



DON'T WANT TO LOSE AN ARM AND A LEG WITH YOUR A.R.M. LOAN?

If you are worried about how to proceed when facing the rising payment of your ARM loan, you are not alone. There is definitely a rising "boom" of homeowners worried about this issue. Housing experts say people faced with possible foreclosure, or a big upward reset in what they owe on an ARM, might consider this advice:

Know the value of your home. Selling probably isn't your first choice, but it's important to know whether the house could be sold for enough to pay off the loan, plus closing costs. Ask a real-estate agent for a free estimate, while mentioning that you have no immediate plans to put the house on the market.

Consider refinancing. If your credit is poor, refinancing may not be possible or will carry big fees, but if a deal sounds good, get an estimate in writing. You can consider whether the offer is worthwhile by using an online calculator such as [Financial Calculators](#) (look under "Home & Mortgage").

Talk to your lender. Troubled homeowners may want to run and hide, and lenders may seem unresponsive, but "the longer you wait, the fewer options you have for a workout," says Ren Essene of Harvard University's Joint Center for Housing Studies.

Seek a loan-modification deal. If you're heading into default, ask to speak with someone in your mortgage lender's "loss mitigation" department. This individual generally has the authority to set new terms for your loan to avoid foreclosure. "Lenders will often ask for good-faith money toward a modification," so hoard cash if you can, says Michele Rodriguez Taylor of NTIC.

Get help. Some nonprofit groups can serve as a go-between with the lender or can offer advice about your options. A nationwide HOPE Hotline (888-995-4673), run by the [Homeownership Preservation Foundation](#), offers counseling. Through the group Neighborworks, it provides referrals to local organizations that can act on your behalf. Some states have set up rescue funds for homeowners. The federal [Department of Housing and Urban Development](#) offers links to community groups, among other aids, on its Web site.

Beware of "rescue" scams. If someone calls out of the blue and offers to repay your loan if you sign the deed to them or asks for lots of money to help you stay in your home, hang up.

Selling may be best. "Consumers will do everything to keep their home, even if it's irrational," Essene says. Some refinance multiple times, draining their equity in the home, and still can't afford to keep it. They would have been better off selling sooner, she says.

Choose the lesser of evils. Foreclosure is generally the worst outcome for homeowners, blackening their creditworthiness for years to come. For families on the brink, some alternatives include a "deed in lieu of foreclosure" transfer of ownership to the lender. In other cases, the lender may let you sell the home for a value that won't fully pay off the loan.



Brian Ortiz
Real Estate Broker

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What's Inside:

Don't want to lose an arm...	1
B ² Mission	1
Don't want to lose an arm...	2
Stop and Think	2
Thought of the Month	2
Real Estate Question	2
New West side location!	3
Networking Center	4
Real Estate Tip	5
Comedy Corner	5
Did you Know?	5
Real Estate Stats	5
Thank You	6

THOUGHT OF THE MONTH

You cannot discover new oceans unless you have the courage to lose sight of the shore

Are you thinking about buying a home or investing? Or do you know someone who is? We provide a FREE, Comparative Market Analysis to help determine the value of a home, all you have to do is call.

REAL ESTATE QUESTION

Q: How many square feet are in one acre?

A: There are 43,560 square feet in an acre.

Do you have a question about Real Estate?

If you have a question please feel free to call us at (866) 821-0852

Continued from page 1

Amid these troubles, it's important to keep the challenge in perspective. The current housing market, financial experts say, is tough for just about everyone.

"It's become tighter across the board" for borrowers, says Celia Chen, who tracks housing issues at Moody's Economy.com in West Chester, Pa. "There are few subprime loans being written. But, for someone who has built up equity and is a prime borrower, they'll still be able to refinance."

Tips for mortgage shoppers

If you're looking to buy a home, loans are available -- but new terms and conditions apply. Down payments are in. Mortgage approvals without documentation are out. Despite the downward spiral of lenders who financed high-risk borrowers, prime "conforming" loans (less than \$417,000) still are available, says Holden Lewis, a senior reporter at Bankrate.com, which tracks credit markets. But jumbo loans (more than \$417,000) now carry higher interest rates than they did a month ago, he says, and lenders require down payments of 5 percent or more.

Financial experts offer this advice:

- **Educate yourself.** Community-action groups often provide free buyer-education seminars. Visit Web sites of government housing agencies, especially www.hud.gov, for guidance.
- **Patch up any credit problems.** For people with credit scores below 620, "there are very few options," says Chen.
- **Shop around.** This is especially true now. If an online mortgage lender can't help you, maybe your local bank can.
- **Think realistically.** With home prices under downward pressure, don't count on rising values to outpace your interest costs.

Mark Trumbull, The Christian Science Monitor

STOP AND THINK

If you think you'll lose, you've lost,
For out in the world you'll find,
Success begins with a fellow's will,
It's all in the state of mind.

If you think you are outclassed, you are,
You've got to think high to rise,
You've got to be sure of yourself before
You can ever win a prize.
Life's battles don't always go
To the stronger or faster man,
But soon or late the man who wins
Is the man who thinks he can."

Arnold Palmer

We sincerely value our clients and we would like to let you know that we greatly appreciate your business.

Did you know?

Only *one* in 700 identity thieves gets caught.

REAL ESTATE STATS FOR THE ALBUQUERQUE METRO AREA

For the Month of September

Homes sold: 299

Homes listed: 1368

Average price of home sold:

\$ 231,127.00

Average days on the Market:

38

Compared to previous month:

For the Month of: August

Homes sold: 913

Homes listed: 2733

Average price of home sold:

\$ 231,207.00

Average days on the Market:

41

REAL ESTATE TIP

When it comes to financing homes, 'mobile' means higher rates...

It may be difficult if not impossible to get financing on some mobile homes. In financing, the key is the word "mobile." The less mobile a manufactured home is, the better the financing deal a consumer can get.

Historically, manufactured homes have been financed as personal property, resulting in personal loans that often require a 10 percent down payment, with the remainder financed over 10 to 15 years. Interest rates are higher than mortgages, resembling the rates charged on car and boat loans. However, whether the loan is called a mortgage or not, if it is used to secure your principal home, the interest paid is generally tax-deductible.

Though these loans still are the most common, the changes in the industry have attracted additional lenders and types of loans. Many manufactured homes now require only 5 percent down and finance the remainder over 20 to 30 years.

If the home is immobile and if the owner of the home also owns the underlying land, then the loan is likely to be viewed as a mortgage, gaining vital tax benefits.

Shop around for financing. Loans for manufactured housing vary widely in their terms. If you're buying a new home in a community, don't feel obliged to take the financing offered by the salesperson.

COMEDY CORNER

Just Ask

A father and son went fishing one day. Sitting on the boat for a couple hours gave them not much to do, so the son started asking questions. Curiously looking around, he asked his father, "How does this boat float dad?" The father thought for a moment then replied, "Can't say that I know son." The son returned to his contemplation then came up with another, "How do those fish breathe under water?"

"Good question, I'm not sure how they do it," his father answered. Then another,

"Why is the sky blue?" the son asks. "Well son, I'm not sure," replies his father.

Worried he might be annoying his father the son asks, "Dad, does it bug you when I ask you a lot of questions?" The father puts his hand on his sons' shoulder and says,

"Of course not, if you don't ask questions, you'll never learn anything."

Q. What's the difference between Christopher Reeves and O.J. Simpson?

A. Christopher Reeves got the electric chair....and O.J. walked!

Brian Ortiz
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TO OUR VALUED CLIENT

B² NEWSLETTER

Page 6 of 6

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SOMEONE YOU
KNOW, IS
THINKING ABOUT
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INVESTING IN, OR
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