



# Sub Prime Mortgage Wake-up Call

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As a homeowner or a potential buyer, have you really looked closely at what it's going to cost you to get a mortgage? Many home-shoppers are bedazzled by low rates, low payments, and the sheer "dream attainment" splendor of finally owning one's own home. But do you really know what you're paying for the money you borrow to own your home? Have you researched the market for loans? Do you truly understand the differences between rates, points, and closing costs?

With all of the horrific news recently about the sub-prime mortgage market collapse, it's more important than ever for you to understand all this. Unfortunately, we live in an age of "less-than-reputable" sales tactics that promise the world and rarely deliver. Nowadays we must be vigilant about everything having to do with money—whether it be identity theft from credit cards or protecting ourselves from fraudulent lenders.

The recent crisis in the sub-prime mortgage industry is a shocking example of what can happen when the promises are too good to be true. Left and right, mortgage companies are folding because they issued loans to people who literally couldn't afford them. The sales reps told them they could, and the buyers believed them—blinded by the images of their new home.

This is a wake-up call. You, I, and every buyer and seller out there should immediately analyze what kind of mortgage products we have. It's not just about the interest rates. It's about the term, the length of the loan,

the initial cost, and the cost of adjustable rates.

Take out your documents, bring them to a credible lender, and ask them to assess your mortgage. You may be surprised to find out that you may have a great loan product. You may be equally surprised to find out that you have a sub-prime mortgage—and the mortgage company you thought was fantastic turns out to be on the list of dubious lenders. People who are currently hearing news with the word "sub-prime" in it are saying to themselves, "I'm glad I don't have one of those". But are you sure?

If you find out you do indeed have one, don't panic. The credible lender you're talking to can help get you into a great plan almost immediately. There are plenty of reputable programs out there for all income levels. But you need a professional to guide you through the complicated jungle of choices.

Don't know a reputable lender? Call me and I'll provide you with a list of local sources of information that have helped my past clients to afford their dream homes—realistically and affordably.

And before you buy, do your research. Talk to several loan companies before making a decision. And please take off your blinders.

If you find out you do have a less-than-stellar plan, in most cases it's not too late. Even though you might think it's too costly to go out and get another mortgage, the harsh truth is that it may be too costly to not get another one.

  
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