

## Facts about homeownership make one thing clear: buying a home is easier than you might think

**G**ETTING a home loan today is much easier than just a few years back; however, some myths persist about the hurdles to homeownership.

Here are some of the myth busting facts of homeownership from Freddie Mac.

**Myth:** You need great credit to become a homeowner.

**Fact:** You may still be able to buy a home if you have less-than-perfect credit. Moreover, remember, you can improve your credit over time. However, if you are buying a home and you have less-than-perfect credit, talk with a mortgage professional who can help you find the right loan for you.

**Myth:** You need to put 20% down to buy a home.

**Fact:** There are many types of mortgage products and programs that allow low and no down payments. Nevertheless, remember that your interest rate may be higher for a low or no down payment loan. Also, be sure to factor in other costs such as closing costs, property taxes, moving expenses, and repairs.

**Myth:** You cannot buy a home in the U.S. if you are not a citizen.

**Fact:** Permanent or non-permanent resident aliens can buy homes in the United States.

**Myth:** If you do not have a bank account or credit cards, you cannot qualify for a mortgage.

**Fact:** Having a bank account is always a good idea and helps you establish credit. However, lenders can approve you for a mortgage even if you do not have a bank account or credit cards. You will likely need to keep records showing a history of payments you have made for items such as rent, utilities, and car payments.

**Myth:** Lenders share your personal financial information with other companies.

**Fact:** By law, banks and other financial institutions are restricted in their uses and disclosures of information

about you. In some situations, you may choose to restrict the disclosure of your information if you do not want it to be shared. If you are unsure how your information will be used, do not be afraid to ask – it is your right to know.

**Myth:** If you are late on your monthly mortgage payments, you will lose your house.

**Fact:** If you have a financial hardship, like the death of your spouse or a medical emergency, and fall behind, it is possible to keep your home and get back on track if you contact your lender early. Even if it is not possible to keep your home, you can sell your home and possibly buy a less expensive one rather than face foreclosure.

**Myth:** You cannot get a mortgage if you have changed jobs several times in the last few years.

**Fact:** Not true. You can change jobs several times and still get a loan to buy a home. Lenders understand that people change jobs. The important thing is to show that you have had a stable income.

For information about how you can tap the facts of homeownership to buy a home, call your mortgage professional today. ☞

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## THIS ISSUE

- Facts about homeownership make one thing clear: buying a home is easier than you might think
- Conforming loans remain the same for 2008
- Lower rates and prices boost affordability

## MORTGAGE NOTES™

BACK PAGE

## Conforming loans remain the same for 2008

The conforming loan limit for single-family residences will remain at the 2007 level of \$417,000, according to Office of Federal Housing Enterprise Oversight Director James B. Lockhart. Limits for multi-unit loans for 2008 will be: two-family loans \$533,850, three-family loans \$645,300, and four-family loans \$801,950. The 2008 loan limit for second mortgages will be \$208,500.

The conforming loan limit determines the maximum size of a mortgage that an enterprise can buy or guarantee. By law the maximum conforming loan limit is based on the October-to-October change in the average house price in the Monthly Interest Rate Survey (MIRS) of the

Federal Housing Finance Board (FHFB). The FHFB reported the decline in the average price was \$10,685 or 3.49 percent, from \$306,258 in October 2006 to \$295,573 in October 2007. The combined two-year decline is now 3.65 percent. "While the house price survey data used in determining the conforming loan limit shows a decline over the past year, as previously announced and consistent with the proposed new conforming loan limit guidance, the level will remain at \$417,000 for the third straight year," said Lockhart.

Borrowers who need larger loan amounts may qualify for jumbo loans, which are available at slightly higher rates than for conforming loans. ☞

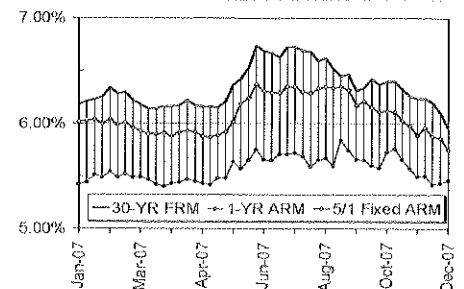
## Lower rates and prices boost affordability

WHILE home prices around the nation remain steady or decline, the average 30-year Fixed-rate mortgage (FRM) slipped down to 5.96 percent in early December, down from 6.11 percent during the same time last year and the lowest since September 2005. Five-year treasury-indexed hybrid adjustable-rate mortgages

(ARMs) averaged 5.75 percent in early December, down from 5.92 percent during the same period last year and the lowest since October, 2005. While fixed rates fell, ARMs ticked higher, with the One-year Treasury-indexed ARM averaging 5.46 percent, up from 5.43 percent during the same time last year. ☞



### 52-Week Mortgage Rate Performance



### Current ARM Indices

12/15/2007	TERM	RATE
1-YR Treasury Sec.	NOV	3.50%
11th Dist COFI	OCT	4.23%
1-MO LIBOR	NOV	4.77%
Prime	12/11/07	7.25%

Sources: FHLMC, Federal Reserve Bank, HSH, bd

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