

# Mortgage MATTERS

NORTHWEST FEDERAL CREDIT UNION [www.nwfcu.org](http://www.nwfcu.org)

## NEW HOUSING BILL OFFERS RELIEF TO SOME STRUGGLING HOMEOWNERS



President Bush recently signed the Housing and Economic Recovery Act of 2008, designed to help an estimated 400,000 borrowers trapped in sub-prime mortgages and in danger of losing their homes. Under this program, eligible borrowers will be able to refinance into more affordable government-insured mortgages.

Since many homeowners facing foreclosure were misled, deceived, or the victims of unfair lending practices by

predatory lenders, this law also establishes a nationwide loan originator licensing and registration system to set minimum standards for all residential mortgage brokers and lenders. And, it strengthens mortgage disclosure requirements to help ensure that borrowers understand their mortgage loan terms.

*Since NWFCU has never participated in subprime lending, your mortgage with us is not affected by this program in any way.*

Nonetheless, if you're having difficulties paying your mortgage with any lender, please talk to us. We will try to work with you and find a way to ease your burden. Call our mortgage department at 703-709-8921 (1-866-709-8921 toll-free) Monday-Friday, 8:00 a.m.–4:30 p.m. We promise to do all that we can to help you maintain your greatest asset.

Source: U.S. Department of Housing and Urban Development's website, [www.hud.gov](http://www.hud.gov).

## Juggling the Buying and Selling Process

If you're **selling** your home, chances are you're also planning to buy one. If that's the case, the timing and financing can be tricky, especially in a buyers' market. Here are some tips for getting your home to sell, while finding the right home for your family.



- Put your home up for sale far in advance of purchasing a new one. Selling your home first will solidify your budget, improve your down payment, and eliminate the risk of temporarily owning two homes at the same time.
- If you do sell first, ensure that you have plenty of time to find a new home by negotiating the closing date or arranging a rent-back option where you can pay to stay in the house until you can move into your new home.
- List your home at a competitive price. Consider slightly lower offers if they are unconditional or an offer that gives you more flexibility with respect to the closing date.
- Prepare your home for sale by making any major repairs, followed by small cosmetic improvements. Plant flowers, maintain the lawn, trim shrubs and bushes. Apply fresh paint to the inside

walls, clean the carpet, wash the windows. Declutter by renting a storage unit for things you don't need.

If you're considering **buying**, now is a great time. Mortgage rates are low and you're likely to find some bargains this fall on existing homes as well as

new home construction as homebuilders will be eager to clear inventory and start fresh in 2009.

- Focus strictly on homes in your price range. Don't waste time looking at properties you can't afford.
- Determine your budget and get pre-approved for your mortgage. Visit [www.nwfcu.org](http://www.nwfcu.org) for calculators to help you determine how much home you can afford and to get pre-approved online.
- Negotiate the best price based on the market, and watch for bargains from builders and homeowners willing to lower the price to sell.

### CU Realty Can Help

Most importantly, register with CU Realty, a free service for NWFCU members. CU Realty is a comprehensive resource for home sellers and buyers alike.

## SEMINARS

### FINDING & FINANCING A HOME IN TODAY'S MARKET

Saturday, October 18 9:00 a.m.–11:00 a.m.      Saturday, November 15 9:00 a.m.–11:00 a.m.

Get answers to your home buying questions at our free seminar. Even repeat buyers can learn from this refresher, including how to negotiate contract terms, how to avoid financial pitfalls, and how to earn a cash rebate on your home purchase. Seminars will be held at our Herndon branch. Register at [www.nwfcu.org](http://www.nwfcu.org) or call 703-709-8921, option 7.

This exclusive service includes an information-packed website that features tools to help you establish the value of your home, research recent sales in your neighborhood, choose a qualified REALTOR®, and more.

Once you register with CU Realty, you'll enjoy free, unlimited access to the Multiple Listing Service (MLS/MRIS) to search for, compare and evaluate homes in your area. Use a CU Realty approved agent to buy and/or sell a home, and you'll get a cash rebate at closing worth up to 20% of your agent's commission. For more information, visit [www.nwfcu.org](http://www.nwfcu.org) and search for CU Realty.

Source: "Tips on Buying and Selling a Home at the Same Time," posted on [www.realestate.com](http://www.realestate.com).

# Sit Tight: The Housing Market Will Come Back



If the battered housing market has you second guessing your biggest investment, be patient. The housing market is cyclical and it will come back. While no one can predict exactly when the market will rebound, it's only a matter of time before home prices increase, houses sell faster, and property values improve. In turn, your equity will begin to build.

Signs that the housing market may be bottoming out include:

- Pending home sales, as measured by the National Association of Realtors, were up

unexpectedly in recent weeks to the highest level since October 2007.

- The nationwide rate of price declines has slowed significantly.
- Months-of-inventory of homes on the market is dropping for lower priced homes, suggesting the market is starting to clear at the bottom.

Furthermore, the federal government's recent takeover of mortgage giants Fannie Mae and Freddie Mac is intended to help stabilize the home loan market and limit any further downward spiral in home prices.

Sources: [www.bankrate.com](http://www.bankrate.com), [www.marketwatch.com](http://www.marketwatch.com), [www.sfgate.com](http://www.sfgate.com)

## MORTGAGE & EQUITY LOAN RATES<sup>1</sup>

### MORTGAGES

Check with CU

### EQUITY

5-Year	Max. Loan Amt.	Fixed Rate	APR
90% LTV	\$100,000	5.500%	5.63%

7-Year	Max. Loan Amt.	Fixed Rate	APR
90% LTV	\$100,000	5.875%	6.00%

10-Year	Max. Loan Amt.	Fixed Rate	APR
90% LTV	\$100,000	6.625%	6.74%

15-Year	Max. Loan Amt.	Fixed Rate	APR
80% LTV	\$350,000	6.875%	6.96%
90% LTV	\$350,000	7.875%	7.96%

### HELOC

80% LTV	Max. Loan Amt.	Variable Rate
80% LTV	\$350,000	4.50% <sup>2</sup>
90% LTV	\$350,000	6.00% <sup>2</sup>

### Interest-Only

HELOC	Max. Loan Amt.	Variable Rate
90% LTV	\$350,000	6.50% <sup>2</sup>

## AUTO LOANS

### NEW & USED VEHICLE LOANS<sup>3</sup>

Up to 100% financing

	Term	APR
New	12 to 36 months	3.50% <sup>3,4</sup>
	37 to 72 months	4.99% <sup>3</sup>
	73 to 84 months	6.50% <sup>3</sup>
Used	12 to 60 months	5.74% <sup>3,5</sup>
	61 to 84 months	7.74% <sup>3,5</sup>

### LEASES<sup>3</sup>

Up to 100% financing

	Term	APR
New	24 to 60 months	4.99% <sup>3</sup>
Used	Up to 36 months	6.74% <sup>3,5</sup>

## CREDIT CARD RATES

	APR	
Visa® Platinum	8.00% <sup>1,6</sup>	
Travel Rewards Gold MasterCard	with \$30 annual fee	10.00% <sup>1,6</sup>
	with no annual fee	12.00% <sup>1,6</sup>
FirstCard Visa Platinum	Fixed rate 9.99% <sup>7</sup>	

<sup>1</sup> Rates current as of 10/1/08 and subject to change without notice.

<sup>2</sup> APR = Annual Percentage Rate. Rate based on the Wall Street Journal Prime Rate listing on the last business day of the month and is subject to change quarterly.

<sup>3</sup> Annual Percentage Rate (APR) current as of 10/1/08 and subject to change without notice. Credit Union members without Access or Premier Checking, add 0.25% to the listed rates. \$20,000 minimum loan required for terms 61 to 84 months.

<sup>4</sup> This rate is only available for new auto purchases and auto loan refinances from another lender where the auto was purchased as new within the past 12 months.

<sup>5</sup> When refinancing an existing NWFCU auto loan or lease to a lower rate using the same collateral, 0.50% is added to the listed rate for administrative expenses.

<sup>6</sup> Rate is based on the Wall Street Journal Prime Rate listing on the last business day of the month and is subject to change monthly.

<sup>7</sup> FirstCard Visa Platinum is exclusively for members age 15-22. Check with NWFCU for details.

# BOOST YOUR CREDIT SCORE WITH BALANCE FINANCIAL FITNESS

The term "credit score" may seem like a buzzword since we hear it so often. But the truth is your credit score can make or break your borrowing career. Having a high credit score practically ensures that you'll qualify for a loan. In addition, with many lenders it also means you'll qualify for the lowest available rate. On the other hand, a low credit score can make borrowing money very difficult, and interest rates on "riskier" borrowers tend to be quite a bit higher, costing you a lot more money.

One of the most important things you can do to boost your credit score is to make timely payments—on time, every time. Learn what your creditors consider "late." It's not always 30 days or more. For example, your NWFCU mortgage payment is considered "late" if it is received after the 16th of the month, and

"delinquent" after the 30th of the month that it's due.

There are other factors used in determining your credit score, and the power to increase your score rests with you. Your first step is to review your credit report. To obtain a low-cost copy of your credit report, contact BALANCE Financial Fitness Program, an NWFCU member benefit. A BALANCE counselor will review your report with you and make recommendations as to what you should do to improve your score. BALANCE can also help you design a workable budget and help you reach your short- and long-term financial goals. Call BALANCE at 1-888-456-2227 (toll-free), Monday–Thursday, 8:00 a.m.–11:00 p.m.; Friday, 8:00 a.m.–8:00 p.m.; or Saturday, 11:00 a.m.–8:00 p.m. (ET).

## Need a Loan?

We're Here for You and Your Family



Even in this ever-tightening credit climate, we still have money to lend. We are, and always will be, a lender you can trust.

Take advantage of dealers' year-end model clearances with our low rates on auto loans, capitalize on falling mortgage rates and refinance, or consolidate bills and credit card debt with a low-rate signature loan. Whatever you need, we have the funds to make it possible. Apply today!

- Online: visit [www.nwfcu.org](http://www.nwfcu.org)
- By phone: call 703-709-8901 (1-866-709-8901 toll-free)
- In person: stop by any branch

## LOOKING FOR A USED CAR?

You Might Find a Deal on Our Website

Visit our Online Vehicle Auction\* at [www.nwfcu.org](http://www.nwfcu.org) to bid on pre-owned cars, SUVs and trucks. Click each vehicle to view a color photo, full description of features, odometer reading, vehicle identification number and the NADA value of cars for sale.

Complete and submit our online form to place your bid. We'll let you know if yours is the winning bid and contact you to complete the sale.

\*NWFCU's Online Vehicle Auction is open to the public; you do not have to be an NWFCU member to place a bid. Vehicles are sold "AS-IS" without warranties and may include credit union-owned off-lease, repossessed or fleet vehicles.



P.O. Box 1229  
Herndon, VA 20172

### REAL ESTATE LENDING

703-709-8921  
1-866-709-8921  
M-F: 8:00 a.m.–4:30 p.m.

### CALL CENTER

703-709-8901  
1-866-709-8901  
703-709-8919 (TTY)  
M-F: 7:00 a.m.–7:00 p.m.  
Sat.: 8:00 a.m.–1:00 p.m.

### OTHER SERVICES

703-709-8900  
1-800-336-3384  
Auto Locating: ext. 6001

### WEBSITE

[www.nwfcu.org](http://www.nwfcu.org)

### EMAIL

[mortgages@nwfcu.org](mailto:mortgages@nwfcu.org)

### MOBILE

[go.nwfcu.org](http://go.nwfcu.org)

In order to assure that the Credit Union in compliance with State and Federal regulations, secondary market guidelines and our regulatory agency, NCUA, your account or mortgage loan may be randomly selected for an independent quality control review. Your cooperation with any required verification or certification is appreciated.



AMERICAN'S CREDIT UNIONS

Where people are with more than money.



NCUA

EQUAL HOUSING LENDER

Northwest Federal Credit Union is federally insured to at least \$100,000 and backed by the full faith and credit of the United States Government.

We do business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act.