

Employee Benefits Monthly

June 2005

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Monthly local offering only given to you, brought to you by Robert and Brian of First Security Loan.
- Provided to employees of Miss Sandie's School, WBE Inc., Novato Unified School District, North Marin Water District and the City of Novato

Welcome to Employee Benefits Monthly....

This is **your** monthly benefits newsletter. Because you are a valued employee, your company is allowing us to offer the below special deals with local merchants. These are discounts not offered to the general public. Below you will find the merchants and their offers as well as your Employee Benefit Card. Please make sure to bring the whole newsletter (or at least page 2) with you when visiting these merchants. The offers will rotate monthly and are being sponsored by Robert Sundberg and Brian Dixon, Real Estate Loan Consultants with First Security Loan of Novato, along with your Employer at NO COST to you. We hope you enjoy and are able to take advantage of these benefits your employer is offering to you.

“Subprime” lenders can make deals work.....

For one reason or another, many loans do not fit into standard “cookie cutter” guidelines most lenders have. Whether due to a borrower's past or present credit problems, dealing 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 any situation. We generally refer to the lenders who will do non-conforming type loans as “B/C Lenders” or “Subprime.” These lenders make 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 at which lenders will look. They generally want to see that credit has been good for the previous two years. They like 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 these are the guidelines by which most lenders stick. These standard lenders also like the property to be conforming to the area. For instance, a dome in the middle of a subdivision, may present a problem.

A “Subprime” lender examines deals with a little less strictness. Rather than decline a loan because of credit, a “Subprime” lender may raise the interest rate. They can usually work with bankruptcy, judgments, collections, notices of default, late payments etc. These lenders can also work with clients who have debt ratios of as high as 60%+. They are usually 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 these “A” guidelines, please give us a call.



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Representing many lenders and 100's of loan programs to fit your Real Estate Finance needs....



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