

Compliments of

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Unemployment Rate Jumps

This week, concerns about prolonged weakness in the economy caused investors to sell stocks and buy relatively safer investments, including mortgage-backed securities (MBS). This, plus the fact that the Fed purchased more MBS than in any prior week, resulted in mortgage rates falling a little during the week.

For months, leading economists have been predicting that the economy will perform poorly during the first half of this year, and Friday's Employment report was right in line with those forecasts. The economy lost -651K jobs in February, and the December and January figures were revised lower by a total of -161K. The Unemployment Rate jumped to 8.1% from 7.6% in January, which was the highest level since December 1983.

More Details Released for the President's Mortgage Initiative Program

We received guideline specific information for borrowers interested in obtaining current low rates for their loans under the Financial Stability Act. The program has two sections. The first part of this program is for those home owners that have been current with their mortgage, but have been unable to refinance due to falling values. The second part deals with those that are currently delinquent, or are in imminent threat of foreclosure.

Good Borrower – Lost of Equity (Home Affordable Refinance Program):

The program is designed to assist homeowners whose loans are owned or guaranteed by Fannie Mae or Freddie Mac, who are current on their payments, and where the loan amount is no more than 105% of the value of the home. This program is available for Primary Residences, 2nd Homes, and Investment Properties. Here is the quick check list to see if you qualify for this program:

- No mortgage late payments in the past 12 months.
- You are currently employed or self employed with verifiable income sufficient to qualify for the new loan.
- Current mortgage balance is no more than 105% of the current value of the property.
- Existing mortgage must have recorded prior to march 1st 2009.
- Loans with subordinate financing are eligible.
- Ineligible existing mortgage types for this program are:
 - ARM Loans with an initial fixed period less than 5 years.
 - All Interest-Only type loans.
 - All Balloon Mortgages.
 - All Option ARM loans.
 - Jumbo Conforming Loans.

- If the mortgage being refinanced was 80% LTV or less at the time the mortgage was taken out, you will not have to pay mortgage insurance on the new loan, even up to 105% LTV.
- If the mortgage being refinanced was originally greater than 80% LTV, and you had MI, but it was cancelled because you had reached below 80% LTV, you will not have new MI on this loan.
- If the mortgage being refinanced was originally greater than 80% LTV, and you still have MI, you will be required to have MI for your new loan, but will be able to refinance up to 105% LTV.

If all of this seems a little confusing, call me. Not every mortgage provider has the experience and knowledge that we have to help you with this program.

At Risk Borrower – Can Not Qualify for Above Program (Home Affordable Modification Program):

This program is intended to help those who can not afford their current mortgage, and due to falling values, can not sell their property. For those that fit into this category, you are instructed to contact the servicer of your loan directly. Call the phone number that is on your monthly statement. Tell them that you are requesting consideration for the Home Affordable Modification Program.

Events This Week:

Employment Fell
Inflation Low
Pending Sales Down
Manufacturing Mixed

Events Next Week:

Thur 3/12
Retail Sales
Jobless Claims

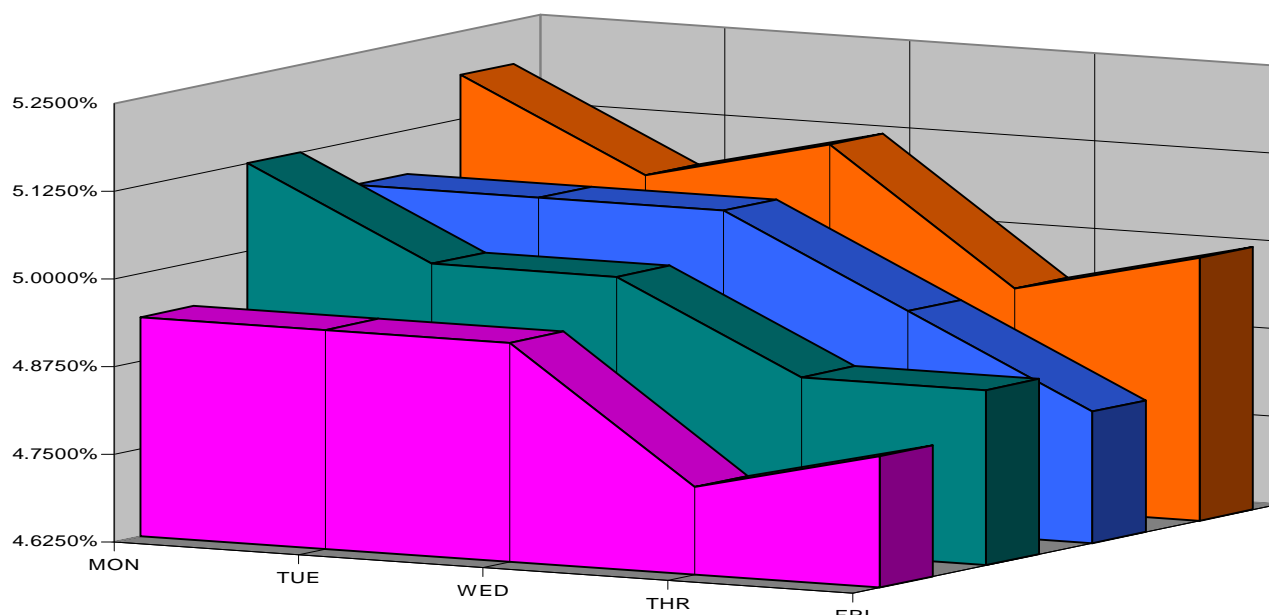
Fri 3/13
Trade Balance
Import Prices
Sentiment

Also Notable:

- February retail-industry sales metrics showed their first increase since September
- The European Central Bank (ECB) cut rates by 50 basis points
- The House passed its version of a mortgage cramdown provision
- The Fed purchased \$30 billion in agency MBS during the week ending 3/4

DAILY RATES FROM HAWAII'S TOP LENDERS:

Fannie Mae Base Rate (30-YR-FXD)



Average 30 yr fixed rate:	
Last week:	up 0.14%
This week:	dn 0.20%

Stocks (weekly):		
Dow:	6,626.94	-435.99
NASDAQ:	1,293.85	-83.99

Above rates do not reflect "add-ons" such as low credit scores, high loan-to-value, or investment properties.

Week Ahead

The Economic Calendar has a light schedule next week. Thursday's Retail Sales report will be the primary economic data. Retail Sales account for about 70% of economic activity. Import Prices, Consumer Sentiment, and the Trade Balance will be released on Friday. Fed Chief Bernanke is scheduled to speak on Tuesday. Treasury auctions and new information on government programs also may have an impact next week.

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