

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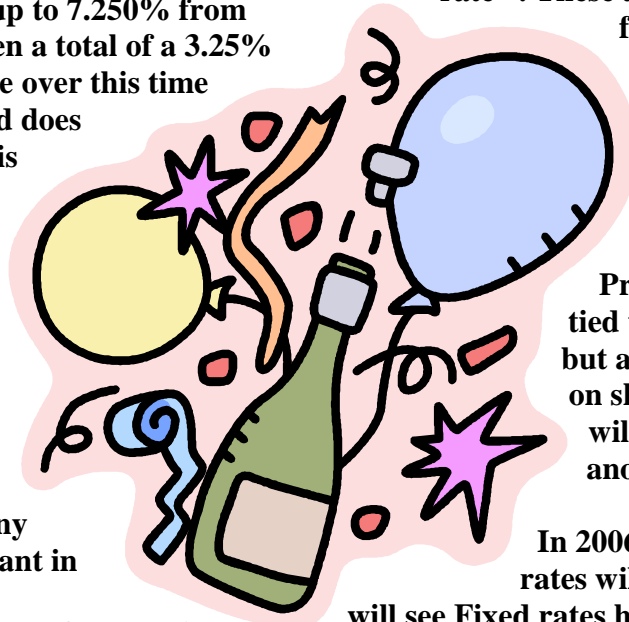
Market and Economic News

The Fed, Market, and Rates going into 2006...

The Federal Reserve (Fed) recently raised the Discount Rate for the 13th time in the last two years. This has resulted in the Prime rate moving up to 7.250% from 7.000% This has been a total of a 3.25% increase in the Prime over this time period. After the Fed does their adjustment, it is very important what they state after the announcement. In the last several post announcements, the term "accommodative" has been used in their statement. Many feel that it is significant in the latest statement, "accommodative" was left out. It is believed that the Fed has come close to the end of their increases. I believe that there are maybe 2-3 increases left at the most. This coincides well with Mr Greenspan leaving his post as the head of the Fed.

What does this mean for Mortgage Rates? For Long Term rates (30 year fixed, 15 year fixed, 10/1, 7/1...) my guess is we will not see these change too much, but will most likely go up slightly, as long as inflation seems under control and the economy is no going gang busters. Adjustable rates will continue to be

edging up... We still have some adjustables with initial rates at 1% and a few even below that... I can see in 2006 these may go away or at least have initial rates closer to 2%+. The indexes that these loans are tied to have definitely increased which does increase the "true rate". These are still great cash flow solutions, but are getting more costly for the long term. Most Lines of Credit will definitely go up, as they are tied to the Prime Rate. Some are tied to different indexes, but as they are all based on short term rates, they will go up one way or another....



In 2006 I believe interest rates will calm down and we will see Fixed rates hovering between 5.75-7% (possibly lower depending on points paid and term (i.e. 15 year is lower than 30 yer)). Initial rates on adjustable loans may go from the 1% range to 2.50%+. Home prices will flatten, if not slightly decrease in some markets. Doors may be slightly open for First Time Buyers as sellers have to be a little more flexible. There may also be more opportunities for those investing in real estate. There will be some opportunities out there!

Call or e-mail if you wish to discuss your Real Estate Financing possibilities.....

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 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 3.25% 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.**

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

Going into 2006

As we go into 2006, there are some changes in the Real Estate market...One obviously is the change in interest rates. As mentioned before, long term rates are still at attractive levels, but we may see more pressure on the short term, which can ripple to the long term...

Home prices do not

Stacey's Corner

Sugar-Spiced Nuts

- 1 Egg white
- 3 Tbls Water
- ¾ cup Sugar
- ¾ Tsp Salt
- 1 Tsp Cinnamon
- ½ Tsp Ground cloves
- ¼ Tsp Allspice
- ¼ Tsp Nutmeg
- 2 cups Whole Pecans
- 1½ cup Whole Cashews (roasted & salted)

Preheat oven to 275°.

Whisk egg white & water in a large bowl 'til frothy. Add next 6 ingredients and stir to combine; add nuts and stir to coat.

Pour out onto a greased cookie sheet.

Bake for 45 minutes or until nuts are dry and crunchy.

Stir every 15 minutes to ensure even baking.

These make a fantastic holiday gift!
(and they make the house smell great while they bake!)

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.

seem to be going “crazy” as they have the last few years. For Sale signs are staying in the ground much longer, and we seem to be out of the multiple offer, bidding up phase. Recently economists met in Chicago to discuss the possibility of the “Bubble Bursting”. Basically their feedback was that things will stagnate (as we are already seeing) and there will not be a major decrease in prices.

What does this mean? For one thing I believe buyers will need to be a little more particular when analyzing the home they are looking at. How long will the borrower be in the home? How marketable is it? Are payments doable? Etc. etc..

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

Though 100% financing has been popular, buyers will have to think twice about this and rather it makes economic sense...Will

they be able to sell within their projected time frame and be able to get more than they owe plus be able to pay the Realtor? Etc. etc...

the Home page, Real Estate Finance page, and the Brian page. I am also doing regular market updates which can be accessed on the Real Estate

This coming year is going to be different than we have seen in many years in the Real Estate industry. Buyers, Realtors, homeowners...will need to really be on top of what they are doing, as you are not going to be able to count on that 20% appreciation.

<i>Interest Rate Indexes as of December 16, 2005</i>	
11th District Cost of Funds	3.074
Prime(current)	7.250
12 Month MTA	3.478
1 Month LIBOR	4.370
10 Year Treasury(current)	4.450

Finance page. If there just for fun, check out the Brian section...There are many pictures, as well as some of my thoughts on entertainment, dining and places in the Marin-Sonoma area....You can also check out my DVD collection. The Racquetball section

The choice of which type of loan used will take a lot more analysis and discussion to make sure it will work with your goals.

has information on the Junior Racquetball at Petaluma Valley Athletic Club. There are Junior photos and a mini video of me playing. Hope to be adding some more to this...

I would be happy to discuss with you your Real Estate goals and see which loan products might work best for you.

Please check out the page. Forward it to anyone who would be interested. Feel free to give me your thoughts on it...

New and Improved Web Site WWW.JUPE.COM

Please check out the Updated website....

It now has various sections which pertain to me (Real Estate finance, Racquetball, COTS etc...). I am now doing a Podcast (mini Internet radio show) on a regular basis. Links to this are on

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



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	6.087
15 yr	5.375	\$417,000	5.667
7/1	5.625	\$417,000	5.995
5/1	5.125	\$417,000	5.401
30 yr	6.125	\$500,000+	6.311
15 yr	5.625	\$500,000+	5.983
10/1	5.750	\$500,000+	5.962
7/1	5.500	\$500,000+	5.837
5/1	5.250	\$500,000+	5.512
3/1	5.250	\$500,000+	5.512

All rates quoted above are at 1 point. Loans are available with higher/lower points. Rates effective December 14, 2005. Please Call.

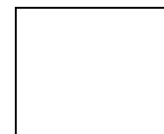
Adjustable and Other Programs:

- ◆ **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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