

Make Forbes.com
My Home Page  Bookmark
This Page 

Become a member
Portfolio | Register

Forbes
Attaché

Personalize Now!

ADVERTISEMENT

**REAL
CLEAR
POLITICS**.COM

CEO Attaché


Are you a C-Suite Executive?
Activate your attaché in one click.

Activate Now!

Forbes
Attaché

Personalize Your Own!

Weather [Select Your City](#) 
Sports [Select Your Teams](#) 
Watch List [Select Companies](#) **XYZ**
Industry News [Choose Industry](#) 
Authors [Choose Favorites](#) 



**iSERIES ZERO-TURN TRACTOR
60-DAY MONEY BACK GUARANTEE***

Cub Cadet

[ROLLOVER TO EXPLORE]

Forbes
LIVE

Search: **Forbes.com** Quotes Video Web Blogs Advanced

INSIDE FORBES.COM

- Most Popular Virtual Worlds
- Top 10 Disruptive Companies
- Top 5 Corporate Kool-Aids

U.S. EUROPE ASIA HOME PAGE FOR THE WORLD'S BUSINESS LEADERS Free Trial Issue

HOME BUSINESS TECH MARKETS ENTREPRENEURS LEADERSHIP PERSONAL FINANCE FORBESLIFE LISTS OPINIONS

Video Blogs E-mail Newsletters Org Chart Wiki People Tracker Portfolio Tracker Special Reports Widgets CEO Network

E-mail | E-Mail Newsletters |  My Yahoo! | RSS

PR Newswire - Press Release

Six Critical Things to Do When Looking for Mortgage Financing

03.24.08, 6:32 AM ET

Most Popular Stories

[Young Billionaires](#)
[Easily Overlooked Tax Deductions](#)
[The No-Tech Hacker](#)
[Job Hunting In A Downturn](#)
[How To Tap Lenders When Credit Is Tight](#)

Popular Videos

[Billionaire's Mile-High Plans](#)
[NY Auto Show: Luxury Spotlight](#)
[\\$200 Million Collectibles](#)
[The Hills Are Alive](#)
[Adventurer: Stanton Barrett](#)

KANSAS CITY, Mo., March 24 /PRNewswire/ -- There are six critical things prospective homebuyers need to do in this sometimes confusing market, says a Kansas City mortgage expert who has opened a national website offering free advice to consumers. According to Bruce Brown, founder of the country's first no-cost and solicitation-free mortgage information website

(www.MortgageAnswersFast.com), "There is an excess of housing inventory right now and that makes it a good time for buyers to get into the market. Lower prices mean lower monthly payments, but before prospective buyers jump in, there are some key things they need to know about getting a mortgage right now." Those include:

1. Use a down payment -- Consumers will see better loan terms if they can put at least 5% down. "Each 5% increment will help," according to Brown, "so put as

much down as you can and speak to a loan professional for specifics on various scenarios. Zero down payment programs have all but disappeared, although FHA and conforming 3% down programs still exist. Even with a small amount down, buying compares favorably to renting."

2. Shop the right way for interest rates -- "Fees are critical, as they affect your overall cost, so don't go by interest rates alone," adds Brown. "An interest rate that sounds higher may include no fees, while another is lower but includes fees that may make the actual financing cost higher, so be sure to have it spelled out for you." Lenders are required to provide a Good Faith Estimate of all costs, and consumers are advised to check it carefully against the HUD-1 Settlement Statement to make sure there are no "surprise" charges or other fees. MortgageAnswersFast.com provides consumers detailed explanations of how to analyze Good Faith Estimates to ensure borrowers find the lowest total loan cost.

3. Be wary of advertising -- The airwaves are full of advertisements trying to entice consumers into a mortgage because the Federal Reserve has cut interest rates claiming "rates will never be lower." In actuality, long-term fixed interest rates for mortgages are tied to bonds called mortgage backed securities (MBS) and the prices investors are willing to pay for them, Brown explains. "The Fed does not control long-term fixed interest rates for mortgages. There may be some impact on adjustable rates, but seldom to the extent that advertisers would have you believe. So borrowers should research mortgage rates rather than simply believe false advertising claims."

4. Think about paying more for your house -- "It might sound crazy," Brown says, "but by paying more for your home you might actually wind up paying less for the transaction. Here's how: instead of negotiating the sale price down by a certain dollar amount, ask the seller to pay for the costs to "buy down" the interest rate on the loan. The monthly payment can be reduced substantially, saving cash flow in the short run while increasing your principal balance in the long term. Seller funds can also be used to buy out PMI," Brown explains.



ADVERTISEMENT

Sponsored by **Microsoft**

Forbes
BUSINESS VISIONARIES
VIDEO INTERVIEW SERIES
Engaging Today's Revolutionary Business Leaders



Dr. Muhammad Yunus Stephen Dubner Kishore Mahbubani
John Kao Jack Bogle

[Click here to Learn More](#)

Make Forbes.com My Home Page

Bookmark This Page

Trading Center

Brought to you by the sponsors below

**100
FREE TRADES**
EXTRADE Securities LLC

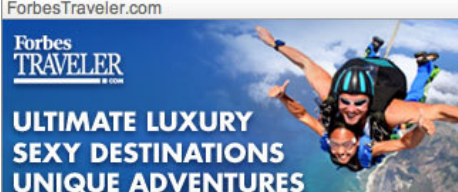
AMERITRADE
TRADE FREE FOR
30 DAYS + GET \$100
[GO](#)

ForbesAutos.com


ForbesTraveler.com

Forbes TRAVELER


**ULTIMATE LUXURY
SEXY DESTINATIONS
UNIQUE ADVENTURES**



CEO Book Club



Pot Stickler
David K. Randall
Jennifer 8. Lee delves into the history, intricacies and quality of Chinese food outside of China.
[READ REVIEW](#)



The Sound Of Silence
Paul Maidment
Having trouble managing your business?

"Your mortgage professional can help you calculate the actual savings."

5. Know your PMI options -- PMI, or Private Mortgage Insurance, protects the lender from losses incurred after default when foreclosing on a property. If a borrower has less than 20% down on a conventional conforming mortgage, they must pay PMI, with rates that can vary based on credit score. "Borrowers typically pay PMI monthly," according to Brown, "but there are other options, including lender-paid mortgage insurance, in which premium is added into the interest rate of the loan. There are other options that allow a smaller fee at closing without raising the rate, and sellers can also pay the fee at closing, which sometimes can be a condition of the sale." For more detail on these sometimes confusing alternatives, he recommends that borrowers check with their mortgage professional or consult with one of the hundreds of Certified Mortgage Planning Specialists who answer questions at MortgageAnswersFast.com.

6. Improve credit scores -- Credit scores have always been important, but never more than today, especially for borrowers with less than 20% as a down payment. Small differences in score can mean big differences in interest rates or fees, so consumers should do everything they can to show their credit in its best light. "Do not close out credit card accounts, but instead distribute the balances as evenly as possible and use old cards every few months to keep them active," Brown says. "Check your credit report for errors and get them corrected, and get rid of liens and charge offs, if you have any, and resolve any late payments. All these will have a quick and positive effect on your credit score." Even people with great credit scores as high as 720 may pay a penalty based upon recently changed guidelines. "Credit repair is not just for people who have credit problems," he adds. "Most people don't realize they can optimize their score using a few simple techniques."

Brown is quick to recommend loan officers that are Certified Mortgage Planning Specialists (CMPS) as they can best help consumers sift through the myriad details of a loan transaction. "This means they are certified by the CMPS Institute," he says. "Getting the right mortgage is much more than just getting a loan, because it has impact on wealth-building, retirement and other strategies in personal finance. CMPS professionals are trained in all of these, so they make a great choice for borrowers who want to understand how to use their mortgage to become financially more secure." He adds that MortgageAnswersFast.com counts on CMPS certified experts from every state to answer consumer questions and offer free advice.

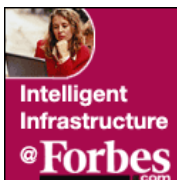
About Bruce Brown

Bruce Brown is a Certified Mortgage Planning Specialist, the founder of MortgageAnswersFast.com, the president of First Security Mortgage Company, and has appeared on the KC Fox affiliate's real estate features as the "Purchase Pro."

Press Contact Rosalie Berg (305) 971-5352
PR@StrategicVantage.com SOURCE First Security Mortgage Company

Maybe you talk too much.

[READ REVIEW](#)



Copyright © 2004 PR Newswire All rights reserved.

1 of 1

Article Controls

[E-mail](#) | [E-Mail Newsletters](#) | [My Yahoo!](#) | [RSS](#)

Related Sections

[Home > News & Analysis](#)

[News Headlines](#) | [More From Forbes.com](#) | [Special Reports](#)

Subscriptions >

[Subscribe To Newsletters](#) [Subscriber Customer Service](#)

COMING SOON

Get ready to

BOOST YOUR BUSINESS
WIN \$100,000

GET MORE INFO

<http://www.forbes.com/boostyourbiz> **Forbes**.com

[SITEMAP](#) [HELP](#) [CONTACT US](#) [INVESTMENT NEWSLETTERS](#) [FORBES CONFERENCES](#) [FORBES MAGAZINES](#) [FORBESAUTOS](#)

[Ad Information](#) [Forbes.com Mobile](#) [RSS](#) [Reprints/Permissions](#) [Subscriber Services](#)
[Privacy Statement](#) [Terms, Conditions and Notices](#) [About Our Ads](#)

© 2008 Forbes.com LLC™ All Rights Reserved

Tested By



Market Data By



Market Data By



Market Data By



Investopedia



Polska



Luxury Cars



Luxury Travel



Stock quotes are delayed at least 15 minutes for Nasdaq, at least 20 minutes for NYSE/AMEX.U.S. indexes are delayed at least 15 minutes with the exception of Nasdaq, Dow Jones Industrial Average and S&P 500 which are 2 minutes delayed.

Powered By



Oracle DBA by

