

**Dear all,**

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Regards,  
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### **A mortgage company should be willing to throw you the lifeline**

No one ever expects something bad to happen to them – the unexpected will strike as and when it is time, therefore, we should always be ready to deal with it. When you realize that you're in financial trouble and need your mortgage company to help you through the difficult times, the mortgage company should be willing to sit down with you in an effort to find a plausible solution to your crisis. This is how important a mortgage company is to you – the willingness to explain and assist you in finding the answers when you need it.

Change is a guarantee in life, therefore, you'll need to find a mortgage company that will and can provide you with help and assistance in times of trouble. It's important for a mortgage company to extend their aid in finding resolutions to resolve its clients' financial problems. If you're facing financial problems, don't be ashamed to approach your mortgage company for help. The important thing to remember is that if given a choice, the mortgage company prefers continuous repayment as opposed to foreclosure. Hence, the mortgage company should be happy to help you resolve your current financial crises. The mortgage company could help you by refinancing your mortgage or giving you an equity loan or extended line of credit to ensure that you can continue to repay your mortgage.

The worst thing you can do to your financial situation is to think that you can hold off the creditors for a few months and refuse to

face the music. The mortgage company can help you readjust your mortgage repayment with a new scheme so that you can afford to repay the mortgage. Although with a new repayment scheme, you may have to pay more on late charges but it is certainly better than losing your home.

If you speak to your mortgage company, they might be able to grant you temporary forbearance as well. Temporary forbearance is a period of time where the mortgage company stops chasing you for the mortgage repayment. When the period of time comes to an end, you will have to pay for the previous months of repayment that you've missed. Temporary forbearance from the mortgage company is best for times when you know that you'll have a stash of cash a couple of months down the road.

If your credit record has been good so far, your mortgage company may even consider giving you're a home equity loan which will help you bring the mortgage account with the company current and also provide you with some extra cash to deal with your financial crisis.

All in all, it's important to remember the role that a mortgage company plays is extremely important. They should be willing to find ways to help you get through the tough financial moments by adjusting their mortgage facilities to you. Remember; communicate with your mortgage company if you ever need help with your mortgage loan.

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## **The workings of an Adjustable Rate Mortgage**

Surprisingly, not a lot of people know the difference between a mortgage with fixed rate and a mortgage with an adjustable rate. The latter is often referred to as ARM standing for Adjustable Rate Mortgage. Sometimes the Adjustable Rate Mortgage is also called the Floating Rate Mortgage. The ARM type of mortgage is one with a variable interest rate whereby the mortgage loan's interest rate is based on the current index which varies. The reason for the adjustable interest rate is because this gives the lender the stability in their margin. You see, the lender's source of funds would normally be dependant on the index. Hence, when they disburse the loan to you, the borrower with an adjustable rate, they have the assurance of knowing that no matter what the index is, they'll earn a margin from the mortgage loan they have given to you.

The Adjustable Rate Mortgage is not to be confused with the Graduated Payment Mortgage whereby the payment amount varies

(usually rises towards the end) but the interest rate remains the same. For the Adjustable Rate Mortgage, the interest rate varies while the primary payment amount remains stable. In some countries, Adjustable Rate Mortgages are so common that the banks and lenders simply call it mortgage.

In essence, you can say that the lender, with Adjustable Rate Mortgage, is transferring the interest rate risk to the borrower and by signing a mortgage with adjustable rate, the borrower has agreed to take the risk. Adjustable Rate Mortgages are not always less expensive than the fixed-rate mortgages. It depends, typically, on the length of the mortgage term. With fixed-rate mortgages, you can clearly see that the longer the term of the mortgage, the more expensive the mortgage is; and the shorter the term of the mortgage, the less expensive it is. But with Adjustable Rate Mortgage, it's hard to tell because it almost always starts off low and gives no clue on what the cost of mortgage in the future. If the index rises, the cost of borrowing is higher for the mortgage borrower and if the index dips, the cost of borrowing becomes lower for the borrower as well.

However, some studies have shown that although the risk is there, overpaying over Adjustable Rate Mortgage is extremely rare and on the whole, the majority of borrowers with Adjustable Rate Mortgages tend to pay less and save more money in the long run. As with anything else without a guarantee, the risk is there but overall, many people have demonstrated that, without an economical crisis, people with Adjustable Rate Mortgage tends to save money.

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### **Competitive mortgage rates in Florida make it a great playground for real estate investors**

The mortgage rates in Florida have always been rather competitive although the mortgage interest rates are stable. Many US residents consider Florida an ideal place to move to or retire to, hence, the number of home purchase is high throughout the whole year. People who purchase homes in Florida vary vastly in age, ethnic origin and profession. And because of the high number of home purchases, the mortgage rates in Florida remain competitive. If you want to get a mortgage in Florida, we strongly urge you to do a little 'window-shopping' before deciding on one single Florida mortgage package. Ask around as many mortgage brokers, financial institutions and banks that provide mortgage facilities in Florida before deciding on one.

And here's a tip; try opening up a spreadsheet and jotting down the information that they provide you into it. As you go along, keep adding information from other Florida mortgage providers into the spreadsheet. And then, when you think you're done with your mortgage window-shopping, sit down and evaluate the information. Remember to rate them too...like if you really like the Florida mortgage package, rate it 5 and if you moderately like it, rate the mortgage package a 2.5. at the end of the process, you'll have a clearer picture of which Florida mortgage lender can meet with all your needs.

### **Florida Mortgage Rate for May 11<sup>th</sup> 2007**

Type of Florida Mortgage	Rate	APR
30 Year Fixed	6.250%	6.285
20 Year Fixed	6.125%	6.171%
15 Year Fixed	6.000%	6.057%
1-Year ARM	5.750%	6.057%
2-Year ARM	6.000%	6.034%
3-Year ARM	6.125%	6.160%
30 Year JUMBO	6.500%	6.526%
VA 30 YR Fixed	6.625%	6.879%
Construction To Permanent	6.875%	6.989%
Home Equity Fixed Loan	7.75%	7.978%
30 Year Fixed Interest Only (1st 10Yrs)	6.500%	6.547%

The Florida mortgage rates displayed above are quite general and in order to get a proper and more accurate mortgage rate quote, it would be best for you to contact a Florida mortgage lender or a Florida mortgage broker directly. All in all, Florida is an all-year playground for real estate investors because it's hard to go wrong purchasing a property in Florida. So, if you're interested in getting a mortgage done up in Florida, you're making the right move.

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### **The California mortgage loans market slows down**

In California, many people quit their jobs in favor of a lucrative career in the real estate business. The mortgage loan market in California has always been strong and competitive with low mortgage interest rates and financial institutions busy closing one

California mortgage loan after another. However, in recent months, California folks might have gotten a little weary of how slow the foreclosed homes are going off. During high times, foreclosed homes are offered during auctions when mortgage loans are defaulted and most of the time, foreclosed Californian homes can be sold off to a new buyer in no time at all.

Hence, there are people like the owner of [www.foreclosureradar.com](http://www.foreclosureradar.com) that offers up-to-date information on California mortgage loan defaulters and when the homes will be coming up in an auction. The website provides same-day tracking for homes in California. Sometimes, approximately 1,500 homes of people who have defaulted in their California mortgage loans are taken off the hands of the banks.

In recent months, there is a big increase in numbers of foreclosed homes in California. If there was anything to blame for the dim California mortgage loan situation, we can point the finger at the mortgage market that is facing a dramatic slowdown. Because of low teaser rates for these California mortgage loans, many home owners end up defaulting in their mortgage loans and defaulting their agreements. In September last year, the number of homes being sold in auctions in California was 1,454; now, in April 2007, the number has risen to 5,492!

If the current situation is allowed to continue, we will soon see a lot of home owners in California filing for bankruptcy. You see, when a borrower who have defaulted in his or her California mortgage loan, they can stave off foreclosure sale by filing for bankruptcy. Many Californian banks have also decided to withdraw or cancel the auction due to renegotiations with borrower. Sometimes it makes more sense to take a step back so that both parties to the California mortgage loan agreement will gain. If the mortgage loan was signed some time back, the home would have an appreciated value; therefore, the borrower under the mortgage loan has equity. It wouldn't make sense to give up everything...especially when the California mortgage loan borrower paid a deposit for the mortgage loan earlier.

What used to be such a lucrative industry in California earlier has taken a dip but many real estate people are trying to wait out the fall. We believe that not too far off in the future, the mortgage loan market in California will be in full swing again.