



Safecracking the Mortgage Secrets®

MORTGAGE 101

Your guide to making smart mortgage decisions

Volume VII

A Publication of *J. Friedman Mortgage*

Issue 37

Did you know...

- If you make 13 mortgage payments every year, you'll pay off a 30-year fixed-rate mortgage in less than 25 years.
- A Mortgage Comparison Calculator is available from the Federal Reserve at www.federalreserve.gov/apps/mortcalc.
- You can view a satellite image of your property at www.globexplorer.com.

Legislative Update:

You May Qualify for Mortgage Insurance Tax Deduction



Buying or refinancing this year may qualify you for a tax deduction.

For the first time, homeowners with low down payment loans that require mortgage insurance can deduct the cost of monthly premiums on their income tax. Recent legislation passed by Congress allows taxpayers who itemize to deduct premiums paid for private mortgage insurance (PMI) or government mortgage insurance, including FHA, VA and Guaranteed Rural Housing (GRH) loans. Mortgage insurance is required when homebuyers purchase their homes with less than 20 percent down. The full tax deduction is limited to homeowners whose adjusted gross incomes is \$100,000 or less (\$50,000 for married taxpayers filing separately), with a reduced deduction of 10% for every \$1,000 of adjusted gross income up to \$110,000. According to the trade association Mortgage Insurance Companies of America, the new deduction will save qualified homeowners \$300 to \$500 a year on their taxes. Consult your CPA for more information.

Before You Start Home

Shopping:

5 Things You Can Do to Save Time and Money



Make shopping for your next home a smooth experience by completing these tasks well ahead of time:

- **Review your credit history.** Check the facts on your credit report. Fix any problems, and make sure your credit history is as clean as possible.
- **Update your budget.** Look at your savings. Do you have enough saved for a down payment? Don't forget about pre-purchase inspection and closing costs. Consider whether you truly have the ability to make a house payment each month, as well as pay for home insurance, utility bills, etc.
- **Get pre-approved.** Knowing how much house you can afford makes it less likely you'll consider the ones you can't. A pre-approval letter from J. Friedman Mortgage places you in a better position to make a serious offer.
- **Plan to Shop the Slower Months.** Traditionally, the housing market begins to warm with the weather, often as early as February. You may find a better deal if you're able to shop the slower months of November and December.
- **Do Some Browsing.** Choose the area of town in which you want to live, then drive the neighborhoods. Find out about listings and prices through newspapers, local real estate periodicals and the internet. Arm yourself with knowledge of the area, so when it's time to get serious, you'll know a good deal when you see one!

Need a Commercial Loan or Line of Credit?

IconBank of Texas offers banking that works for you.. Contact Icon at 281.517.2400.

www.iconbanktx.com



Your guide to making smart mortgage decisions

MORTGAGE 101

Safekeeping the Mortgage Secrets™

IT'S "LOANLY" AT THE TOP!

6060 Richmond Avenue, Suite 226
Houston, Texas 77057
Tel: 713.785.LOAN (5626)
Fax: 713.785.1470
E-mail: mstxm@aol.com

J. Friedman Mortgage



Important Numbers:

J. Friedman Mortgage
713.785.LOAN (5626)

JRA Mortgage
(Greater Austin Area)
512.917.1123

Harris County
Appraisal District
(HCAD)
713.957.7800

IconBank of Texas
281.517.2400

Harris County Clerk of
Court
713.755.6505

Fannie Mae Resource
Center
800.732.6443

Mortgage 101 FAQ

How long will the mortgage process take?

A typical range is from 30 to 120 days on a residential property and 90 to 120 days for commercial properties.

When can I lock my rate?

You can lock in when your loan package is complete and you're ready to close. Remember to plan ahead. The longer you need to close, the longer the lock (guaranteed rate), and

the *higher* the interest rate. Please call for more details.

Does it make sense to pay more points for a lower interest rate?

The more points you pay, the lower your interest rate. The longer you live in your house (i.e., pay on the mortgage) the better off you'll be paying more points up front in return for a lower rate. 1 point equals 1% of your loan amount and will reduce your rate by approximately 25%.

What can I do to make the process go as smoothly as possible?

The right mortgage company can take the hassle and worry out of your mortgage experience. Put your loan in the hands of an experienced professional like Janet Friedman. With over 30 years of experience and a top-notch staff, it's no wonder that clients relationships become lasting friendships at **J. Friedman Mortgage.**

Make the call that saves time and money!

Why call all over town for a home loan when you can reach dozens of lenders with just one call to J. Friedman Mortgage? When it comes to financing your new home, or refinancing your current one, J. Friedman Mortgage may be the only call you need to make. We research the market, establish our best rate for you and handle all of the details. With J. Friedman Mortgage the only move you'll have to make...is into your new home!



Photo by Mike Ortega

Janet Friedman, CFE, JD,
President of J. Friedman
Mortgage

J. Friedman Mortgage

713.785.LOAN (5626)