

To view this email as a web page, go [here](#).



eNews | Vol 4 | January/February 2012

Mortgage Rates Sag to New Lows

Mortgage rates continued to plumb new depths. All types of mortgages tracked by Freddie Mac hit new lows during the week ending Jan. 12, the company said.

Rates on 30-year fixed-rate mortgages, which have been below 4 percent for six weeks in a row, hit a new low this week in records dating to 1971. The 30-year fixed-rate mortgage averaged 3.89 percent with an average 0.7 point, down from 3.91 percent last week and 4.71 percent a year ago.

For 15-year fixed-rate mortgages, rates averaged 3.16 percent with an average 0.8 point, down from 3.23 percent last week and 4.08 percent a year ago. Rates on 15-year loans, popular for refinancing, have never been lower since Freddie Mac began tracking them in 1991.

Rates on five-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) loans averaged 2.82 percent with an average 0.7 point, down from 2.86 percent last week and 3.72 percent a year ago. That's a new low in records dating to 2005.

For one-year Treasury-indexed ARM loans, rates averaged 2.76 percent with an average 0.6 point, down from 3.23 percent a year ago.

Requests to refinance accounted for 80.8 percent of all mortgage applications. Mortgage rates have been sliding because mortgage-backed securities (MBS) -- bonds that fund the vast majority of home loans -- have been popular with investors seeking a safe haven.

If a recovery takes hold and economic growth accelerates, mortgage rates could rebound.

In a Dec 20th forecast, economists at Fannie Mae projected rates for fixed-rate mortgages will average 4 percent in 2012 and 4.3 percent in 2013.

The Mortgage Bankers Association forecasts that rates on 30-year fixed-rate loans will average 4.2 percent in 2012 before rising to 4.7 percent in 2013. The National Association of Realtors projects rates on 30-year fixed-rate loans will hold steady at 4.5 percent in 2012.

CONTACT US AT www.ebgi.org OR 866.505.3244 to get a no cost, no obligation consultation.

Client Testimonial

Thank you for connecting us with Teresa. She is excellent! My Husband and I would definitely recommend her to anyone looking to buy a home. She's made the process understandable and knows how to move things along quickly because of her many years of experience and attention to detail. She found us the perfect townhouse for what

we wanted. We have had a great experience that's to you, Tony and the EBG-Home Ownership Program.

Thank you,

Joann R. Seattle Children's Hospital Employee



Did You Know? Co-SIGNING FOR A LOAN? Uh-Oh!

You probably know you shouldn't, but what if the person asking is someone you love and trust? It sounds harmless. Financially, "co-signing is probably the worst thing you can do," says John Ulzheimer, the president of consumer education. Judging by the complaints and lawsuits made by co-signers, it also seems to be one of the least-understood arrangements, he says. When friends and relatives co-sign, they often don't realize the new credit card debt is also theirs -- 100%

Here are 5 things to consider:

1. The bill is yours

When you sign that credit card contract, you're saying, "If anything goes wrong, I'll pay the balance. All of it. Plus interest and penalty fees." You, (the person with good credit) are promising to pay the entire bill because the lender doesn't think the applicant is quite up to the task. The lender has seen the applicant's credit report and financial information.

2. Lenders will count this debt as yours

Are you planning to buy a home, refinance a mortgage or take out a loan for a large purchase such as a car? Lenders will look at your debt loan-including the co-signed account. That account will impact your score no differently than if you were the only person on that account.

3. The account holder may be able to increase the credit limit

The Credit CARD Act, mandates that while the account holder is younger than 21, the co-signer has to give written permission for any credit limit increases. However, once the cardholder is past the age of 21, no federal law requires that the co-signer be notified of any credit line increases.

4. Bad marks can show up on your credit report

Late payments, missed payments or collections on the account? In the eyes of creditors, it's your account, too, so you're equally at risk for any sort of negative credit reporting and/or collection activities. Even if you never have to pay a dime, co-signing with someone who doesn't know how to manage credit or just doesn't do it well can cost you money by eroding your own credit.

5. You need an exit strategy

Often, ending the co-signing arrangement requires closing the card account, says Nessa Feddis, vice president and senior counsel for the American Bankers Association. The wrinkle: Depending on the contract and your state laws, you may need the cardholder's cooperation, she says. It may not be as simple as just telling the card issuer you want out.

Another consideration: Unpaid debts accumulated while the co-signed account was open are still

your responsibility -- even after the account is closed. Until they're paid, they're still your bills.

Considering Co-signing? Call the issuer first, and find out exactly what your options are for ending the co-signing relationship when that day eventually comes. Do you have to close the account? Do you need the account holder's permission?



View this weeks
Real Estate Minute



Useful Links & Info



Questions or Comments?

EMAIL US!

- [Dont let squeaky floors ruin a sale](#)
- [10 home remodels that turn off buyers](#)
- [Top 10 Celebrity Homes for Sale](#)

This email was sent to: nicolehouston@ebgi.org

This email was sent by: Enhanced Benefits Group Inc.
Nicole Houston 4200 SW Mercantile Dr. Ste 750 Lake Oswego, OR 97035

[One-Click Unsubscribe](#)