

**** Move Toward Your Financial Goals with Confidence! ****

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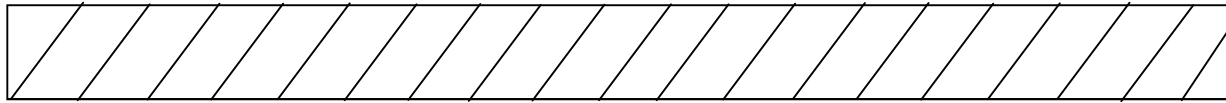
or toll free:

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HOME SMART BENEFIT NEWS!

A little knowledge goes a long way!

Home Loan Score Card!!



**Most Valuable
Player**

Federal Committee— The U.S. Federal Reserve reduced the federal funds rate by .5% on Sept. 18 in a bold move to aid the economy from a housing slump and financial turbulence.



**League
Champions**

30 year fixed, Conforming Loans— Loan amounts up to \$417,000 are seeing interest rates in the high 5% and low 6% all summer. These rates are as good as in March, 2006!



**Highest Bat-
ting Average**

Full Income Documentation— “Full Doc” is not as hard as it seems but hasn’t played as much over the last four years due to competition from “stated loans.” The lowest interest rates can generally be obtained through this reliable method.



**Comeback
Kid**

Jumbo Loans — Interest rates on jumbo loans are finally making a comeback after being on the “disabled list” in August. Jumbo loans are seeing their best rates with a “full doc” package. Lenders want to avoid too much risk.



**Rookie of
The Year!**

Federal Housing Administration (FHA)— Government is “stepping up to the plate” to help homeowners in the crunch. Among other strategies, they will raise their loan limits; offer affordable rates and terms with NO prepayment penalties; and assist homeowners whose adjustable rate is too high (see below).

Your Home Smart Representative will help you navigate through your home financing transactions.

FHA Secure To Offer Relief For Homeowners Finding Themselves in Default Due To ARM Adjustments

Like a modern-day Calvary, the Federal Housing Administration (FHA) has announced a new initiative called FHA Secure, which is designed to aid families who are finding themselves in default when their mortgage interest rates reset. Over the next two years, FHA Secure and other FHA-backed loans will help an estimated quarter of a million Americans keep their homes. That’s about half the families expected to go into foreclosure during that time. FHA qualifies homeowners on their ability to repay the loan with little emphasis on the credit score. They allow loans near the 100% financing mark; are more understanding of job gaps and do not require prepayment penalties. The loan limits on these loans are expected to increase substantially before November 1, 2007.

Home Smart Benefit mortgage services is an FHA approved lender and welcomes the opportunity to help homeowners get back on the right track with their home loan.



Cynthia Darnell
**Home Smart
Benefit**

(925) 989-5302

U.S. Foreclosure Picture Not So Dire

- Caution!! Reading news about homes and mortgages can have a negative effect on your perspective!

The media tends to thrive on the reporting of bad news to convince us the “sky is falling.” The truth is that the real estate and mortgage industry are going through a time of correction. But how the data is presented and interpreted can make all the difference!

According to Kenneth Harney, President of a consulting group in Maryland, “The scary foreclosure and delinquency rates you’re hearing about are for real. But they’re highly concentrated — among loan types, local and regional economies, and especially prevalent among investors in formerly high-flying markets who are finally throwing in the towel. As a result, Harney says the situation is not as bad as it sounds. “Drill down into the latest delinquency and foreclosure numbers and you’ll find that for the overwhelming majority of homeowners across the country, delinquency and foreclosure are not issues.



New Rules to Home Ownership Game

(Please read before playing)

If a man(woman) from Mars would have visited Earth three or four years ago and decided to buy a home, then came back this year and wanted to buy again, sell, or refinance, he/she would find a completely different set of rules!! They would find:

- A buyers market versus a sellers market;
- Adjusting values rather than, “over the top” values;
- Stricter lending guidelines versus irresponsible guidelines; and,
- In most cases slightly higher interest rates versus all time low rates.

Does this mean our Martian shouldn’t or couldn’t buy, sell or refinance? No, in fact, depending on his/her circumstance, they may have an opportunity in any of these areas. “The important factor is to understand the new rules of the marketplace and to adjust accordingly,” states Cynthia Darnell, Vice President with Home Smart Benefit, “The skill set for advisors has changed considerably, this may be the most important time to obtain professional, experienced assistance in the following areas.”

- 1) **Real Estate Advisors:** For sellers— professionals must not only price the home perfectly, but outline an innovative strategy for selling your home. This plan may include a direct mail campaign, staging, etc. It has to include more than just holding an open house. For buyers— this person must be an astute negotiator who can help you obtain the best price but also considers closing costs into the deal.
- 2) **Lending:** This market requires a professional with the ability to take an assessment of the client’s whole financial picture so that the mortgage will be both secure and a good fit. This person must have access to innovative loan programs and the ability to obtain loans in an environment of strict lender guidelines.
- 3) **Financial Planning:** This must be an experienced professional who can take your current financial goals as well as retirement goals and develop a plan that will work in light of the changing marketplace. This person must also keep apprised of the anticipated tax considerations for homeowners impacted by bad loans.

Home Smart Benefit offers homeowners access to a free consultation on your home loan. To learn more about this no-obligation service, call direct at (925) 989-5302.

Home Smart... (925) 989-5302 and online at www.homesmartbenefit.com

The Home Smart Benefit Program Provides advocacy to consumers through access to mortgage and real estate information and resources required to make wise and informed decisions all without the pressure to obtain a loan or purchase a home.

Home Smart provides ultimate Flexibility in loans of all sizes, fitting all unique financial needs! Residential, Commercial, Multi-family, SBA, FHA approved, Reverse Mortgages, 1031 exchanges, Cal-HFA certified. Purchase and refinance loans with 30-year fixed, 30-year fixed with interest only option for 10 or 15 years; 3 year, 5 year, 7 year, and 10 year adjustable ARMs; 100% financing; 20, 30, 40 and 50 year amortization; Purchase or Refinance, Conforming/ JUMBO Loans, Equity/Fixed second mortgages.

... because it’s more than a loan!

Any loan scenarios discussed in this newsletter are presented as an estimate of a possible mortgage scenario. This is not a loan commitment, nor is it a guarantee of any kind. The scenarios are based solely on estimated figures and information available at the time of preparation. All rates are believed to be accurate but cannot be guaranteed. All programs and guidelines are subject to change without notice. Loans subject to borrower credit review, Qualification and approval. “Diablo Funding Group, Inc., DBA Home Smart Benefit, is a licensed Real Estate Broker by the CA Dept. of Real Estate #01183856.

