



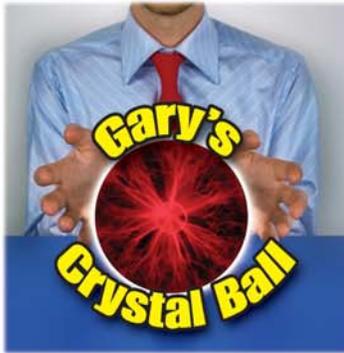
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Inside: "Marsha, Marsha, Marsha...
No More Brady Bunch!"



Mortgage Monkey NEWS

FALL 2004



One thing that amazes me is how quickly we become accustomed to lower rates. Less than 18 months ago people were dancing in the streets for 6% fixed rates. After hitting historic lows, people started whining about 6% when rates started moving back up.

The last quarter has been a wild ride with mortgage rates. The Bond Market is what drives mortgage interest rates and doubt about the future economy is the number one factor driving rates right now. Despite increases in short term rates by the Federal Reserve, rates have actually moved lower over the Summer. With the speed of the economic recovery in question, rates should remain low through the end of 2004.

The bottom line is rates are still fantastic and if you have considered refinancing or purchasing - IT IS NOT TOO LATE! Give me a call to find out more. **503.243.2674.**

ASK THE
EXPERT

? Q: Gary, I just got a raise - should I pay extra on my mortgage?

Cash flow is a topic I discuss with my clients on a daily basis. The quick answer to this is: mortgage debt is good debt. On a typical \$150,000 loan at 6% by the time you factor in your combined State and Federal tax savings your effective loan rate is closer to 4%!

There are three key areas to consider before paying extra on your mortgage. First, eliminate all consumer debt. Most credit cards and unsecured debt carries rates of 10%, 12%, even 20% and are not tax deductible. Second, create an emergency fund and fund your retirement accounts. One way to avoid credit card debt is having emergency funds to help get through challenging times and you will need cash at retirement so look at maximizing your 401k and IRA contributions. Third, maintain your home and protect your investment. It doesn't benefit you to pay an extra \$100/month on your mortgage while the gutters are falling off your home.

Strategic debt management is an important part of your financial success. Give me a call or email me to review your unique situation and learn how you can improve your long-term debt management.



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THE WORD FROM GARY

We surprised a lot of our friends by moving from a 1911 Craftsman style home into a 1977 Contemporary. I will always have a great fondness for



older homes, but I think it's very exciting to work on renovating a home from another era. The 1970's were definitely a unique time in American architecture! We have a lot of work ahead of us to bring this home into the new millennium.

When My Partner Mike and I found this house it had been on the market for nearly a year. One definite reason was the landscaping - it was scary! The central theme was blackberries...everywhere. When we started clearing them away we found terraces we had no idea existed and enough brush and debris to fill a 40-yard dumpster!



Now with the outside under control, wounds healed and the paint color fight settled, we're ready to move indoors. Hello Urban Contemporary - good-bye Brady Bunch.

We're attacking the kitchen first, bracing ourselves for microwave dinners and washing dishes in the tub, but we know it will be worth it. By the way if you have any restaurant suggestions in SW Portland, I'd love to hear from you.



HOUSING STATUS 2004

Never before has the real estate market been so strong. And never before has there been so much anxiety over when will the market slow down and whether this market will be followed by the "bursting" of the bubble. The real estate industry continued to shine last year, ignoring all obstacles and single-handedly keeping the economy afloat.

Where are we heading from here? Housing construction over the next 10 years is likely to exceed that over the last 10. The Census Bureau's population estimates imply that household growth from 2005-15 will be as much as 1.1-2.0 million more than previously projected. Add to that the growing demand for second homes and replacement of units lost from stock, and the total number of homes built in 2005-15 could reach 18.5-19.5 million units. This compares with 16.4 million homes added in the 1990's.

Immigration accounted for more than a third of household growth since the 1990's. This growth will offset losses of white households aged 35 to 54 as the baby boom generation effect dissipates.

