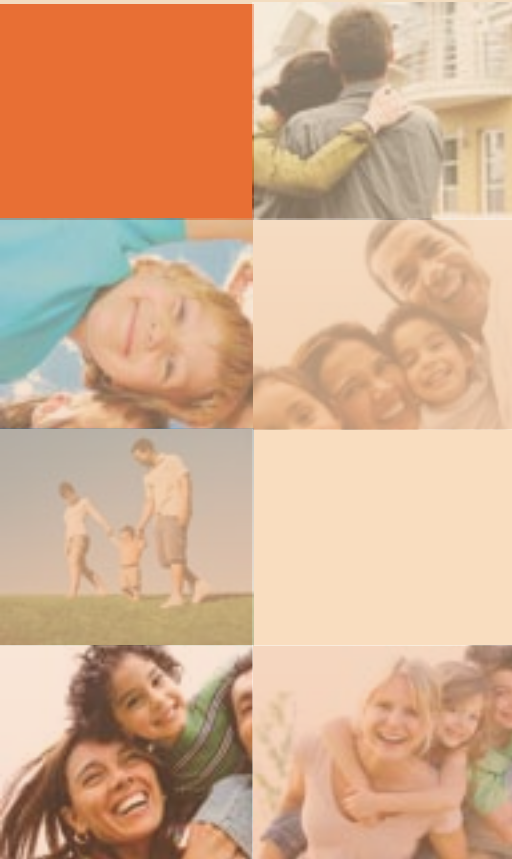


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January - February 2010



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# FirsTrust

## MORTGAGE

# The Mortgage Times

FirsTrust's Value-Packed Newsletter of Mortgage Information

## Act Now and Save

Most people would love to increase their income by a few thousand dollars this year. And that's possible for many Americans to do – simply by refinancing their existing home loan.

*Recently 30-year, fixed-rate loans were close to 1.2 percent lower than they were just a year ago.* During 2009, fixed home loans reached their lowest average rate since data was first collected in 1971, according to mortgage investor Freddie Mac.

*Someone who buys or refinances a house with a \$250,000 mortgage will save \$192 each month,* compared to what their payment would have been a year ago. That produces a yearly savings of \$2,304!

You could pay off credit cards or a car loan, or perhaps take a much-needed vacation with that extra money. Just putting the funds into a savings account for emergency

expenses would provide peace of mind.

*"Home refinancing may never look so good again"* states Bloomberg News columnist John Wasik. He notes that government buying of mortgage-backed securities has caused rates to stay low.

But Wasik reminds consumers that today's rates "will not last. Market forces, inflation or a new government policy will eventually force rates up."

He encourages homeowners to consider refinancing right away. *"Clearly this is one situation in which patience probably isn't a virtue,"* adds Wasik.

Get in touch with me today if you'd like to find out how much you could save by refinancing now. *I'll help you enjoy the benefits our current market is offering.*

## The Truth in Lending Show



NEWS RADIO 980  
**KMBZ**

Learn what many mortgage bankers and brokers don't want you to know.

Listen to the Truth in Lending Show

with Mark McDougald and Craig Miller, two of Kansas City's foremost experts in Mortgage and Finance. Each week, Mark and Craig discuss the latest news and trends in the housing and mortgage markets, feature special guests and answer your questions live on air.

**Tune in to 980 KMBZ every Sunday at 4:00pm to hear the Truth!**



## Buyer Tax Credit Extended



America's home-buyer tax credit has been expanded and extended until the end of April 2010. Both existing homeowners and first-time buyers now can receive this

credit.

Anyone who hasn't owned their residence for the past three years can *cut their taxes by up to \$8,000* under the new law. Purchase contracts must be signed by April 30, 2010 to qualify.

*Existing owners* must have lived in their current house for five years. If they are buying another *primary residence* before the end of April, they can receive a tax credit of as much as \$6,500.

What that does is effectively lower the cost of buying by \$6,500 for repeat buyers and \$8,000 for first-time purchasers. Tax credits are available to consumers who are buying a principal home for themselves, and which costs no more than \$800,000.

*Higher income caps for purchasers will let more consumers claim the credit*, as well. Individuals with annual incomes up to \$125,000, and married couples earning as much as \$225,000 will qualify for the full tax credit. Benefits are phased out for buyers who earn more than those amounts.

*Talk with me to learn more about how this makes a smart purchase affordable now.* I'll help you take full advantage of today's excellent values, great rates – and expanded tax benefits.

## Small is Beautiful



*reduce your monthly living expenses as a result.*

Start by analyzing your current living space. Identify areas that you don't use much, and ask yourself if reducing or eliminating them in your next house would be a hardship.

It's even possible to be happy with a smaller kitchen or bathroom. For instance, you can *save cabinet space by hanging pots*

Purchasing a smaller home than you planned on is a great way to save. You may need to sacrifice some of what you wanted in a house – *but you'll*

*from a ceiling rack.* And using hall linen closets efficiently can let you function well in a smaller bathroom.

If you have furniture which is rarely used, it might be time to sell it or give it away. You then wouldn't need to move those pieces, and find space for them in your new home.

*Make sure your furniture suits your needs*, as well. A large dining table could be replaced by one requiring less space.

Consider ways you can adapt a smaller home to suit your needs. Building shelves eliminates the need for cumbersome bookcases. Ceiling lights let you use fewer lamps.

Your long-term goals could call for putting in a skylight to brighten a small space, or removing a non-essential wall to open up your floor plan. Some homes also have basement or attic areas which can be converted to living spaces.

Planning a move gives you the opportunity to get rid of items you no longer need. *Have a yard sale to raise some money, and help those old belongings find new homes!*

## Better Prospects Ahead

No one knows for certain how quickly America's economy will grow in coming months and years. But some commentators believe it could revive faster than many now predict.

Recently *The New York Times* recalled an article it published in 1982 – at the end of a long recession. "Prominent economists" then "worried that 'the recovery may amount to nothing more than a few quarters of paltry growth – and possibly not even that.'"

Yet over the next 24 months "the American economy grew at a blistering annual rate of more than six percent," states *The Times*. We may similarly be surprised at how resilient the economy is today, experts say.

Downturns encourage us to focus on problems, and expect more pain in the future. Yet history shows that "the deeper the slump, the zippier the recovery," notes a *Wall Street Journal* editorial. "In the past, deep recessions have often been followed by rapid recoveries," adds Bloomberg News.

A weak economy paves the way for its own recovery. Reduced demand causes prices to fall, which then encourages spending.

Innovations also are emerging which will spur future growth. After the early 1990's recession, no one was predicting the Internet boom which soon would arrive.

We can't be sure how the economy will react now. But after a long recessionary night, we can certainly expect a brighter dawn.

## Staying in School

Young people seeking education and training have caused college enrollments to surge, says the Pew Research Center. *Almost 40 percent of young adults aged 18 to 24 now attend college.*

"Enrollments have been rising over many decades at both two- and four-year colleges," researchers add. "But the most recent annual spike has taken place entirely at two-year colleges."

*Women make up 53 percent of young college students*, according to Pew Research. Since 1987 women have outnumbered men on campuses.

Reaching for a higher education is becoming more important to American youth. In 1973 fewer than one in four young adults were still going to school. Close to 16 percent of 18- to 24-year-olds then had dropped out of high school.

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## Staying in School

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*But now less than ten percent today of young people don't have a high school diploma.* That's a big change from 1967, when almost one in four young adults hadn't finished high school.

Perhaps some of the concerns about the ability of Americans to do well in a high-tech society are misplaced. *Young people now are more serious than they've ever been about learning*, and taking their place in the world.



## Housing Shows More Strength

"The housing recovery is well underway," proclaims syndicated real estate columnist Kenneth Harney. "Housing not only bottomed out earlier this year, but is steadily racking up price gains."

Harney notes that the Case-Shiller home price index has shown gains for four straight months. Prices of existing homes will advance about four percent next year, predicts the National Association of Realtors (NAR).

Home sales in September – the most recent month for which data is available – jumped 9.4 percent from the preceding month. Sales of existing properties also were more than nine percent higher when compared to a year earlier.

"Sales activity is at the highest level in over two years," reports NAR. Sales began picking up in January 2009, and that trend is forecast to steadily continue through next year. Real estate sales should rise almost nine percent in 2010, NAR says.

One reason for this comeback is that positive economic growth has resumed in America. Low mortgage rates and attractive house prices are making it easier for consumers to make a move now. Yet it's important to act soon to benefit from these conditions.

It's crucial to be pre-approved for financing before looking at homes. You'll then be ready to make an immediate offer when you've found a bargain. Contact me right away to take advantage of today's unique opportunities!



## Letter From Our Owners

Happy New Year! We hope the first part of 2010 is treating you well so far. It's such an exciting time, a brand new year to start off great new habits. It's also a good time to re-evaluate your financial plan and that all begins with your mortgage plan.

As a Mortgage Planning Firm, it is our responsibility to help our clients achieve their financial goals by understanding the importance of a plan. Many families' single largest asset is their house and it is our firm belief that this asset should be the cornerstone of their financial future.

Take a look at your current situation and give us a call to see how we can help. We also have contacts with a variety of great financial planners, estate planners and other people who can help you prepare for a great future well beyond this year.

At FirsTrust we're thankful for a successful 2009 where we celebrated our 20th anniversary of doing business.

Here's to a great 2010!

*Mark and Craig*