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MACROECONOMIC MOVES AND MORTGAGE MARKET ANALYSIS

Manufacturing Activity Improves
(week ending 10/31/2013)

It was a relatively quiet week for mortgage rates. A slightly more bullish economic outlook from the Fed and stronger than expected manufacturing data were the main influences this week. Good news for the economy is negative for mortgage rates, however, and rates ended the week a little higher.

As widely expected, there was no change in Fed policy at Wednesday's Fed meeting, but Fed officials slightly upgraded their outlook for the economy from the prior statement. Fed officials again stated that they intend to wait for



signs of sustained improvement in the labor market before they reduce their bond purchases. The consensus view is that the Fed will begin to scale back its bond purchases in April. The statement left the door open for an earlier start of the taper if the economic data is strong enough.

Early in the week, there were few surprises in the economic data and little movement in rates. That changed, though, when stronger than expected manufacturing data pushed mortgage rates higher on Thursday and Friday. The October ISM national manufacturing index rose to the highest level



since April 2011, and the October Chicago PMI regional manufacturing index jumped to the highest level since March 2011. The consensus forecasts had been for lower readings due to the government shutdown at the beginning of the month; investors will be watching to see if other sectors of the economy were similarly unaffected by the shutdown.

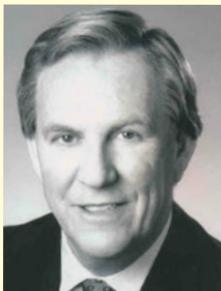
Job Gains Surge
(week ending 11/8/2013)

Investors, highly focused on the economic data, had a lot to consider this week. The Economic Calendar was packed, and nearly all the major reports exceeded expectations. Stronger economic growth is negative for mortgage rates, and rates ended the week higher.

2013 REAL ESTATE ALL STARS

DECEMBER is the month in which I feature my annual paean to realtors with whom I've done business. In the usual course of events mortgage brokers typically become involved in real estate sales AFTER buyers and sellers have chosen an agent or realtor. Even so, one does get a feel for whom one would want to represent one in a transaction.

As with every profession, there are good ones and those that are less so. If you are looking for a realtor, they basically fall into two camps—listing agents (representing sellers) and buyers' agents (representing buyers). Though they may wear either hat (or both on occasion) they usually have a preference for which side of the transaction they are on. And, if I were recommending a movie or a restaurant, I would similarly award all of them 4 . What follows is a brief description (**in alphabetical order**) of these exemplary agents.



Tom Brennan's bona fides are truly remarkable: Fordham University and Harvard Law School graduate, Marine Corps. Captain, and 40 years of real estate experience both as a lawyer and as a realtor. He joined a fledgling L.A. law firm of 25 attorneys and helped build it into a legal powerhouse comprising 1,400 lawyers with 19 national and international offices. Accordingly, his experience is far more extensive than most realtors' having represented individual buyers and sellers, lenders (Bank of America, GE Capital), and developers (Beazer Homes) in national transactions, as well as residential and commercial ventures for buyers and sellers (Merrill Lynch Capital Markets) ranging in sales prices from \$400k to \$1.2 billion. In virtually all of the above transactions he was the lead counsel engaged in the negotiation, packaging and documentation of the transactions. His deals have been located throughout the continental U.S., with the majority being in principal metropolises like New York, L.A., Chicago, San Diego, etc.



More recently, his real estate career has been focused on listing properties that range from \$460K to \$600K, primarily in Ocean Hills Country Club (OHCC). With listed properties he has achieved a list to sales price ratio of 98%. His marketing is a multi-pronged approach using the personal methods like open houses and print advertising as well as writing a monthly column entitled "The Real Estate Corner" for the Village Voice. Tom is also open to showing FSBOs.

Obviously Mr. Brennan's legal acumen has been instrumental in his handling complicated transactions as varied as bankruptcies, the acquisition of foreclosed properties, 1031 Exchanges, and sale/leasebacks, to name just a few.

Throughout his career he has amply demonstrated his skills as a negotiator, a strong leader, a team player and someone who could be relied upon to get deals done efficiently and competently.

Personal quote: “I think my legal background, wealth of real estate experience and leadership qualities are my most important business characteristics.”

His office number is **(760) 842-1470**

His cell phone number is **(760) 525- 1936**

His email address is thomasbrennan0@gmail.com

Tom has no personal website, but networks in the (OHCC) community via the Village Vets, regularly volunteering at Camp Pendleton and “by word of mouth”



Peter Freundlich is a broker/realtor that is both genial and aptly named. A Deutsche-speaking friend of mine informed me that “freundlich means “friendly” in German. Fittingly, Peter is bilingual and speaks German. His experience is both lengthy and varied stretching some 45+ years in real estate. In his early 20’s, he managed to work his way through law school by selling real estate.



By 1970, along with 3 partners, he opened what is believed to be the first franchised real estate operation in the country. In the span of six years, it grew into a 30-office chain with Peter serving as Executive Vice-President and General Manager. Since the 70’s Peter was involved in sales management and marketing for some of the largest and most prestigious companies in California. For a number of years he was the nine-state regional manager for a large national real estate franchise company.

Today, listings account for about 90% of Peter’s real estate business. He utilizes his unique system of marketing expertise principally in the areas of Oceanside, Vista, San Marcos, Carlsbad and Fallbrook. His sales niche is in the range of \$250k to \$750k. Given his legal background, he is conversant with short sales, foreclosures, 1031 exchanges, corporate relocations and working with age-restricted communities. In addition, Peter is well-acquainted with various government programs like FHAs, VAs, HomePath, etc. He lists “being a good negotiator” and his marketing expertise as his personal *fortes*. He is a member of the California and the National Association of Realtors as well as the Realtors National Marketing Institute.

Personal view: Peter believes many agents do a poor job in marketing properties for sale. He encourages people to interview him and discover the difference.

His office number is **(760) 295-1265 or cell (760) 213-0047.**

His website is: www.see-homes-online.com

His email address is pfreund@cox.net



Although, “*Se habla espanol*” is not on **Alicia Oliger’s** business card, it might be a worthwhile adjunct as she is one of the two Spanish speaking realtors that I know.



Alicia is a veteran realtor with 25+ years of experience. She has spent the last 6 of those years in Oceanside working for Ocean Hills Realty. Being patient, and personable, not to mention being a good negotiator has contributed to her success as both a listing agent and a buyer’s.

Alicia has a penchant for showing properties in Oceanside, Carlsbad, San Marcos. She started her real estate career in Glendora and still handles the occasional Glendora sales for her family and friends there. Being an OHCC resident has no doubt been of assistance in selling innumerable properties here and in other age-restricted communities. So, working with seniors and retirement communities are a natural fit for her. She also purports a “fluency” in FHA transactions and prides herself on being knowledgeable and ethical. What distinguishes Alicia from other agents is that while they are willing to go the extra mile for clients she will go “the extra mile plus.”

Personal quote: “My clients become my friends. We stay closely in touch.”

Her office number is **(760) 758-1054** Her cell number is **(760) 994-6903**

Her website is: **under construction** Her email address is alicia.oliger@att.net



Christian Ostergaard, along with his father, owns Ocean Hills Realty which is responsible for the lion’s share of sales in the 1633-unit development known as the Ocean Hills Country Club (OHCC). Despite the company’s many listings, Christian functions as both a buyer’s agent and listing agent. The Ostergaards go the extra mile with their listings, checking to make sure that vacant properties are maintained. Since the OHCC is an age-restricted community it has afforded him more experience than most realtors in being sensitive

to the needs and concerns of seniors. He utilizes open houses, the MLS, the internet, signage and networking to marketing his listings. He is one of the few bilingual agents on the list that as he put it “speaks un poquito Spanish”. In the event, that Russian is your native tongue, his wife, Larisa is fluent in that language as well. In accordance with the price range of homes in the OHCC and the surrounding areas, Christian’s sales niche runs upwards from \$250 to 800K. The cities that he shows property in are mostly Oceanside, Carlsbad, & Vista. He is familiar with conventional purchases and Home Equity Conversion Mortgages (HECMs) or reverse mortgages. When I asked him if he had any particular trait or quality he’d care to add, he gave one that no other realtor mentioned—patience. It is no doubt a quality that is much appreciated by his buyers. He cares about his clients.



His direct line is **(760) 419-1386** His email address is costergaard@cox.net

His website address is: www.oceanhillsrealty.com

If you are interested in buying a home in Ocean Hills, are a senior, or looking to buy a home in an age-restricted community, **Fred Ostergaard** is your man. He's been in the



business as long as he's been in the area, having founded Ocean Hills Realty (OHR) some 21 years ago. It began as a family affair with his wife, Penny, and their son, Christian, comprising Team Ostergaard. Team Ostergaard has grown to include 10 other agents that comprise Ocean Hills Realty.

Representing both sellers and buyers in the OHCC is a natural fit for Fred since he not only resides there, but along with fellow realtor (and son) Christian are the #1 Ocean Hills selling team with Fred accounting for 21 of those sales in the past year.



For his sellers, Fred has developed a very extensive marketing plan. He recommends workmen for maintenance and repairs and staging advice to enhance "curb appeal". He believes in getting maximum exposure for a property via the Multiple Listing Service, Realtor.com, the Ocean Hills Realty web site, virtual tours, other OHCC residents, word of mouth, open houses, flyers, photos, etc. to insure a rapid sale and at a better price. His sales niche approximates the conforming and high balance limits of most of the homes in Ocean Hills—in the \$300k to \$700k range. He has a "Can-do" and "Will do" attitude that his clientele appreciate. A man of strong conviction and high principal, he lets his closed transactions speak for themselves.

Personal quote: "We are the best! Fantastic." (Fred doesn't mince words).

His direct line is **(760) 505-3802**

His email address is ostergaard1@cox.net

His website address is: www.oceanhillsrealty.com

Pamela Parkinson has sold over 1000 homes in the course of her 30 years in real estate, the bulk of it in new home sales. Over the years she has worked for two major developers Woodcrest Homes and Greystone/Lennar Home Builders. Pam was the lead agent for many of their most prestigious developments such as Bressi Ranch and The Lakes above Rancho Santa Fe. Due to her extensive experience she is comfortable in representing properties from the inexpensive condo to the multi-million dollar estate and everything in between. Her knowledge and professionalism inspire trust and confidence. She has a knack for being able to put buyers and sellers at ease. These qualities and her follow-up after the sale have won her a loyal following of buyers and contributed heavily to her amassing her truly enviable sales record.



About four years ago, she moved into residential re-sales with Prudential California Realty, now known as Berkshire Hathaway HomeServices (formerly Prudential). Pam has continued her winning ways being named an Honor Award Winner each year since joining the company and this year she was named in the Top One Hundred Agents for Berkshire Hathaway. Pam prides herself on her honesty and looking out for the best interests of her clients. She has a proven



track record at getting sellers the highest and best value for their home. She is also particularly adept as a relocation specialist and at working with seniors. Pam employs all of the marketing tools at her disposal: the MLS, open houses, print ads, signage, internet, and the power behind the Berkshire Hathaway brand. Because of her experience in new homes she has closed transactions all over San Diego County, but prefers the neighborhoods of Carlsbad, Encinitas, Oceanside and along the I-15 corridor in North County. She is familiar with a variety of conventional loan programs and government ones like FHA. Pam has passion for her profession and would enjoy the opportunity to prove that to you.

Personal quote: "With over 30 years in the industry and over 1000 sales, my experience surpasses the competition. My goal is to exceed my clients' expectations."

Her office phone is **(760) 431-3331**

Her cell phone number is **(760) 805-0979**

Her email address is pamparkinsonrealtor@gmail.com

Her business address is **7030 Avenida Encinas, Suite 100
Carlsbad CA 92011**



Don Strickland is a real estate agent that is comfortable with either side of a transaction, whether it be to list your home or if you need an agent to represent you in a purchase transaction. Naturally, being a resident of the Ocean Hills Country Club, representing seniors and buyers and sellers in age-restricted communities is a particularly apt fit for him. His practice is by no means limited to these niches as he shows property throughout Carlsbad, Oceanside and Vista.

He's also amenable to showing FSBOs, providing that there is a one-party agreement in place. The bulk of Don's sales are in the range of \$300,000 to three-quarters of a million. To help move the merchandise, Don uses Open Houses, the MLS, print advertising and the internet.

Don is detail oriented making sure that Seller and Buyer agency duties are thoroughly understood and carried out promptly and confidentially. He is particularly adept at navigating clients through difficult counter offers and selling their homes in a timely manner regardless of the real estate climate. I have personally seen glowing letters of recommendation from former clients attesting to his experience, knowledge, courtesy and prompt response time.

Don and I have similar backgrounds in that prior to moving to Oceanside, we both worked primarily in Los Angeles and Orange counties. Furthermore, of all the agents at Ocean Hills Realty, it may be said that I see "eye to eye with" with him about most things—it may also have something to do with the fact that we're both about 6'4".

Personal quote: His pledge to "excellent service".

His office phone is **(760) 631-0996**

His cell phone is **(760) 505-0643**

His email address is happyhomes4u2@cox.net





Last, but by no means least, is **Barbara Whisenant** and she has the awards and certifications to prove it: She is a 5 year winner as a 5 Star Real Estate Agent (in the March issues of San Diego Magazine. Among her certifications are SRES (Senior Real Estate Specialist) GRI (Graduate Realtor Institute), CHS (Certified HAFA Specialist, SFR (Short



Sale & Foreclosure Resource). Barbara's also a graduate of the Lions Gate Certified Short Sale & Foreclosure Financial Network. As impressive as her accomplishments and accreditations are, she has managed to do all of this in just the past 10 years. She's also a realtor after my own heart in that she also publishes a monthly newsletter and has her own website www.Homes4SaleSanDiego.com

Ms. Whisenant specializes in serving the needs of buyers and sellers in Carlsbad, Oceanside, Vista, San Marcos and other North County San Diego communities via the RealtyOneGroup. Being the consummate professional, she's a member of the National Association of Realtors; the California Association of Realtors; and North San Diego County Association of Realtors. Though she works both as a listing agent and a buyer's agent she freely acknowledges that she prefers being a seller's agent.

In her career, Barbara has dealt with a variety of purchase and listing transactions involving FHAs, VAs, short sales, HomePath, My Community and CalHFAs. Her sales niche is most anything under three-quarters of a million. When it comes to marketing, Barbara uses the MLS, print advertising, the internet, networking and mailings to get her inventory "in front of eyeballs". She is a truly prodigious networker with literally hundreds of connections on facebook and LinkedIn. Barbara is not only willing to show FSBOs, but she states that she will also advertise them. As for references, she says, "Sure, many can be found on LinkedIn or her website.

She prides herself on her ethicality. In response to my question: How are you different from the competition? Her answer: "I won't do "anything" to make a sale. I always work in my client's best interest." Barbara was the only agent that listed the following metric 1: 1.05 meaning that she is able to "upsell" a property for about 5% more than the listing price.

Personal quote: "I am calming in a stressful situation, honest, friendly, helpful, and knowledgeable. Most all of my clients have become my friends."

Her cell phone number is **(760) 583-2107**

Her email address is barbarawhis@gmail.com

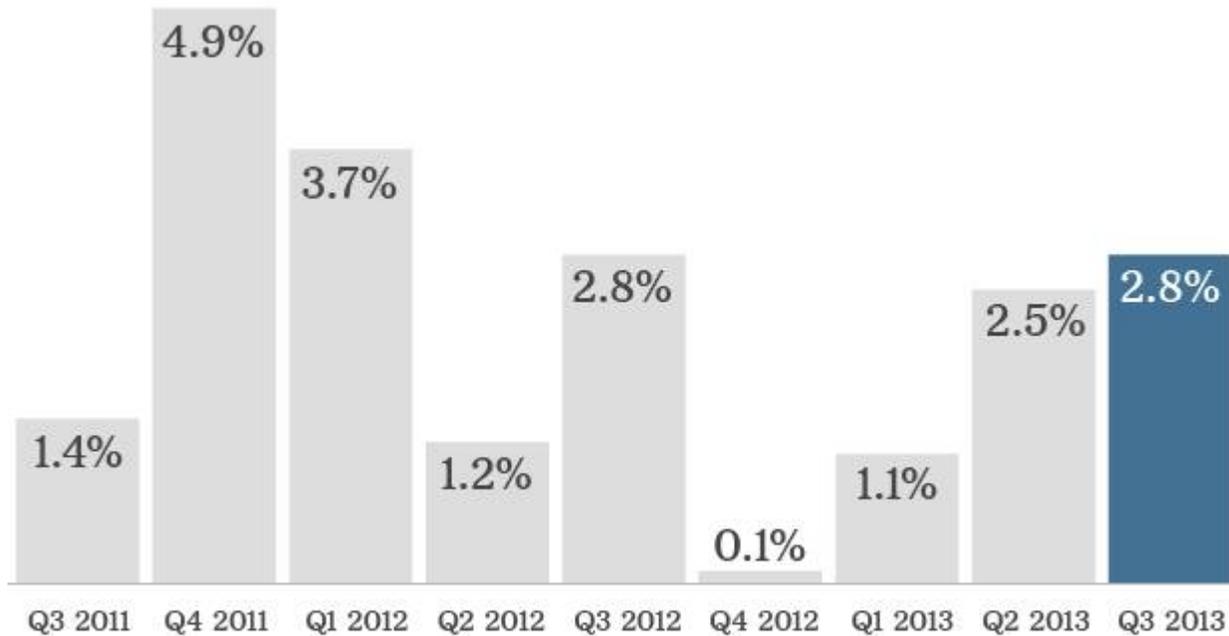
Her business address is 2701 Loker Ave West #150, Carlsbad, CA 92010

ECONOMY NOT AS STRONG AS IT APPEARS

It looks like the U.S. economy perked up slightly this summer, as businesses re-stocked their shelves, consumer spending rose slightly, and the housing recovery chugged along. Gross domestic product -- the broadest measure of economic activity—rose at a 2.8% annual rate in the third quarter, according to the Bureau of Economic Analysis. That marked the fastest growth in a year and was stronger than economists had anticipated.

But the looks of this GDP report can be deceiving. A big surprise came from businesses building up their inventories. This alone added 0.8 percentage points to GDP. When inventories build up, it can mean two very different things: Either businesses have good reason to expect demand will pick up in the future, so they stock their shelves in advance. Or, demand is weaker than they expected, and goods already ordered linger on shelves. Some think it's the latter case. Consumer spending on goods ranging from groceries to cars picked up slightly in the third quarter, but growth is slowing as we approach year's end. Another worrisome sign came as businesses cut their spending on equipment.

That said, a few bright spots came from spending on both housing and commercial real estate, as well as a smaller drag from government spending cuts. Federal budget cuts have been holding back economic growth for four consecutive quarters. But over the summer, state and local governments ramped up their spending and investments enough to compensate for federal cuts. It's unclear whether that will continue. This report does not yet reflect the government shutdown in October, which put thousands of federal workers temporarily out of a job and halted some government work for 16 days.



NOTE: GDP % QUARTERLY CHANGE, SEASONALLY ADJUSTED AT ANNUAL RATES; SOURCE: BUREAU OF ECONOMIC ANALYSIS

Fourth quarter GDP is expected to be hit by both the shutdown and a drawdown in business inventories -- two factors that could mean economic growth is below 2% at the end of the year, said Joel Prakken, senior managing director of Macroeconomic Advisers. "It would appear the trend growth of the economy is pretty anemic these days," he said. Economists generally hope for at least 3% growth each year to bring the unemployment rate down by one percentage point. At the end of September, 11.3 million people said they could not find work, and the unemployment rate stood at 7.2%



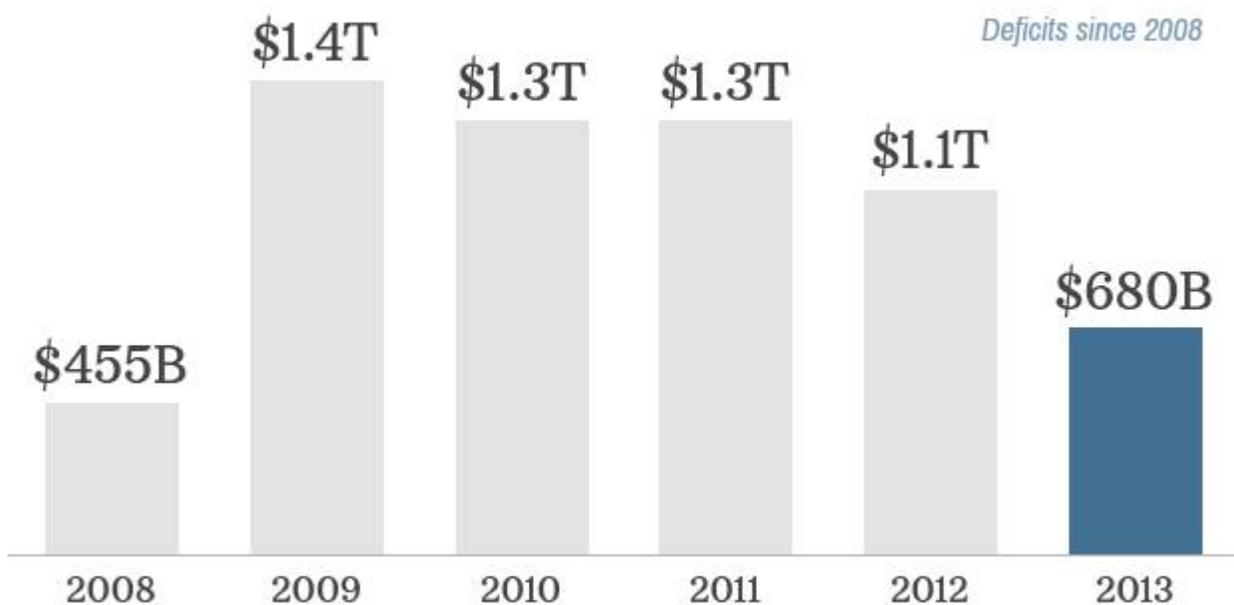
U.S. DEFICIT FALLS TO \$680 BILLION

The federal government's latest annual deficit is the smallest it's been since 2008, according to Treasury Department data released Wednesday. At \$680 billion, the fiscal 2013 deficit is 51% less than it was in 2009, when it hit a record high nominally of \$1.4 trillion.

As a percent of the economy, it's also considerably smaller than it's been in the past five years, coming in at 4.1% of gross domestic product. By contrast, the annual deficit in 2009 topped 10% of GDP. And last year it was 6.8%. Overall, Treasury said higher receipts accounted for 79% of the decline in the deficit from last year.

Several factors have contributed to the strong improvement in the nation's near-term fiscal picture. They include an improving economy and a mix of fiscal restraint -- primarily, the expiration of stimulus measures, the imposition of across-the-board budget cuts known as the sequester, and tax increases on high-income households during the 2013 fiscal year, which ended September 30.

Another boon was the fact that Fannie Mae and Freddie Mac paid back a large part of the \$187 billion federal bailout the mortgage giants received, starting in 2008, to help them weather the housing crisis. In addition, total interest payments -- \$415.6 billion -- were moderate relative to the amount of outstanding debt and GDP, but were nearly 16% higher than in 2012.



*FISCAL YEARS ENDING SEPT. 30

SOURCE: TREASURY

Overall, spending in 2013 totaled 20.8% of GDP, down from 22% the year before, thanks in part to declines in defense spending and unemployment benefits, as well as the sequester. Among the areas where annual spending rose, were Social Security and Medicare.

Money going into federal coffers reached 16.7% of GDP, up from 15.2% in 2012. Tax receipts from individuals and estate and gift taxes saw the biggest percentage jumps, and most major categories of receipts were higher too.

The report also came as a new bipartisan group of lawmakers have begun to work toward a budget deal to at least ensure funding continues for the rest of fiscal year 2014 and to resolve whether or not to replace the sequester.

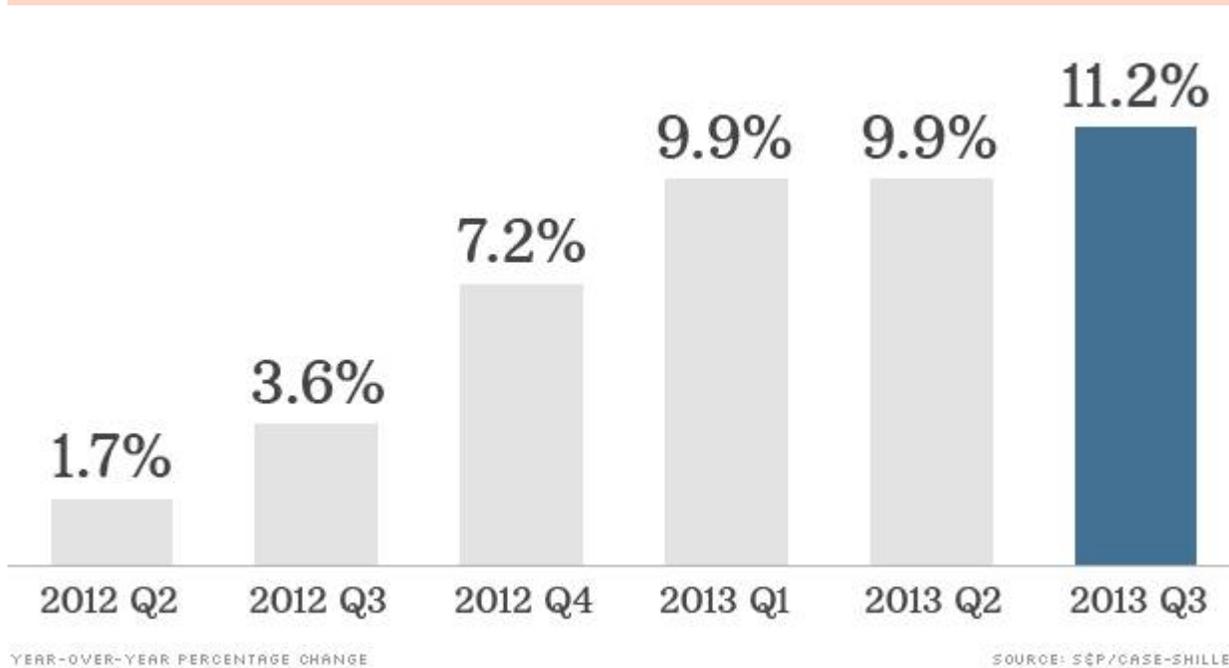
Either way, fiscal restraint is likely to continue for the next couple of years. The Congressional Budget Office estimates that the annual deficit will fall to a low of 2.1% of GDP in 2015, before starting to rise again thereafter.

Independent budget experts' concern, however, is not about the country's deficits over the next 10 years. Their concern is about the subsequent decades when spending on major entitlement programs, as well as interest on the debt, will consume much larger portions of the budget while revenue is not expected to increase enough to keep pace.

HOME PRICES RISE 11%

Home prices continued to climb in third quarter, rising 11% from a year earlier. The S&P/Case-Shiller home price index registered its first double-digit year-over-year gain since early 2006—just before the height of the housing bubble—despite a recent rise in mortgage rates.

However, the quarter-over-quarter gain slowed to 3%, compared with the second quarter, when prices jumped 7%. "The data suggest a market beginning to shift to slower growth rather than one about to accelerate," said David Blitzer, chairman of the index committee at S&P Dow Jones Indices. He cited weakening sales of existing homes along with home construction remaining far below the boom levels of six or seven years ago. On top of that, he said interest rates are expected to be higher a year from now.



But the slowing pace isn't necessarily a bad thing, considering some housing markets have been at risk of overheating. "The strong price gains in the West are sparking questions and concerns about the possibility of another bubble," Blitzer said. "However the talk is focused on fear of a bubble, not a rush to join the party and buy."

Others think there's still more room to run. This continues to be encouraging news for homeowners that have been waiting to list their homes, and a welcome sign for buyers looking for increased inventory.



In a separate report on the 26th, the Census Bureau reported that builders filed for new permits in October at an annual rate of 1.03 million, the strongest pace since early 2008. But most of the increase was due to a jump in permits for buildings with five or more housing units, while the pace of single-family permits was little changed from September. Housing starts are typically reported at the same time as building permits but the government shutdown in October delayed that part of the report.

Home prices have enjoyed a strong rebound during the past year, as improving sales and a drop in foreclosures have removed two major drags on the market. And while mortgage rates have been rising lately, they are still at historically low levels. The rebound in home prices means that fewer homeowners are underwater. Since they no longer owe more on their mortgages than their homes are worth, it's easier for them to sell their existing home and buy a new one, which in itself helps the market.

Housing is also critical to the overall economy, since an improvement in household wealth can free up money for homeowners to spend on other items. It's also helped spark a recovery in home building, which puts more construction workers back to work.

The Case-Shiller index is one of the most closely watched measures of home values. The quarterly report is different from the monthly reading, which looks at prices in the 20 largest markets. This one captures single-family home prices across the nine U.S. Census divisions.

KENNEDY REDUX

*"I can't remember if I cried when I read about his widowed bride
Something touched me deep inside the day the music died"*

--from "American Pie" song by Don McLean

YOU no doubt recall where you were when you heard the news: It was a Friday; I was a student in my 11th grade Social Studies class in Pasadena, California on November 22, 1963. I would offer that the reason that we remember (at least those of us who were more than say 10 years old) was that there was a profound change in the nation's collective psyche after the events of that day. It was as if our innocence had been stripped away. Three generations of Americans had not experienced the assassination of a sitting U.S President during their lifetimes, going back to McKinley some 62 years earlier.



I was not into politics when younger or now as an adult, (though I know some who would think otherwise). I came from a lower class family that did not subscribe to a daily newspaper and was raised by single parent who was similarly apolitical. In fact, I was so politically unaware that I asked an incredulous 10th grade classmate, "to what was the press referring when they wrote about the Left and the Right" in politics.

Yet, when I was in junior high or high school, I would come home from school most afternoons to watch "Who Do You Trust?" with Johnny Carson. And every now and again, after his show ended, there would be a presidential press conference which aired about 3:30 or 4 PM on ABC. The President was the epitome of a role model because of his intelligence, and aplomb. Not only was he smart and charming, but he exuded a grace and wit that I had never before seen in the gray-world of politics. To me, the Q & A at the end with the press corps was often the best part because he delivered his political ripostes with a knowing smile and a twinkle in his eye. It was during his presidency that I believe most of us became aware of the word "charisma". He had it and he had it in spades.



Fifty years after John F. Kennedy's assassination, he remains an object of almost universal admiration. And yet, particularly this year, his legacy has aroused the ire of debunkers who complain that Kennedy is unworthy of all this adulation. Such criticism not only gives short shrift to Kennedy's real achievements as a domestic and foreign policy leader, but it also fails to appreciate the presidency's central role: to inspire and encourage the country to move forward, a role that Kennedy performed better than any president in modern memory.

But Kennedy's greatest success was the very thing that critics often cast as a shortcoming: his charisma, his feel for the importance of inspirational leadership and his willingness to use it to great ends. Kennedy saw the presidency as the vital center of government, and a president's primary goal as galvanizing commitments to constructive change. He aimed to move the country and the world toward a more peaceful future, not just through legislation but through inspiration.

Kennedy's presidential ambitions rested on his understanding of what Washington, Jefferson, Lincoln and F.D.R. had done. Like them, he relied on the spoken word, but he had the advantage of television in reaching millions of people around the globe. And like those predecessors, he saw the need for actions that gave meaning to his rhetoric.

It was through his oratory he imbued a nation with idealism and patriotism. During his thousand day presidency he galvanized a generation of Americans with the notion of public service, that we could make a difference in our world, in our time. In his inaugural address he promised to create the Peace Corps when he so famously admonished:



"And so, my fellow Americans: ask not what your country can do for you—ask what you can do for your country".

Similarly he inspired, people in other countries like when he delivered his speech in West Berlin in 1963 in which he underlined the support of the United States for West Germany 22 months after Soviet- supported East Germany erected the Berlin Wall to prevent mass emigration to the West

"Ich bin ein Berliner" ("I am a Berliner")

He persuaded the American people to support the effort of NASA to undertake putting a man on the moon:

"We choose to go to the moon in this decade and do the other things, not because they are easy, but because they are hard, because that goal will serve to organize and measure the best of our energies and skills, because that challenge is one that we are willing to accept, one we are unwilling to postpone, and one which we intend to win, and the others, too."

The Kennedy years were suffused with a sense of almost boundless optimism that we could make this nation, this world a better place for all peoples. With his assassination something in the national psyche was gravely wounded. In Vietnam, we lost our idealism. With the subsequent deaths of other American leaders, like Martin Luther King and Robert Kennedy, we lost our hope. Our faith in institutions seemed to founder during the 70's with the Watergate scandal and subsequent presidential resignation. By the 80's it had been devolved into cynicism and been supplanted by the mantra that "greed is good", "I got mine", and "look out for number one". We had lost not just our innocence, but our idealism and optimism, as well.

Perhaps, John F. Kennedy's contribution to our generation, and the world at large, was exuberant oratory. His rhetoric infused the electronic generation with ideas and ideals like patriotism, optimism, and hope. No other president before or since has generated the inspiration and motivation he conveyed to a generation that we could make not just the nation, but the world a better place.



RATE SUMMARY

As the stock market hit new highs, mortgage rates worsened this month.

- *Conforming programs—a 1/4th higher ↑
- *Jumbos— up a quarter ↑
- *Governments— worse by 1/4 ↑



FOR CURRENT INTEREST RATES FOR THE 16 MOST POPULAR PROGRAMS GO TO: www.mortgagestraighttalk.com Then, click on the menu tab labeled "RATES". The rate sheets are updated every Friday.

MORTY'S MAILBAG

Editor's note: Because there were no letters in the mailbag this month, I am going to answer a question that I frequently get about things that borrowers often conflate.

Q. Please clarify the difference between funding, disbursement and recording and their time frames.

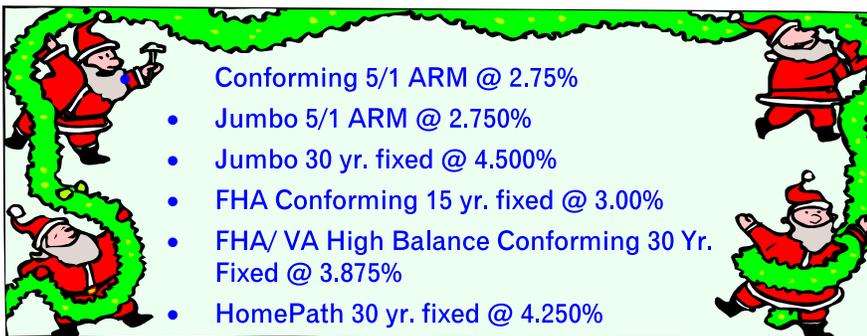
A. First off, the order is funding, recording and lastly disbursement. Funding means the requisite money for the purchase or refinance has been received by the title company from the lender. When the loan funding clears, the title company records it.

Recording is the act of putting a real estate document into the official records at the County Recorders or Recorder of Deeds Office. The purpose of recording a document is to provide a traceable chain of title to the property. (Chain of title is evidence that a piece of property has validly passed down through the years from one owner to the next). Thus, recording property interest in the public records effectually gives notice of ownership to the general public. Recording usually takes place the day after the loan funds, though in some instances we still have same day recording.

After the loan has recorded, escrow is free to disburse funds. Disbursement is the payment of funds from the escrow account to various parties in the transaction, e.g., real estate agents, mortgage brokers, creditors (in the event that a debt consolidation loan is being made) and borrowers (in the event that it was a cash-out loan). Disbursements are made only after the loan has recorded, typically one day later.

Recipients of the newsletter are invited to Ask Morty any real estate or financing questions. The answer to the question will be answered either by phone or email and posted in the next issue for the benefit of all. Questions may be forwarded via mail phone or fax. Due to the high incidence of spam, if you email me a question it needs to be identified as a "real estate question" on the subject line of the email. (See front of issue for phone and fax numbers). Morty's email address is morty@mortgagestraightTalk.com

BEST BETS THIS MONTH



- Conforming 5/1 ARM @ 2.75%
- Jumbo 5/1 ARM @ 2.750%
- Jumbo 30 yr. fixed @ 4.500%
- FHA Conforming 15 yr. fixed @ 3.00%
- FHA/ VA High Balance Conforming 30 Yr. Fixed @ 3.875%
- HomePath 30 yr. fixed @ 4.250%

MORTGAGE MIRTH

A diplomat is someone who can tell you to go to hell in such a way that you will look forward to the trip.

