This newsletter is brought to you by:

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We specialize in financing transactions for:

- residential purchase,
- residential refinances,
- commercial properties,
- home equity loans.

Inside this issue:

Real Estate Update

Volume 2, Issue 2 **February 2008**

What Took So Long?

For well over a year we have been putting out the scenario that the slowdown in the real estate markets would spill over to the economy as a whole. This in turn would cause rates to go down. Month-after-month we reported on an economy that was surprisingly strong. If the real estate industry is such a large part of our economy, how could the slowdown not affect the total economy?

The answer lies with the problem. We got in this mess because American consumers leveraged to the hilt. They bought more than they could afford in such a frenzy that caused housing prices to rise. And when they rose, the consumers bought even more. Even when real estate prices started falling and equity melted away, they still spent. Foreclosures skyrocketed but we still spent. Well, the Holiday Season came and went and it is obvious that the retail reports and reports from the Federal Reserve Board's "Beige Book" are showing that consumers are finally starting to slow down. We continue to have fiscal stimulus in the form of a war, but this should be offset shortly as state and local governments are forced to curtail spending as tax receipts on lower property values start to dwindle.

Cries are rising for the Fed to continue to lower rates aggressively...*Article continued on page 3*

Did You Know...

⇒*Home prices dropped last year in most cities around the nation and now rents are flattening out in many of the markets worst hit by the housing downturn, reports CNN/Money based upon data supplied by Investment Instruments Corp. The median monthly rent for a sampling of 10 metro areas around the Nation rose just 0.5 percent in 2007 from $1,457 to $1,465. "A major factor having an impact on housing prices is foreclosures, which makes more rental property available," said Owen Johnson, president of Investment Instruments...*❑

Selected Interest Rates

January 17, 2007

30 Year Mortgages——5.69%

2007 High (June 14)——6.74%

2008 Low (Jan 17) ——5.96%

15 Year Mortgages——5.21%

5/1 Hybrid ARMs———5.40%

1 Year Adjustables——5.26%

10 Year Treasuries——3.74%

Sources—Fed Reserve, Freddie Mac

Note: Average rates do not include fees and points. Information is provided for indicating trends only and should not be used for comparison purposes.

> *Life is not important except for the impact it has on other people's lives..." Jackie Robinson*

Fed Chief: *Juice* The Economy

Federal Reserve Chairman Ben Bernanke told Congress that legislators should enact a fiscal stimulus package in order to help beleaguered consumers as recession fears grow. Bernanke testified at a hearing before the House Budget Committee. His comments come as more economists and politicians are expressing concerns about the state of the economy, which has begun to weaken due to the real estate slump.

$50 Billion to 75 Billion

"To be useful, a fiscal stimulus package should be implemented quickly and structured so that its effects on aggregate spending are felt as much as possible within the next twelve months or so," Bernanke said in his prepared remarks. Former Treasury Secretary Larry Summers told lawmakers at a hearing of the Joint Economic Committee that Congress should immediately consider a stimulus package of $50 to $75 billion through a combination of tax cuts and increased spending on unemployment benefits and other programs.

Bernanke cautioned though that any stimulus "should be explicitly temporary" in order "to avoid unwanted stimulus beyond the near-term horizon and, importantly, to preclude an increase in the federal government's structural budget deficit."...❑

Increase Your Credit Score Now!

Recent changes in lending rules have made your credit score even more important to your long-term economic health. Subprime mortgage program alternatives are disappearing. Fannie Mae and Freddie Mac are now charging a higher rate for lower credit scores. Even FHA has proposed such a surcharge.

What does this mean? In general, America's credit scores are getting lower. We are borrowing more at higher rates and this is causing the situation to get worse. What does a low credit score cost the average American? Credit scores can range from a low of 300 to a high of 850. In general, a credit score above 700 is considered good. From 600 to 700 is considered marginal and now may be subject to higher rates. Below 600 is considered poor. If your score is significantly below 600, borrowing can be close to impossible depending upon other financial consideration such as cash reserves. This means that you may not be able to obtain the home of your dreams or may not be able to refinance your present home.

Credit Score Make-Up

...35% payment history
...30% amounts owed
...15% length of credit history
...10% new credit
...10% credit mix

Let's say that you would have a rate of 6.0% if your credit was great. Let's also say that you would pay 7.0% because your credit is not good. What does that cost you? Not even considering other debts such as your credit cards, your higher mortgage payment will cost you plenty more. On a $300,000 mortgage, the higher cost over the term would be approximately $90,000. Add your other debts and even higher insurance costs and many will pay hundreds of thousands of extra dollars for a lower credit score. And those who have lower credit scores generally can ill afford higher payments as compared to the general population.

We are here to say that you can break this cycle. How? Credit score improvement is something that you can do in the short-run to save money instantaneously as well as the long-run so that you can save thousands over your lifetime. The key is getting on a long term plan as well as making short-term adjustments.

If you look at the inset box on this page, you can see the make-up of a credit score. What can you do in the short-run and the long-run to help increase your credit score?

More immediately, we can correct inaccuracies. Did you know that more than 30% of the average credit reports contain one or more items that are false? Without action these inaccuracies can cost thousands and the average consumer does not even know that these inaccuracies are on his/her credit report. Therefore, step one is to run a credit report and look for any inaccuracies. From there, a professional can help you remove any found in the report.

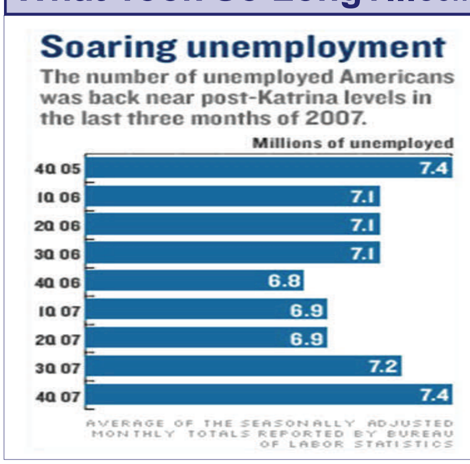
In addition to inaccuracies are those items which are true but not added to the report in a compliant manner. The Fair Credit Reporting Act includes such requirements for creditors. For example, the creditor must notify a consumer before it places a negative rating on a credit report. Getting these removed may seem unfair to the creditor if they are true, but this lack of notification does not give the consumer the chance to dispute or rectify the situation.

There are also long-term actions that can be taken. These may include paying off debts which reduces the amounts owed. You can also change the mix of credit from revolving to installment and even make sure that your balances are not too high of a percentage of the total credit limit. For example, a credit card with a $5,000 balance can reduce the score if the total credit limit is $5,000 versus $20,000.

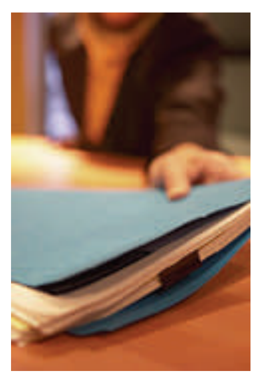
Therefore, a good credit score improvement program usually must include a debt reduction program. Did you know that a debt reduction program can pay your debts off more quickly? The creditors would like you to continue paying forever on these debts as that is how they make their money. The new credit rules in America dictate that you have a short-term plan to increase your credit score as well as a long-term plan to keep it high. The savings? Thousands of dollars that will benefit you instead of the bank...❑

"Did you know that more than 30% of the average credit reports contain one or more items that are false?"

What Took So Long?...Continued from Page 1



and they may do so even before they meet at the end of January if turmoil continues in the stock markets. Plans are forming to bolster the economy via government programs from tax stimulus to housing aid. For now, we can feel the benefits of lower rates. Refinances are soaring and even oil prices have ticked down. ARM adjustments should be less burdensome with adjustments based upon indices that are falling. If the bad economic news continues, there may be good news in store for the real estate markets...❑



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My goal is to provide expert advice and direction for my clients with an overall goal of providing a real estate finance transaction that exceeds their goals and expectations. I know that goal has been met when my clients refer family, friends and business associates for their real estate finance needs.

- Dennis M. Fisher

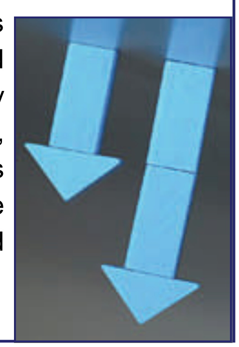
Rapid Mortgage Company - Where the American Dream comes true!

Inside This Month's Issue.... What Took So Long?

Refinances Surge ARMs Down

Lower rates prompted more Americans to refinance in January as mortgage application volume skyrocketed after the slow Holiday Season. According to the Mortgage Bankers Association's weekly application surveys, refinance volume rose 43.4 percent, while purchase volume jumped 11.4 percent. Refinance volume accounted for over 60 percent of total application volume

Meanwhile, Freddie Mac data from their annual adjustable rate mortgage survey showed that demand for adjustable loans fell to their lowest levels in several years. As of October 2007, ARMs comprised up to 17 percent of loan applications, their lowest level since June 2003, the government-sponsored loan buyer said.



Many of those previous ARMs had low introductory teaser rates that reset to payments that homeowners could no longer afford leading to foreclosures. Therefore, adjustables are currently priced less attractively on the secondary market, "A year ago, the initial-rate discount on the popular 3/1 and 5/1 hybrid products was about 1.8 percentage points. In our latest survey, the rate discount had virtually disappeared on these products," said Freddie's Chief Economist Frank Nothaft in a statement...❑