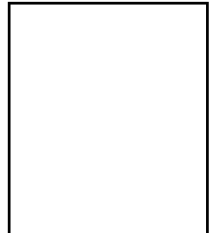


An Informational Newsletter produced and designed solely by
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Market and Economic News

Mr. Bernanke continues to go where Greenspan left.....

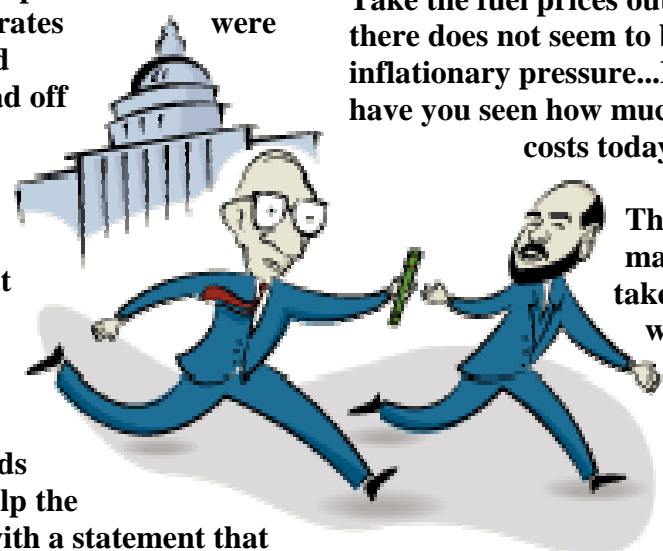
Ben Bernanke, who took over the reigns from Alan Greenspan, seems to be continuing where his predecessor left off. Short term interest rates were once again increased another .25% to head off the possibility of increased inflation. This has now put the Prime Rate at 8.25% when not that long ago we were looking at 4% for Prime.

Mr Bernanke (friends call him Ben) did help the markets last week with a statement that inflation looks to be less of a threat, implying that the FED may be taking a breather on rate increases. We will see in several weeks.

So the question again...How have all these increases effected mortgage rates? They have definitely shown somewhat in the long term rates (i.e. 30 and 15 year fixed), but nowhere near the increase of the short term rates. A look at a survey done two years ago, the long term rates were only .500% lower at that time. The spread on the Intermediates (10/1, 7/1, 5/1 and 3/1) is much greater at 1% + greater

now than then. In perspective, the Prime rate was 4.00% then, while it is 8.25% now!! Long term rates do not have much reason to move as long as inflation seems to be under control.

Economic figures continue to show an economy not going gang busters with the main influence on inflation being oil/gas. Take the fuel prices out of the picture and there does not seem to be a lot of inflationary pressure...I know...I know have you seen how much a piece of wood costs today??!



The Real Estate markets seem to have taken a bit of a turn with buyers having the upper hand right now. Not uncommon for sellers to be paying some, if not all, closing

costs. Properties are sitting for some time and a bunch is added to the list each week. Lenders for now are still flexible with qualifying and the popular terms and programs today continue to be: Interest only and 100% finance. The Pay Option ARM is also popular allowing borrowers to have options each month with keeping their minimum payments very low.

If there is a trend for rates, it would be up, but right now they are running fairly flat, up one week and down the other. Take advantage while you can.....

COMMENTARY

Does the “shopping” game really get you the “best” deal??

It seems that the mortgage market has more and more players today...I often hear, “well I went to whateverlender.com and they told me they could...yada, yada” or “My friend knows a guy who has a cousin who knows somebody that has a friend ...that says they can get me a good deal”.

I hate to say it, but believe it or not there are people in the mortgage business that may say whatever it takes to get the business, even if it is not necessarily true. Yes I said it. There may possibly be people in this business who are not necessarily 100% honest!!

As most mortgage brokers have access to the same lenders (FYI—First Security Loan is one of the largest mortgage brokers and has access to many lenders that smaller brokers may not have access to) the rate spread should not be too great. I feel you are better off deciding who you feel comfortable with; will be looking out for your best interest; and will be honest with you to the point of talking you out of doing a loan if does not make sense.

The internet has its place, but do you really want some guy in a cubicle in New York handling your personal mortgage scenario? I have heard too many horror stories of these transactions...

Establish a relationship with a mortgage broker who will be on your side and fight for your deal. As many of you have done business with me you know I will do back flips to make your deal work the best it can.

“Subprime lenders” Can make deals work

For one reason or another, many loans do not fit into the standard “cookie cutter” guidelines most lenders have. Whether it is due to previous credit problems or current credit problems.

Whether it has to do with a property that does not fit into the norm (i.e. “A” frame in an area that has no other “A” frames) or income that is hard to document. There are lenders for just about

Many 100% Financing Options Available

**These can be done with low credit scores; stated income; with Interest Only options and for investment and second homes.
Creates opportunities for many Home Buyers**

Stacey’s Corner

Spbtufe!Wfhjhf!Mbtbhob!

3 tbls	Olive oil
1	Eggplant (peeled & sliced lengthwise)
4	Zucchini (sliced lengthwise)
4	Portobello mushrooms (sliced into ½” strips)
--	Salt & Pepper
1	Jar prepared pasta sauce
1	Container (15oz) low-fat ricotta cheese
1	Egg
1 cup	Parmesan cheese (grated)

* Brush veggies with olive oil and season with salt & pepper. Grill till tender.

(Alternately, bake in 425° oven on sheet pans till tender- about 20 minutes).

* In a baking dish, layer pasta sauce and veggies, beginning and ending with pasta sauce.

* In a small bowl, mix ricotta, egg & parmesan.

* Spread cheese mixture on top of lasagna.

* Cover with foil and bake at 350° for 45 minutes.

This is a great “leftover” dish. I grill lots of veggies as a side dish one evening- making extra- so that the following evening, I can quickly assemble this dish for a quick & easy “leftover” dinner.

Stacey Bruno is my Loan Processor (An extremely important part of getting your loan done right and in a timely manner!!) She takes a lot of care in making sure your loan is handled correctly from start to finish. In her free time, she enjoys being creative in the Kitchen.

any situation. We generally refer to the lenders who will do non-conforming type loans as “B/C Lenders” or “Subprime”. These lenders do loans that do not fit into the standard guidelines. Of course, the borrower for the most part pays a price for this.

A standard, what we call an “A” loan has certain guidelines that the lenders will look at. They generally want to see that credit has been good for the previous two years, and credit scores are minimally 620. They want job stability. They want to see a certain amount of money in the bank. They want to see certain

debt ratios. This means that the borrowers’ monthly expenses should not exceed 38-45% of their Gross monthly income. There are exceptions to this, but this is the

guideline most lenders go by. The standard lenders also want the property to be conforming to the area. A dome in the middle of a subdivision, may be a problem.

A "Subprime Lender" looks at deals with a little more common

sense. Rather than decline a loan because of credit, a "Subprime Lender" may raise the interest rate. They can work with Bankruptcy, judgments, collections, Notice of Default, late payments etc.. These lenders can also look at debt ratios of as high as 60%+. They are also willing to work with properties that do not fit into the area.

The "B/C" loan can make deals work that may not have worked otherwise. It allows a borrower who may be down and out an opportunity to get a new start. Borrowers do not have to wait until they are "A" once again to purchase a home. The "B/C" option allows them to do something now.

If you have a loan that has been declined or does not fit into the "A" guidelines, please give me a call. I would be happy to see what options may be available.

Who should look at Real Estate Finance today?

Despite all of the Fed increases, Mortgage rates are still very attractive. Many people have handled their refinances for a lower rate, but there are

<i>Interest Rate Indexes as of July 18, 2006</i>	
11th District Cost of Funds	3.884
Prime(current)	8.250
12 Month MTA	4.432
1 Month LIBOR	5.359
10 Year Treasury(current)	5.030

still some opportunities. Here are a few:

- Anyone Buying a Home—O.K., this is kind of a "duhhh" answer, but had to be said. Low initial rates, interest only, and 100% financing have been popular options for home

buyers and still exist for now...

- Homeowners with Intermediate loans or adjustables and planning to stay in the property for a long time, may want to look at extending their loan with a new Intermediate loan or a straight fixed rate loan.
- Borrowers with a large Line of Credit may want to look at consolidating, as mentioned before the index on these

has gone up 4%+ over the last two years.

- If you have a lot of consumer debt, it is a good time to still take advantage of today's rates for consolidating.
- If you have a loan that has or had a prepayment penalty, may be time to look at the other options.
- If you were a "Sub-Prime" borrower a couple years ago, but have bettered your credit, could be time to see if you can get into an "A" loan.

- If your credit is "poor" and you do not think you can qualify for a loan, may be worth looking into. There are a lot of lenders who will work with credit issues.

Check out my Website at

WWW.JUPE.COM

Info on mortgages and some other things I do and get involved with..

Please check it out

Conforming Loan Sizes	
• 1-family loans:	\$ 417,000
• 2-family loans:	\$ 533,850
• 3-family loans:	\$ 645,300
• 4-family loans:	\$ 801,650

Call if you think you may be able to take advantage of today's market....

My Business is based on referrals and I always appreciate your recommendations.

If you know anyone looking to: Purchase a home; Refinance for lower rates, Consolidate debt, Better cash flow, Make home improvements, Fund college, Purchase an Investment Etc...

***Please have them give me a call or send me an e-mail
(If you received this via e-mail, please forward to friends and family)***

Current Sampling of Rates and Loan Programs

A sampling of Fixed Rate Loan Programs

Program	Rate	Max Loan	APR
30 Yr	6.375	\$417,000	6.487
15 yr	6.125	\$417,000	6.266
7/1	6.125	\$417,000	6.287
5/1	6.000	\$417,000	6.139
30 yr	6.500	\$500,000+	6.665
15 yr	6.125	\$500,000+	6.269
10/1	6.375	\$500,000+	6.455
7/1	6.250	\$500,000+	6.388
5/1	5.750	\$500,000+	5.899
3/1	5.500	\$500,000+	5.638

All rates quoted above are at 1 point. Loans are available with higher/lower points. Rates effective July 18 2006. Please Call.

Adjustable and Other Programs:

- ◆ **NO Document Loans**
- (no job/income/asset)
- ◆ **Interest Only Loans**
- ◆ **Purchases/refinances up to 100%+!!**
- ◆ **Adjustables starting as low as 1%**
- ◆ **Rental property loans with low down**
- ◆ **B-C, "Hard Money" loans available (Tough properties, Poor credit, etc.)**
- ◆ **Lines of credit with No Lender Fees**
- ◆ **Many other programs available.....**
- ◆ **Call for your specific needs!**

Many options are available. First Security Loan represents various lenders and loan programs. The above is just a sampling of what is available. Please give me a call for your specific case. We can do loans with higher points for a lower interest rate, or loans with a higher rate and lower costs. We can do Excellent credit to Poor credit. We can do loans on your primary residence or your rental. We can do loans on houses, condos, apartments, commercial buildings, etc. Rates do change daily, call for current rates.

Return Service Requested

Presorted Standard
U.S. Postage
PAID
Novato, CA
Permit No 261



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