



Gary Boyer
Guarantee Mortgage Corp.
111 SW 5th Avenue, Suite 2625
Portland, OR 97204

Inside:

"Goodbye Alan, Hello Big Ben!"



Mortgage Monkey NEWS

SPRING 2006



ASK THE EXPERT




Gary, their offer seems too good to be true. What's the bottom line?

I have helped many clients who thought they would get the best deal by working through one of those heavily advertised lenders on TV or the Internet. Most of the time they have simply been misled. To be fair, there are many good companies in my industry who operate with honesty and integrity; unfortunately as a consumer it can be very difficult to find the truth.

Over the years I have seen it all:

- Loan documents have never arrived.
- Fees were thousands higher than quoted.
- Suddenly there is a prepayment penalty.
- Surprise: The fixed rate is now adjustable.
- And the most common of all ... the rate jumped a percent!

Recently I was competing against an Internet based lender I will call "Financing Bush." Their extensive marketing tells borrowers that one call will get them up to four offers. When I looked over this quote, it took ME as a mortgage professional a few minutes to figure it out so I decided it was time to show my clients how they misled.



Financing Bush, LLC

This quote is subject to change based on financial market conditions.

Accurate Quote Proposal

With "Financing Bush's" Accurate Quote Proposal the Fees & Service are Guaranteed. You don't ever have to worry about your fees changing during your transaction. With many lenders and brokers, the fees that you are quoted upfront on a Good Faith Estimate are not what you will see at closing ... in fact by that time you have no choice but to pay the higher fees. "Financing Bush" is different: we give you peace of mind with our Accurate Quote Proposal which guarantees the costs will not change.

Applicant: Mortgage Monkey	Prepay penalty: None
Loan Program: 30-year Fixed	Loan Amount: \$200,000
Guaranteed Interest Rate: 5.875%	Payment: \$1183.08.17 principal & int

Financing Bush's Closing Costs	Application to Closing 24-30 days!
Points (to buy down your rate)	1.5
Credit Report Fee	Included
Processing	Included
Underwriting	Included
Tax Service	Included
Document Preparation	Included
Administration	Included
Flood Certification	Included
Reconveyance	Included
Appraisal	Included
Credit	Included
Total Accurate Quote	\$2900
	Guaranteed Closing Cost \$5900

Third party regional costs.

Escrow/Title/Attorney	\$TBD
Notary	\$TBD
Title Insurance	\$TBD

Prepaid Items - Your Monies (Includes reserves for taxes and insurance impound account, if applicable). Prepaid items are not lender fees, but are items that are required to be paid at the time of closing of your transaction.

30 days interest	\$TBD
Homeowner's Insurance	\$TBD
Property Taxes	\$TBD

Opening paragraph is designed to put you at ease and immediately make you suspicious of other lenders and brokers. (Someone spent some time on this!)

Wow, this looks great, only \$2,900 in closing costs for a \$200,000 loan because everything is "included" with no list of fees, so it looks deceptively simple and straightforward. Wait a minute. The "Accurate Quote" shows \$2,900 in costs, yet the Guaranteed Closing Cost shows \$5,900. Why the difference of \$3,000?

This one stumped me for a minute, then I saw the line item for Points at 1.5. A point is equal to 1% of the loan amount. So, this loan for \$200,000 with 1.5 Points equals \$3,000. Most consumers would never know that, and they count on that fact.

Guess what? You're going to see these "regional" costs when you are signing your loan documents ... and they can add up to easily more than \$1,000!

Again, "TBD" makes everything look nice and neat. Homeowner's Insurance is REQUIRED by every lender, and I don't know of a State where Property Taxes are not collected.

Fast forward to closing and your costs are now way over \$6000. Unfortunately too many borrowers simply sign everything because they need the loan done. Call me for a real "Accurate Quote."



THE WORD FROM GARY

I hope your 2006 is off to a great start. I'm sure most of us were beginning to wonder when the Arc was coming, but with the sun peeking out it looks like spring is on the way. As a born and raised Oregonian, one of my favorite days of the year is that first day of sun after a long gray streak. Of course I end up out in the street chatting with all the neighbors while I'm supposed to be doing yard work!

Another sign of spring is seeing all of the bulbs starting to come up. This should be an exciting year as all of the plants we put in last spring should really start to take off this year. Of course the downside to that is thinking about trying to keep up with weeding - everyone's favorite thing to do.

Over the winter a lot has been happening indoors at our place. When we started working on remodeling we decided the best plan was to do it in stages. With the main floor finished we felt a huge sigh of relief ... we finally had a kitchen and a living room so we could have friends and family over again.

We are currently in the middle of updating the bedrooms and bathrooms. So, we feel like we are living in a time machine: one part of our home looks like the new millennium, then take a few steps and enter the disco era! The good news is we are very confident that we will actually be able to live in our entire house soon. We have the best motivation possible - Mike's family is coming for a visit.

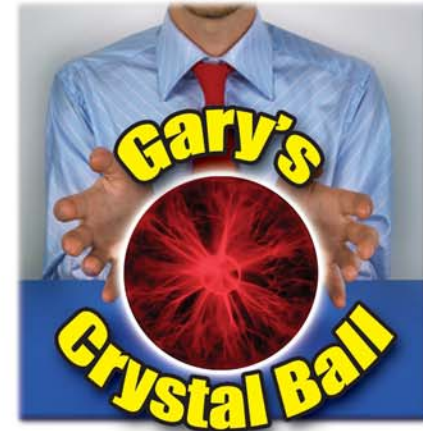


My favorite part of spring is being able to go camping again. Mike actually looks forward to it now. When we first met his idea of camping was a motel with a number in the name in it. We had to compromise on a few things, but now it is one of our favorite ways to spend time together. The dogs get so excited when they see us packing to go because they know it will be 24/7 Daddy time and lots of walks. We love the coast, but every year we try to explore new places. I'm excited about spending a weekend at Trillium Lake on Mt. Hood and going boating with good friends at Cove Palisades over Memorial Day.

There is some big news in the financial markets with the retirement of Alan Greenspan. Checkout my Crystal Ball to learn more about the affects it will have on mortgage rates. In addition, I decided it was time to take on some of the misinformation out there in the Ask The Expert Section. Finally, I'm looking for a good Gay/Lesbian friendly CPA or Tax Preparer. Clients call me every year in search of one and I would love to get your input. If you know of anyone good, please let me know.

The spring can also be a great time to start working on fulfilling that New Years Resolution to become a homeowner or improve your finances. If there is ever anything I can do for you, your friends or family, please let me know - that's what I'm here for.

Gary Boyer



2006 is off to a great start with long-term rates still under 6%! Two big factors are driving the markets right now: inflation and the retirement of Alan Greenspan.

For nearly two decades, Greenspan's influence has had a major effect on your life through his direction of monetary policy which drives mortgage rates. During that time his number one goal has been to keep inflation contained which has helped rates remain low. With Greenspan now retired the markets are concerned that inflation could heat back up.

His successor, Ben Bernanke, is the new chairman of the Federal Reserve. Despite being appointed by President Bush, by all accounts he is extremely well qualified for his new job. I believe Bernanke will nudge rates up one last time on March 28th to show that he is just as much of an inflation-fighter as his predecessor, Alan Greenspan.

I'm sure all of this can seem a bit dry, but that's why you have me! I actually enjoy keeping up on all of this so that I can offer you the best possible advice when you are buying or refinancing your home.

