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# MORTGAGE NOTES™

FOR HOMEOWNERS, HOME BUYERS & REAL ESTATE PROFESSIONALS

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## How to tap an open house for good deals in your area

**T**he open house is a standard real estate marketing tactic that provides homeowners the opportunity to showcase their home to prospective buyers.

When you attend an open house, agents will likely ask you questions about how long you have been looking for a home, if you have an agent, and whether you are qualified for a mortgage. However, real estate author Marcie Geffner suggests that you "turn the tables" by arming yourself with a set of your own questions that will help you tap an open house for the best deals in your area. Here are some of the questions Geffner suggests you ask when attending an open house:

- **Are you the listing agent for this house?** Busy agents sometimes arrange for a partner, colleague or assistant to do the honors at an open house. Don't assume the person on-duty is knowledgeable about the house or has met the sellers. In some states, the person might not even have a real estate license.
- **How long has this home been on the market?** Well-priced homes in good condition generally don't last long. Unless the local market is unusually weak, you'll want to know why a particular home has become a "stale listing." Is it overpriced? Are there hidden defects? Was the home involved in an escrow that didn't close?
- **Have the owners received any offers and, if so, why weren't those offers accepted?** If the sellers rejected offers that were too low or had onerous contingencies or conditions, you may as well find out before you make the same mistake.
- **Why are the owners selling this house?** Understanding their motivations and needs will help you put together a strong offer that takes their priorities and timetable for moving into consideration. Are the owners relocating out of state? Buying a newly built home that's under construction? In escrow to purchase a larger or smaller residence?
- **What furniture and fixtures are being sold with**

**the house?** If you're thinking of buying the home, there's no time like the present to ask whether the dining room chandelier, fancy window coverings and appliances are included. Questionable fixtures and furniture should be itemized in the purchase contract, regardless of any prior conversation.

- **Are any special costs of ownership attached to the property?** Is there a homeowner's association that levies dues and assessments? If so, who belongs to the association and who manages its affairs? Is the home located in a special property tax assessment district? If so, how much is the annual tax assessment and how is that money used? Is the home in a flood hazard zone? If so, how much are the annual flood insurance premiums? Are there any other hidden costs of ownership?
- **Are you familiar with other homes on this street and, if so, how does this one compare to the others?** A sharp agent might be able to tell you about very recent sales in the neighborhood or other homes that might be coming on the market. If the residence is a tract house, the agent might be able to suggest remodeling ideas he or she has seen in neighboring homes.

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## THIS ISSUE

- Questions you should ask when looking at homes
- Should you buy a home in this market?
- Weak economic reports drive rates down
- Market Watch

## MORTGAGE NOTES™

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### Rising sales a sign that market is stabilizing

**S**ALES of existing homes increased nearly 3 percent in February and remain within a fairly stable range, according to the National Association of Realtors. NAR Chief Economist Lawrence Yun said the gain is encouraging. "We're not expecting a notable gain in existing-home sales until the second half of this year, but the improvement is another sign that the market is stabilizing," he said. "Buyers taking advantage of higher loan limits for both FHA and conventional mortgages will unleash some pent-up demand. As inventories are drawn down, prices in many markets should go positive later this year."

The national median existing-home price for all housing types is down 8.2 percent from a year earlier. Combined with low mortgage rates, the lower sales prices are boosting affordability for home buyers. Because the slowdown in sales from a year ago is greater in high-cost areas, there is a downward pull to the national median with relatively fewer sales in higher priced markets.

Negotiation and knowledge are even more important in the current

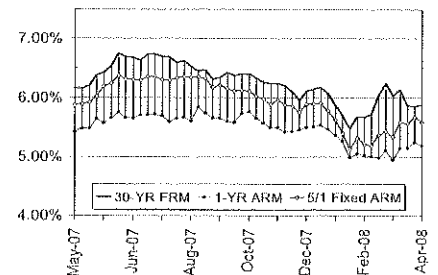
market, according to NAR President Richard F. Gaylord. "Consumers need to be aware of local market conditions and comparable sales prices to have a clear picture of a home's value. An agent's understanding of local markets, negotiating expertise, and transaction experience are invaluable to both buyers and sellers, today as much as ever."

### Mortgage rates near historic lows

**S**IGNS of a strengthening economy drove mortgage rates slightly higher in March, but rates remain near historically low levels, according to Freddie Mac. "While prime, conforming rates still remain at historically low levels, long-term mortgage rates did drift slightly upwards this week on signs that the economy may have a little more strength than what financial markets forecasted," said Freddie Mac Vice President and Chief Economist Frank Nothaft. The average 30-year Fixed Rate Mortgage was 5.97 percent in March, up from an average 5.92 percent in February.



### 52-Week Mortgage Rate Performance



### Current ARM Indices

04/15/2008	TERM	RATE
1-YR Treasury Sec.	MAR	1.54%
11th Dist COFI	FEB	3.56%
1-MO LIBOR	MAR	2.81%
Prime	3/18/08	5.25%

Sources: FHLMC, Federal Reserve Bank, HSH, b3  
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