up. Democrats wanted to require a small tax on Wall Street transactions to cover the cost, but Republicans objected.

- **The government also must work with mortgage companies** to reduce the estimated 2 million foreclosures expected to hit homeowners over the next year.

Other changes include handing the money over in stages, with \$350 billion up-front and \$350 later on, and the inclusion of an insurance system for bad debts that House Republicans had pushed as an alternative.

House Republican leaders, who had objected to a proposed deal earlier in the week, emerged from a meeting with

colleagues Sunday evening saying they were fully behind the bill, but unsure how many House Republicans would cast a vote in favor.

Presidential candidates John McCain, a Republican, and Barack Obama, a Democrat, expressed cautious support for the plan, pending the final language of the bill, which Pelosi posted online Sunday evening. While Democrats control the House, Pelosi has said the bill must get dozens of Republican votes to pass — in part to lash the parties together against the opposition of constituents one month before the election.

“We will have to have bipartisanship to pass it,” she said.

MORTGAGES Information and Interest Rates

Rates may fluctuate during the weeks ahead . . . call or email Ron for current daily rates. We have attached on www.RonSellsAlabama.Com current daily rates posted from **LeadSteps Mortgage**, **BakeRate.Com**, and **Compass Bank** for your use. **However, these rates do not always reflect what other local lenders are currently offering or will render.**

Monday, September 22, 2008

FREDDIE MAC WEEKLY RATES: Weekly Primary Mortgage Market Survey [2008 Weekly Mortgage Rates Data](#)

Compilation of Weekly Survey Releases for 2008

[September 25, 2008](#)

	30-yr	15-yr	5/1-yr ARM	1-yr ARM
Average Rates:	6.09%	5.77%	6.02%	5.16%
Fees & Points:	0.7	0.6	0.5	

[September 18, 2008](#)

	30-yr	15-yr	5/1-yr ARM	1-yr ARM
Average Rates:	5.78%	5.35%	5.67%	5.03%
Fees & Points:	0.6	0.6	0.6	0.5

[September 11, 2008](#)

	30-yr	15-yr	5/1-yr ARM	1-yr ARM
Average Rates:	5.93%	5.54%	5.87%	5.21%
Fees & Points:	0.7	0.7	0.7	0.6

[September 4, 2008](#)

	30-yr	15-yr	5/1-yr ARM	1-yr ARM
Average Rates:				
Fees & Points:				

Average Rates:	6.35%	5.90%	5.97%	5.15%
Fees & Points:	0.7	0.6	0.6	0.6

[August 21, 2008](#)

	30-yr	15-yr	5/1-yr ARM
Average Rates:	6.47%	6%	5.99%
Fees & Points:	0.7	0.7	0.6

[August 14, 2008](#)

	30-yr	15-yr	5/1-yr ARM	1-yr ARM
Average Rates:	6.52%	6.07%	6.02%	5.18%
Fees & Points:	0.7	0.7	0.6	0.6

[August 7, 2008](#)

	30-yr	15-yr	5/1-yr ARM	1-yr ARM
Average Rates:	6.52%	6.10%	6.05%	5.22%
Fees & Points:	0.7	0.7	0.6	0.6

[July 31, 2008](#)

	30-yr	15-yr	5/1-yr ARM	1-yr ARM
Average Rates:	6.52%	6.07%	6.07%	5.27%
Fees & Points:	0.7	0.6	0.6	0.6

[July 24, 2008](#)

	30-yr	15-yr	5/1-yr ARM	1-yr ARM
Average Rates:	6.63%	6.18%	6.16%	5.49%
Fees & Points:	0.6	0.6	0.7	0.6

[July 17, 2008](#)

	30-yr	15-yr	5/1-yr ARM	1-yr ARM
Average Rates:	6.26%	5.78%	5.80%	5.10%
Fees & Points:	0.6	0.6	0.6	0.6

July 10, 2008	30-yr	15-yr	5/1-yr ARM	June 19, 2008	30-yr	15-yr	5/1-yr ARM	1-yr ARM	
Average Rates:	6.37%	5.91%	5.82%	5.17%	Average Rates:	6.42%	6.02%	5.89%	
Fees & Points:	0.6	0.6	0.6	0.5	Fees & Points:	0.7	0.7	0.6	
July 3, 2008	30-yr	15-yr	5/1-yr ARM	1-yr ARM	June 12, 2008	30-yr	15-yr	5/1-yr ARM	1-yr ARM
Average Rates:	6.35%	5.92%	5.78%	5.17%	Average Rates:	6.32%	5.93%	5.70%	5.09%
Fees & Points:	0.6	0.6	0.7	0.6	Fees & Points:	0.7	0.6	0.7	0.7
June 26, 2008	30-yr	15-yr	5/1-yr ARM	1-yr ARM	June 5, 2008	30-yr	15-yr	5/1-yr ARM	1-yr ARM
Average Rates:	6.45%	6.04%	5.99%	5.27%	Average Rates:	6.09%	5.65%	5.51%	5.06%
Fees & Points:	0.6	0.6	0.7	0.6	Fees & Points:	0.6	0.6	0.5	0.7
June 19, 2008	30-yr	15-yr	5/1-yr ARM	1-yr ARM					



Monday, September 22, 2008

Current Mortgage Rates in Montgomery, Alabama

Montgomery 30-yr. fixed Mortgage Rates

	Base Rate	APY	Points
Citibank	7.43%	7.89%	3.42
Bank of America	6.66%	6.80%	0.79
Wachovia	6.27%	6.40%	0.72
Wells Fargo	6.38%	6.47%	0.29
Chase	6.32%	6.39%	0.06
Fifth Third Bank	6.44%	6.50%	0.35

Montgomery 30-yr. fixed jumbo Mortgage Rates

	Base Rate	APY	Points
Citibank	7.25%	7.36%	0.21
Bank of America	7.44%	7.70%	1.76
Wells Fargo	9.16%	9.23%	0.28
Chase	7.70%	7.75%	0.20

Montgomery 15-yr. fixed Mortgage Rates

	Base Rate	APY	Points
Citibank	7.30%	8.44%	6.15
Bank of America	6.23%	6.50%	0.92
Wachovia	5.74%	6.00%	0.84
Wells Fargo	6.16%	6.29%	0.34
Chase	6.28%	6.41%	0.08
Fifth Third Bank	5.89%	6.00%	0.38

Montgomery 15-yr. fixed jumbo Mortgage Rates

	Base Rate	APY	Points
Citibank	6.75%	6.89%	0.00
Bank of America	7.10%	7.47%	1.49
Wells Fargo	7.93%	8.05%	0.42
Chase	6.75%	6.82%	0.06

Montgomery 7/1 ARM Mortgage Rates

	Base Rate	APY	Points
Citibank	6.69%	7.15%	0.19
Bank of America	6.41%	6.31%	1.06
Wachovia	5.73%	5.78%	0.63
Wells Fargo	7.14%	6.77%	0.22
Chase	6.85%	6.38%	0.03

Montgomery 7/1 ARM jumbo Mortgage Rates

	Base Rate	APY	Points
Citibank	7.06%	7.32%	0.00
Bank of America	6.88%	7.36%	0.48
Wells Fargo	8.35%	7.41%	0.26
Chase	6.69%	7.08%	0.12

Montgomery 5/1 ARM Mortgage Rates

	Base Rate	APY	Points
Citibank	6.56%	7.18%	0.06
Bank of America	6.50%	6.12%	0.88
Wells Fargo	6.92%	6.53%	0.29
Chase	6.86%	6.25%	0.02
Fifth Third Bank	6.19%	5.94%	0.29

Montgomery 5/1 ARM jumbo Mortgage Rates

	Base Rate	APY	Points
Citibank	7.06%	7.36%	0.00
Bank of America	8.07%	6.65%	1.05
Wells Fargo	7.75%	6.78%	0.37
Chase	7.74%	6.62%	0.01

Montgomery 3/1 ARM Mortgage Rates

Montgomery 3/1 ARM jumbo Mortgage Rates

	Base Rate APY		Points
Citibank	6.69%	7.33%	0.00
Bank of America	6.10%	6.13%	0.95
Wachovia	5.51%	5.58%	0.50
Wells Fargo	6.94%	7.20%	0.12
Chase	6.81%	7.35%	0.00
Fifth Third Bank	5.74%	5.76%	0.26

	Base Rate APY		Points
Citibank	7.50%	7.46%	0.00
Bank of America	6.96%	7.44%	0.75
Wells Fargo	7.75%	7.23%	0.21
Chase	7.00%	7.39%	0.17

Montgomery 1-yr. ARM Mortgage Rates

	Base Rate APY		Points
Citibank	6.75%	7.76%	0.00
Bank of America	7.42%	6.20%	1.53
Wells Fargo	7.25%	7.78%	0.12

Montgomery 1-yr. ARM jumbo Mortgage Rates

	Base Rate APY		Points
Citibank	7.00%	7.90%	0.00
Wells Fargo	7.25%	7.74%	0.12
Chase	7.12%	7.62%	0.00

Rates change daily, always check the current rates.

AVERAGE NATION RATES

RATES provided by BankRate.Com

Overnight averages	This Week	Last Week
<u>30-Year Fixed</u>	5.98%	5.87%
<u>15-Year Fixed</u>	5.65%	5.59%
<u>Jumbo (30-Year Fixed)</u>	7.20%	7.06%
<u>5/1 ARM</u>	5.98%	5.92%
<u>5/1 jumbo ARM</u>	6.38%	6.30%

Current Mortgage Rates- Rates shown are good for Purchases in Alabama, Arizona and New Mexico only.

Compass Bank, Rates current as of 09/29/2008. Conforming rates apply for mortgage amounts of \$417,000 and under. Jumbo rates apply for mortgage amounts of \$417,001 and higher.

Type	Rate	Discount Points	Origination Fee	APR*
15 Year Fixed	5.750%	0.125%	1.000%	5.915%
30 Year Fixed	6.000%	0.000%	1.000%	6.156%
15 Year Fixed Jumbo	7.625%	0.000%	1.000%	7.903%
30 Year Fixed Jumbo	7.750%	0.125%	1.000%	8.059%

*Please read carefully the Disclosures and Payment examples below.

Rates current as of 9/29/08. Conforming rates apply for mortgage amounts of 417,000 and under. Jumbo rates apply for mortgage amounts of \$417,001 and higher.

Rates listed are for first lien mortgages with an 80% loan-to-value on owner-occupied, single-family, detached, primary residences only. Products and rates may not be available in all areas. Rates are not guaranteed until lock-in and subject to change without notice. All loan applications subject to credit and property approval. Maximum loan limits and minimum equity or down payment requirements apply. Additional rates and programs are available. Other restrictions may apply. Consult your local Mortgage Specialist for specific details or call 1-800-COMPASS.

Conforming rates quoted are based on a first-lien mortgage amount of \$100,000 and with an 80% loan to value on a purchase money mortgage only. Jumbo rates quoted are based on a mortgage amount of greater than \$417,000 with an 80% loan to value on a purchase money mortgage only. Both are for the stated term and includes any applicable points, plus common and customary closing costs.

Example: A \$100,000 conforming loan at 6.500% (APR 6.661%) for 30 years would have a monthly principal and interest payment of \$632.07, while a jumbo loan of \$450,000 at 7.750% (APR 8.059%) for 30 years would have a monthly principal and interest payment of \$3,223.86.



As of 09/29/2008 03:40 PM Eastern

Product	Interest Rate	APR
<u>Conforming</u> ¹ Loans		
40-Year Fixed	<u>6.500%</u>	<u>6.700%</u>
30-Year Fixed	<u>6.000%</u>	<u>6.226%</u>
20-Year Fixed	<u>6.000%</u>	<u>6.301%</u>
15-Year Fixed	<u>5.625%</u>	<u>5.999%</u>
5-Year ARM	<u>5.750%</u>	<u>6.203%</u>
<u>Jumbo</u> Loans – Amounts that exceed conforming loan limits ¹		
30-Year Fixed	<u>9.000%</u>	<u>9.176%</u>
15-Year Fixed	<u>8.375%</u>	<u>8.638%</u>
10-Year ARM	<u>8.750%</u>	<u>8.125%</u>
5-Year ARM	<u>7.625%</u>	<u>6.890%</u>
<u>FHA</u> – loan limits vary by county.		
30-Year Fixed	<u>6.000%</u>	<u>6.700%</u>

3164 Parliament Circle, Montgomery, AL 36116

Phone: 334.277.0067 Fax: 334.277.0120

<https://www.wfhm.com/wfhm/wellsfargohomemortgagebranchal2/index.page>

Homebuying Calculators:

<https://www.wfhm.com/wfhm/wellsfargohomemortgagebranchal2/homebuyingCalculators.page>

Learn About Homebuying:

<https://www.wfhm.com/wfhm/wellsfargohomemortgagebranchal2/learnAboutHomebuying.page>

First-Time Homebuyer:

<https://www.wfhm.com/wfhm/wellsfargohomemortgagebranchal2/firstTimeHomebuyer.page>

Examples of Payment Factors Per \$1,000 of Loan Amount for a 30-Year Fixed								
Nominal Rate	.000%	.125%	.250%	.375%	.500%	.625%	.750%	.875%
3%	.004216	.004284	.004352	.004421	.004490	.004561	.004631	.004702
4%	.004774	.004847	.004919	.004993	.005067	.005141	.005216	.005292
5%	.005368	.005445	.005522	.005600	.005678	.005757	.005836	.005915
6%	.005995	.006076	.006157	.006238	.006320	.006403	.006485	.006569
7%	.006653	.006737	.006821	.006906	.006992	.007077	.007164	.007250
8%	.007337	.007424	.007512	.007600	.007689	.007777	.007867	.007956

9%	.008046	.008136	.008226	.008317	.008408	.008499	.008591	.008683
10%	.008776	.008868	.008961	.009054	.009147	.009241	.009335	.009429
11%	.009523	.009618	.009713	.009808	.009903	.009998	.010094	.010190
To determine payment multiply loan amount by the factor listed above. Example: 9.75% = .008591 factor which equals \$8.59 per \$1,000 borrowed								

Calculators - Mortgage Calculators

<http://calculators.interest.com/index.asp>

The above link offers the following calculators:

[Mortgage calculator](#)

[Rent vs. buy calculator](#)

[Refinance interest savings calculator](#)

[Mortgage required income calculator](#)

[Mortgage points calculator](#)

[Mortgage debt consolidation](#)

[Mortgage comparison: 15 years vs. 30 years](#)

[Mortgage APR calculator](#)

[How much home can I afford?](#)

[Interest only mortgage calculator](#)

[Fixed rate mortgage vs. interest only mortgage](#)

[ARM vs. fixed rate mortgage](#)

[Adjustable rate mortgage calculator](#)

Home Equity Calculators

[Amortizing loan calculator](#)

[Line of credit calculator](#)

[Debt consolidation calculator](#)

[Loan & line payment](#)

Bad Credit Calculators

[How much do you owe?](#)

[Roll-down your credit card debt!](#)

CDs/Savings Calculators

[Certificate of deposit calculator](#)

[CD ladder calculator](#)

[Savings calculator](#)

Auto Loans Calculators

[Auto loan calculator](#)

[Buy vs. lease calculator](#)

[Low interest financing calculator](#)

Ron's notes: Knowing the Lender means;

- 1) How long have they been in operation nationally, and in Alabama?
- 2) Where are they obtaining their money from?
- 3) Who will they be selling your loan to?
- 4) How many loans (the type being presented to you) have been sold and what are the positive and negative features of the loan package.

Four simple questions every Buyer should ask the Loan Originator. If they do not know the answers, why would you commit to the mortgage? Think about it . . . It's your credit, and it's being placed on the line and obligation to re-pay the load!!!!!!!!!!!!

September 26th – September 29th 2008 Reporting Mortgage News and Updates from Mortgage Originators



Provided by



"Our Goal to succeed is Anchored by our desire to serve"

5300 Oak Tree Rd, Suite E

Millbrook, AL 36054

Phone: (334) 285-5353

Fax: (334) 244-6297

E-Mail: Lorih@anchormort.com -

Lori Harris

September 26th 2008

“Our goal to succeed is anchored by our desire to serve.”

Call for current rates and available mortgage plans.

Newsletter-September 26th, 2008

MORTGAGE MARKET IN REVIEW

Hello Ron,

Market Comment--- Mortgage bond prices fell last week pushing mortgage interest rates higher. The \$700 billion bailout plan dominated the financial markets as uncertainty loomed and the liquidity crisis continued. Fed Chairman Bernanke warned the economy is under extraordinary stress and pleaded with Congress to act swiftly. Despite the pleadings, as of late Friday the uncertainty remained. Trading in the financial markets was extremely volatile and oil prices were erratic. For the week, interest rates on government and conventional loans rose by about 1/4 of a discount point.

The employment report Friday will be the most important data release this week. The other data releases may be overshadowed a bit as bailout developments emerge. Be alert as extreme market volatility is possible.

State of the Industry--- With all the financial turmoil hitting the stock and bond markets much is still unknown concerning the future of the US economy.

What we do know is the Federal Government has recently taken unprecedented steps to shore the economy and back many historically private institutions. The Securities and Exchange Commission implemented strict trading rules prohibiting

short selling of financial stocks. Money market accounts, historically considered safe investments, got caught in the financial turmoil of the Lehman Brothers bankruptcy. As a result, the Treasury created a temporary insurance system for the funds. Regulators indicated this was done to prevent a banking system collapse.

Fannie Mae and Freddie Mac were taken over by the US Treasury. This effectively guaranteed the performance of the Fannie and Freddie instruments with the backing of the US Federal Government. *Federal Housing Finance Agency Director James B. Lockhart indicated that **not acting "would have been disastrous for the mortgage markets, as mortgage rates would have continued to move higher and, in turn, disastrous for the enterprises as the prices of their securities would have fallen and credit losses increased."** He noted the goal of the takeover was "to help restore confidence in Fannie Mae and Freddie Mac, enhance their capacity to fulfill their mission, reduce the systemic risk and make more mortgages available at a lower cost to the American people." While lending guidelines have tightened and mortgage rates remain volatile, the good news is rates remain historically favorable.*

LOOKING AHEAD

Economic Indicator	Release Date & Time	Consensus Estimate	Analysis
Personal Income and Outlays	Monday, Sept. 29, 8:30 am, et	Income up 0.2%, Outlays up 0.2%	Important. A measure of consumers' ability to spend. Weakness may lead to lower mortgage rates.
Consumer Confidence	Tuesday, Sept. 30, 10:00 am, et	55.0	Important. An indication of consumers' willingness to spend. Weakness may lead to lower mortgage rates.
ADP Employment	Wednesday, Oct. 1, 8:30 am, et	None	Important. A decrease in payrolls may bring lower rates.
Construction Spending	Wednesday, Oct. 1, 10:00 am, et	Down 0.5%	Low importance. An indication of economic strength. A significant decrease may lead to lower rates.
ISM Index	Wednesday, Oct. 1, 10:00 am, et	50.0	Important. A measure of manufacturer sentiment. A large decline may lead to lower mortgage rates.
Factory Orders	Thursday, Oct. 2, 10:00 am, et	Down 1.8%	Important. A measure of manufacturing sector strength. A larger decrease may lead to lower rates.
Employment	Friday, Oct. 3, 8:30 am, et	Unemp. @ 6.1%, Payrolls -90k	Very important. An increase in unemployment or a larger decrease in payrolls may bring lower rates.



Have a great week Ron,
Lori Harris, Elmore County Manager, Anchor Mortgage

*Please let the loan Originator know,
 you received their name/phone number from Ron! Thanks.*

* * * * *

Notes from Ron: [Alabama Housing Finance Authority](#) and

AHFA'S Step-Up, Down Payment Assistance program. You'll find much needed information on this wonderful mortgage plan

Go to → www.RonSellsAlabama.Com for additional information on "The Alabama Bond," visiting www.RonSellsAlabama.Com look under 'mortgage information' and click on "Mortgage Rates & Information then on → One of Seven links provided for the **Alabama Housing Authority program** **this program is not only for First-Time Buyers It's for** participants who earn up to \$97,300.00 and may remain eligible for the Step-Up program regardless of household size or location! Call or e-mail Ron to set up an appointment finding out if you qualify for the AHFA "Alabama Housing Finance Authority" program. **We are available to help & assist you with your real estate and mortgage needs. We would appreciate your business!** *Ron*

➔ Thanks for taking time viewing all of the mortgage plans and information! Need information? Do not hesitate to call or e-mail Ron with your questions and/or requests.

Mortgage America Inc.

"Your Mortgage Lender"

PHONE: 351-0570 FAX: 351-0575

margiem@mortgageamerica.com

Where Professional Service is the Standard!



Margie

Cell: 657-1338



Equal Housing Opportunity Lender

With all of the unknowns of the bailout plan, Bond will, again, be very volatile today. With no economic news out today Bond will watch stocks for direction.

September 29th 2008

Conv:5.875%
 FHA: 5.875%
 VA:5.875%
 Rural Development.....6.25%
 Ala. Bond Step-UP..... 6.25%
 Ala. Bond First-Step.....5.875%

2-1 Buydowns

4.875 1st Year

5.375 2nd Year

5.875 3rd Year - Term

Lender Paid MI N/A (credit 720 or above)

DICK LEPRE

dicklepre@rpm-mortgage.com

September 29th 2008

The below rates DO NOT pertain to Alabama; we are placing these rates to show how Alabama rates are to the Western States.

Current posted rates are in effect as of **09/29/2008 11:38:44 AM Central Time.**
 Rates are subject to change without notice.

30 year fixed Conforming

Rate	Points	APR	Lock Days
6.125%	0.000%	6.176%	25

The APR is calculated using a loan amount of \$300,000 and these [typical fees](#).

15 Year Fixed - Conforming

Rate	Points	APR	Lock Days
5.625%	1.000%	5.893%	25
5.875%	0.000%	5.987%	25

The APR is calculated using a loan amount of \$250,000 and these [typical fees](#).

30 Year Fixed - Jumbo (Stimulus Limit)

Rate	Points	APR	Lock Days
6.125%	1.000%	6.277%	25
6.375%	0.000%	6.432%	25

The APR is calculated using a loan amount of \$300,000 and these [typical fees](#).

15 Year Fixed Jumbo (Stimulus)

Rate	Points	APR	Lock Days
6.125%	0.000%	6.219%	25

The APR is calculated using a loan amount of \$300,000 and these [typical fees](#).

5/1 ARM - conforming

Rate	Points	APR	Lock Days
6.750%	0.000%	5.555%	25

The APR is calculated using a loan amount of \$200,000 and these [typical fees](#).

7/1 ARM Conforming

Rate	Points	APR	Lock Days
6.750%	0.000%	5.150%	25

The APR is calculated using a loan amount of \$200,000 and these [typical fees](#).

5/1 ARM - Jumbo

Rate	Points	APR	Lock Days
7.125%	0.000%	5.624%	25

The APR is calculated using a loan amount of \$300,000 and these [typical fees](#).

7/1 ARM - Jumbo

Rate	Points	APR	Lock Days
7.750%	0.000%	5.783%	25

The APR is calculated using a loan amount of \$300,000 and these [typical fees](#).

Monday September 29, 2008

The 2 biggest holders of Option ARMs: WAMU and Wachovia have now been rolled up into Chase and Citi. The Chase/WAMU deal had Chase getting \$176 billion in mortgage assets and writing off \$31 billion immediately and paying FDIC \$1.5 billion and getting the \$188

billion in deposits (a liability). Thus the cost to Chase was \$44.5 billion. The Citi/Wachovia deal is a good bit different. First and foremost no debt (bondholders) are wiped out. Citi assumes the first \$42 billion in losses on the mortgage portfolio and pays \$12 billion (in preferred stock and warrants to FDIC) and have FDIC take the

remaining losses. The Citigroup/Wachovia deal is structured as an acquisition at \$1/share.

This has been a monumental month for the U.S. economy. The remaining problems are a number (maybe as large as 100) of small regional banks which need FDIC bailout of acquisition. The big players have now all been dealt with.

Friday September 26, 2008

My newsletter of yesterday "[the \\$700 Billion Answer](#)" was published on Inman.com with some folks comments. I am still troubled by the painting of this as a bailout for banks. We are bailing out the banking system. The banks who hold this paper would, under my plan, be taking massive losses.

The Chase takeover of WAMU is welcome. I think that the next large player which has to be addressed is Wachovia. There are probably some smaller banks which will not be saved and for which FDIC will take losses.

Wednesday September 24, 2008

It seems to me as if neither fundamentals nor technicals will drive the market as much as passage of the \$700 billion liquidity bill. Stay tuned.

Tuesday September 23, 2008

This \$700 billion should in no way be looked upon as gone. Treasury should do this in a manner so that the net expense is zero. How? Take a plan like this:

- use \$300 billion to buy A paper jumbo MBS at a discount of 20%
- use \$200 billion to buy Alt-A debt at a discount of 35%
- use \$200 billion to buy subprime debt at a discount of 65%.

(I am in no way suggesting that these are the correct or best numbers. Regard this only as a framework.)

Treasury would then have \$1,253 billion worth of mortgages and be collecting the interest at note rate and paying something like 2.5% (0.25% above the current 2 year Treasury) for this.

In short, Treasury should make the sellers take the losses. The losses should not be carried by the taxpayers.

As an extreme, let us assume that not a single dollar is paid on any of this \$1,252 billion in mortgages and every one of them is foreclosed, held for a couple of years and sold. If the land were sold for 28% of the value of the mortgages the loss would be half of the \$700 billion. An additional \$62 billion would have been spent on interest.

A more realistic worst case might be something like this: assume that 60% of the \$1,253 billion are foreclosed on and that those foreclosures produce sales worth 27% of the loan amount. Treasury still breaks even.

The salient facts are these: Treasury is purchasing illiquid assets at a low price. These assets are secured by real estate. Treasury will make (assuming even a low note rate of 6% average) 3.5% net interest a year. The liquidity provided by this process will have a positive effect of real estate values further enhancing the value of these mortgages. A most likely outcome is that Treasury will sell all of these MBS back into the market at a profit in a period of between 2 and 3 years.

What is wrong with most of what I have read is that it fails to recognize that this is unlike other money the government spends. This spending 1) produces a revenue flow and 2) is collateralized.

Monday September 22, 2008

I find disconcerting the lack of understanding regarding the \$700 billion in Treasury liquidity for MBS. This is necessary only because the Federal Reserve simply does not have enough reserve to extend much more liquidity. Treasury needs to issue new debt to accommodate this. There is no other choice.

This \$700 billion should in no way be looTDhc0.7ng

Friday September 19, 2008

Quite a day! Treasury has very seriously address at least 3 issues: short-selling, stemming flow of cash out of money market mutuals by guaranteeing them as if they were

FDIC insured funds and promising to create something which would but illiquid mortgage debt. This has prompted equity buying and Treasury selling. The increase in the 30 year bond yield is relatively massive.

Dick Lepre

RPM - SF

1388 Sutter Street #412

San Francisco, CA 94109

dicklepre@rpm-mortgage.com

Web site: www.loanmine.com

Disclaimer: We receive this/these mortgage letter/s from the above mortgage originators and/or representatives weekly, and we weekly post their information on our web site for "Customer & Client" Information & References. Ron and/or his associates & Broker are not responsible for anyone's dealings and/or transaction/s with any mortgage company or company's readers of this "Weekly Mortgage Update." Our recommendation is: "Always ask pointed questions to/for your mortgage needs and information. We are not placing this disclaimer to create concern against any of the mortgage persons or their companies, let it be known, Ron and/or his associates & Broker can not and will not be responsible for others dealings with any mortgage company and/or their representatives whatsoever. As real estate agents/brokers, we can only give names of companies and mortgage originators. The borrower is fully responsible for their selection of mortgage provider.

Ron and/or his associates & Broker/s can and will only give status' of such mortgage companies and their employees & associates as having received good service in the past and cannot give/render positively, that same representation/service will be rendered by them/others in the future.

Message from Ron ---

➔ **Updates & upgrades to links on www.RonSellsAlabama.Com, we pray this work will help visitors locate the information they need with greater ease.**

Under "helpful Information"

➔ **Before beginning your real estate search, Ron suggests: For BUYERS seek mortgage identification and acceptance. WHY?**

➔ **Buyers will know exactly what their "Purchasing Power" is, and they will be able to show the "Prospective Seller" they have the funds in waiting to conclude the purchasing transaction. *Another good reason is:* Buyers will not waste time looking for homes that's over their budget and/or Purchasing Power. . . *another useful tool is, Buyer Applicants will be able to select the correct mortgage for their particular needs and not pay "Hidden Fees" on a home loan.***

BUYERS! Be sure to ask the Loan Originator for a copy of the Good Faith Estimate they presented to you . . . You will be able to compare other Good Faith Estimates obtained from others.

Note: We are available to assist and guide "Sellers & Buyers" through their real estate selling *and/or* purchasing venture, making it as stress-free as possible. OUR ultimate goal is to help our clients reach their goals.

We have many SOURCES to HELP our Client's Mortgage and Financing needs. Their lending strength reaches throughout the U.S.A. They have many loan packages that'll help the most discriminate and deserving Buyer obtains the mortgage that's meets their needs.

Go to www.RonSellsAlabama.Com for terms relating to real estate and mortgages.

BUYERS! Need a REALTOR®/Agent/Broker to assist you with locating a mortgage package suitable for your needs, culling through the maze of available homes..... And finding the correct

home of choice, completing all the necessary paper work needed in the offering & purchasing process, and negotiating the best possible terms for you? Call Ron and allow his 20+ years of real estate knowledge go to work for you! Simply E-mail Ron at: Ron@RonSellsAlabama.Com or call: Mobile: 334.546.1410 or Toll Free: 1.866.508.3535, and ask for Ron.

***Ron is Internet connected while traveling and/or conducting community surveys or working with clients searching for their new home. E-mail Ron anytime and he will respond to your E-questions promptly. See a home that you need additional information, E-mail Ron the address, the Broker who has the property listed, what you would like to know about the property, and he will return your E-questions as soon as possible. (If Ron's is speaking with or assisting a client, your E-message will be answered as-soon-as-possible.) Ron and Saunders Realty continues to obtain the tools necessary to provide State-of-the-Art Services for and too their clients.

➔ Updated information on www.RonSellsAlabama.com: You will find articles and helpful Seller and Buyer information on/in: "helpful information"

Ron's philosophy is very simple, helping his customers and clients with the *Purchasing and Selling of Real Estate procedures -- including the best possible mortgages available.* Ron searches for homes that meet his client's needs and desires and to not waste their precious time. For Sellers, Ron utilizes current products and positive procedures assisting his Seller client to prepare, position, and create action toward his Listings.

Email: Ron@RonSellsAlabama.Com or Mobile Connection: 334.546.1410

About mortgages: Visit www.RonSellsAlabama.Com and open Ron's Resource page section. You'll find a link to his weekly mortgage update. Each week Monday or Tuesday Ron updates this file . . . You may find this information useful to stay abreast of the financial market. While visiting, open Ron's **other pages** for much information about local businesses, activities and about the area schools, local news and weather.

You should visit www.RonSellaAlabama.Com and open, "**more about Listings**" and look around the Montgomery Association of REALTORS® "Active Properties." You may find a home/property of interest. If you find one or more properties of interest and need additional information . . . e-mail Ron @ Ron@RonSellsAlabama.Com and let him know exactly what you need or question(s) you may have . . . Your e-message will be replied to as soon as possible.

Ron

REALTOR®/Broker Since 1984

Associated with

Saunders
REALTY

7020 Fain Park Drive Suite 1

Montgomery, Alabama 36117

Mobile: 334.546.1410 / Toll Free: 1.866.508.3535



e-Mail: Ron@RonSellsAlabama.Com

Web: www.RonSellsAlabama.Com



You and your real estate
Investment will be in good hands with Ron's services.

Market Value & Assessment--- Ron and Saunders Realty know the south. They work with the leading financial institutions and construction professionals across the Southeast. Building or buying . . . Locating the perfect property is easy when you know even the smallest details about the market. Ron and Saunders Realty can also help you fill your commercial space using formal market analysis, management services and working relationships with top national retailers.

Long Term Success--- Ron and Saunders Realty has a long term relationship with their clients and successful story. When Ron and Saunders Realty commits to you, they go beyond the essentials; they bring state-of-the-art technology and opportunities to you. So when you are ready to Purchase or Sell, Ron and Saunders Management and Sales Team are ready to give you the very best of Real Estate Service. Ron and Saunders Realty is proud to say, "We earn your business and work to obtain your trust and commit to your success."@

In advance, we appreciate the opportunity to be of service to and for you!

Remember . . . "Professional and Quality Service is not Expensive, It's Priceless, and Ron's clients deserve nothing less!"

 Message from Ron,

Real Estate purchasing and/or selling can be stressful and very time consuming.

SELLERS . . . My approach to positioning, showcasing, *marketing, obtaining the selling value*, and selling real estate is to help maximize the bottom line for my client and relieve them of the anxieties that normally come with selling one's home. Call me, and I will show you ways to market and sell your real estate investment or personal home with minimum stress and frustration. I place into *action* several methods introducing my listings to the buying public and Realtors®. Using pro-active tools gets them job done! My job is to sell my listings twice, to the Realtor (Buyers Agent) and then to the Buyer. We will cover all these methods during our first visits and information gathering meetings.

BUYERS . . . do you really want to ride around looking at 20 to 100 parcels of real estate, when they're not what you want or desire? Of course not. My method is time consuming (For Me) but it works for my Buyer Client.

After our first visitation you will give me the locations, features, and benefits you're looking for and/or need . . . Then I will take the time to pre-view several parcels culling out the properties that do not meet your requirements. When I have accumulated those properties meeting your wants & needs, we'll visit and view only those homes fitting/meeting your needs.

I also have a pain-free method in assisting my Buyer Client in obtaining the financing of their choice.

Thanks for taking time reading this message,

Ron / Realtor® / Broker since 1984 associated with Saunders Realty