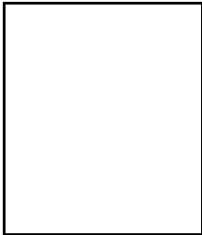


An Informational Newsletter produced and designed solely by
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Market and Economic News

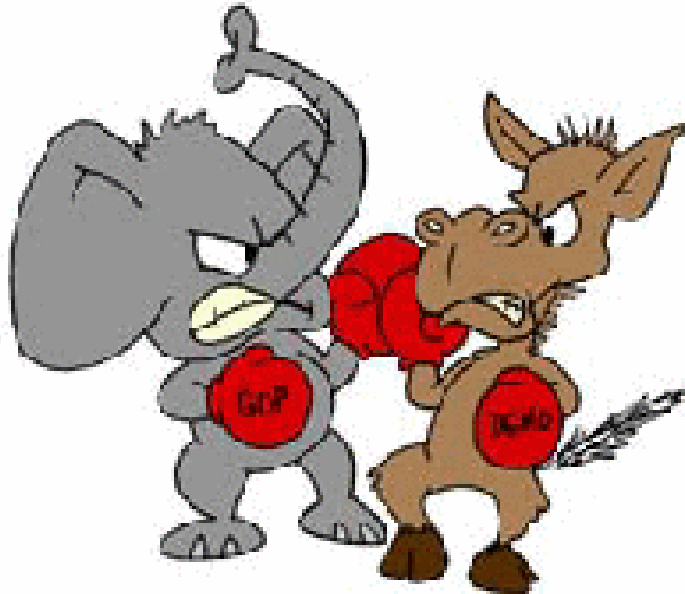
Elections over.... Now what?

Well for the last year, we have been heading towards that magical date of November 7th. I do not know about you, but I had personal messages from Bill Clinton, Arnold Schwarzenegger and George W.....I'm sorry I was not at home at the time to speak with them personally!! So now the elections are over and Democrats look to have some power now...What does this mean as far as real estate and financing?

I think a lot of people make the connection of the Jimmie Carter era of double digit inflation and interest rates in the high teens and Democrats. These are different times and the equation of Democrats = high inflation and high interest rates is not necessarily valid.

One thing is certain, the Democrats will basically have no effect on short-term rates. This is the FED's deal and they

should be let alone to do that thing they do.....If the new government structure we are seeing begins to get aggressive in pulling back on the IRAQ war, this could be good for rates as it puts less pressure for the US to go further into debt. ...Time will tell, but it seems for now that there is not much pressure either way..



The main focus as far as the long term rates continues to be on inflation and potential pressure on inflation. Increased inflation WILL have a direct effect on long term mortgage rates

increasing. Right now inflation seems to be under control and the FED has left short-term rates alone the last two meetings..Rates have flattened for now.

Rates currently are about .250-.500% lower than they were mid Summer. The Fed's "pause" has definitely helped. Economic reports showing minimal inflation pressures are a plus..Check page four for the current market as of this writing of a sampling of mortgage rates.

Call me with your specific loan questions..oh yeah and tell a friend!!

What are the popular options in today's real estate finance market.....

Though rates have come up some in the last year, they are still attractive and actually have improved recently. There are several ways that borrowers are utilizing real estate financing in today's market. Below are some of these uses in no particular order:

- **Consolidate a first and high rate second/line of credit**—With the Fed short term rate increases of the last couple years, Lines of Credit have become more expensive

going from the 4's to 8+....Those with large balances on their seconds have found they could get a better overall rate by refinancing with today's rates (even if the new first has higher rate than the first being refinanced).....

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

instead of down). It is a solution that makes sense for some borrowers.

- **Convert an existing line of credit to a fixed rate second**— Many are taking advantage of attractive terms on Fixed rate seconds to head off future increases to the Prime rate, which would make payments on their line of credit even higher.

- **Refinancing out of volatile adjustable**— A lot of homeowners who used a monthly adjustable with low starting rates (1%) have found that the loan is growing more than anticipated due to short term rate increases. If on a volatile index such as Libor, these increases could have been quick. Some may look at doing the same type of loan to keep payments low, but with a better index or different terms (i.e. the newer "hybrid" adjustables). A new loan with interest only payments could also make sense.

- **Refinancing out of an Intermediate loan with the rate adjustment coming soon**—In the last several years, borrowers have taken advantage of the Intermediate (3/1, 5/1, 7/1, and 10/1) loans as rates were as much as 1% lower than a straight 30 year fixed. The spread these days is not that much and many borrowers are looking to convert the Intermediate loan into a more predictable 30 year fixed or the 30 year fixed with the interest only option. Depending on the terms, a lot of these Intermediates could convert to a much higher rate than they are at currently..

- **100% purchase**—Still a lot of lenders offering 100% financing . These come in several variations and can offer low income documentation as well as options for borrowers with lower credit scores. Take advantage while you can as I see these dwindling away soon...
- **Cash flow options**—To keep payments as low as possible, borrowers are still taking advantage of the low starting adjustables. There are different options these days which can help to make them a little less volatile (Hybrid ARMs). Initial payment rates can be as low as .25-.500% giving very low payments, but also higher potential negative amortization (loan going up

- **SubPrime**— Those with low credit scores and other issues on credit, can get

Stacey's Corner

This is a great recipe that can be made with all those Thanksgiving leftovers!

The Day After ... Shepherd's Pie

- 3 tbs butter (divided)
- 1 tbs flour
- 2 cups chicken broth
- 3 tbs leftover gravy (optional)
- 1 cup chopped cooked turkey
- 1 cup frozen broccoli pieces (or veggie of your choice)
- 2 cups leftover mashed potatoes

In a sauce pan, melt 1 tbs butter over medium heat, add flour while stirring and cook 1-2 minutes. Add chicken broth & gravy. Continue stirring and bring to a low boil. Remove from heat when thickened.

In a pie plate; pour sauce over turkey pieces & broccoli. Spoon mashed potatoes over all. Pour 2 tbs melted butter over potatoes.

Bake @ 350 for 30 minutes or till warm & bubbly.

*** 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.**

loans based on their credit which can get them into a home now or solve some other current credit or income issues.

These are a few of the things we are seeing today. For your specific case, please give me a call or e-mail to discuss...

Conforming Loan Sizes

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

basic Econ 1A supply and demand. Sellers wanted to take advantage of the significant increases in equity the market has brought in the last few years adding to the inventory. Buyers keep hearing stories about home prices going down and either make low offers

or are willing to wait for values to really drop (the "bubble burst")...

I personally do not think, at least in the Bay Area, we will see the so-called Bubble Burst. The desirability of living here is too great. I do think the mini correction we

Commentary:

Current Housing market...

The market has definitely changed in the last few years, going from multiple offers and homes going on the market with the sign already saying "pending" to homes sitting for a couple months with no offers.

Many blame increased interest rates for this. I think they may play a part, but realistically mortgage rates have not risen a lot in the last couple years. On top of that some of the newer loan options (Hybrids, 40/50 year amortization, interest only) have offset much of the negative impact of interest rate increases. Lenders seem to have become a little more lenient on qualifying.

I think more than rates, this market has been created by the

are seeing is healthy, but it will be just that a mini-correction...

If you are in the market and waiting for the Burst, you could be missing out on some good deals as well as some

still great rates. My guess is that after the first of the year, we will be seeing the buyers and sellers evening out a bit and prices leveling. Buyers are still able to get considerations from sellers (closing costs, upgrades,

etc.) which was unheard of a couple years ago. These may go away as the sellers and buyers level out....We will see...

Call or e-mail me any questions you may have in regards to Real Estate finance in today's market....**Brian**

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

<i>Interest Rate Indexes as of November 7, 2006</i>	
11th District Cost of Funds	4.382
Prime(current)	8.250
12 Month MTA	4.827
1 Month LIBOR	5.320
10 Year Treasury(current)	4.620



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	5.875	\$417,000	6.007
15 yr	5.500	\$417,000	5.669
7/1	5.750	\$417,000	5.878
5/1	5.625	\$417,000	5.799
30 yr	6.250	\$500,000+	6.376
15 yr	5.750	\$500,000+	5.874
10/1	6.125	\$500,000+	6.255
7/1	5.875	\$500,000+	6.005
5/1	5.750	\$500,000+	5.899
3/1	5.625	\$500,000+	5.789

All rates quoted above are at 1 point. Loans are available with higher/lower points. Rates effective November 7 2006. Please Call.

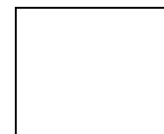
Adjustable and Other Programs:

- ◆ **NO Document Loans**
- (no job/income/asset)
- ◆ **Interest Only Loans**
- ◆ **Purchases/refinances up to 100%+!!**
- ◆ **Adjustables with payment rates as low as .25%**
- ◆ **Rental property loans with low down**
- ◆ **B-C, "Hard Money" loans available (Tough properties, Poor credit, etc.)**
- ◆ **Lines of credit with No Lender Fees**
- ◆ **Hybrid adjustables**
- ◆ **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

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