

Mortgage MATTERS

NORTHWEST FEDERAL CREDIT UNION www.nwfcu.org

RENOVATE OR RELOCATE?

Home Equity Loans Make It an Easy Decision

The current housing market has many homeowners thinking about adding on and staying put. NWFCU's competitive rate home equity loans and Home Equity Line Plans (HELP) make improving versus moving a smart choice. Whether it's updating the kitchen, adding more living space, replacing the siding, adding a deck or finishing the basement,

sprucing up your home will increase the value and make it more marketable when you *do* choose to sell.

Here are some typical home improvements today's buyers have come to expect and the approximate amount of equity you'd need to tap into to pay for the projects:

TYPE OF IMPROVEMENT	AVERAGE COST ¹
Kitchen remodel	\$17,000–\$19,000 (10' x 20' minor remodel)
	\$55,000–\$69,000 (10' x 20' mid-range remodel)
Adding a bathroom	\$26,000–\$34,000 (6' x 8' with standard amenities)
	\$55,000–\$69,000 (9' x 9' upscale master bath)
Sunroom	\$46,000–\$56,000 (10' x 20')
Deck	\$16,000–\$25,000 (25' x 25' multi-level deck)
Hardwood floors	\$1,100–\$2,000 (12' x 12')
Replacement windows	\$300–\$700 (per window)



NWFCU's home equity loans (as low as 6.38% APR²) are an affordable way to upgrade your home. You'll enjoy the tax advantages home equity financing provides³, and with our closing cost credit of up to \$500, most borrowers won't pay any closing costs!

For more information about our fixed rate home equity loans and variable rate HELP, call 703-709-8921 (1-866-709-8921 toll-free) or stop by any branch. To apply online, visit www.nwfcu.org — our easy application and quick closing process means you'll have your cash fast!

¹ Approximate average cost to have a contractor perform the job according to articles posted November 2006–May 2007 on www.costhelper.com.

² Annual Percentage Rate current as of 7/1/07 and subject to change without notice. Rate is based on a 5-year fixed rate equity loan with 90% loan to value ratio.

³ Consult your tax advisor.

Telemarketing Scams On the Rise



Some NWFCU members recently received telemarketing calls from individuals posing as NWFCU mortgage representatives. Please be advised that these types of calls are fraudulent. NWFCU employees do not place telemarketing calls to "sell" our products and

services, nor will they call you to discuss your accounts or personal information. If you do receive this type of phone call, try to get a call back number and report the details of your call to us via email at fraud@nwfcu.org so we can investigate the incident.

At NWFCU, we respect your privacy and take every precaution to protect

your personal information. We do not sell names, financial records, loan information or phone numbers to outside parties.

Unfortunately, mortgage information is a matter of public record so we cannot completely prevent fraudulent solicitations. We can, however, inform our members when these types of events occur through our [e-LERT program](#). It's completely free, and alerts members of all types of telephone and email scams.

To sign up for Fraud Alerts, visit www.nwfcu.org and click on 'Products & Services.' You can further protect yourself by registering your home and cell phone numbers with the National Do Not Call Registry at www.donotcall.gov.

YOU COULD WIN A \$5,000 EXTREME ROOM MAKEOVER

Are you financing a second home through us? Or, refinancing your current home loan? If so, and you close on your NWFCU mortgage by August 31, 2007, you'll automatically be entered for a chance to win a \$5,000 Extreme Room Makeover and our 60th Anniversary grand prize — a 2008 Toyota Camry from Miller Toyota Scion of Manassas, VA. For details and official rules for both drawings, visit NWFCU's special 60th anniversary website at www.celebratingsuccess.com.

BUYER BEWARE...

The Fine Print Could Cost You



If you've received an incredibly great offer from another lender for a mortgage or home equity loan, be wary. Current lending tactics are luring buyers with fantastic rates and the promise of low payments, until the rate adjusts. Then the American dream can turn into a nightmare. Many homeowners are finding themselves in desperate situations because they misunderstood the terms outlined in the fine print of their mortgage documents.

Choosing a loan solely based on the monthly payment can backfire. Some non-traditional and sub-prime loans have terms that ultimately leave borrowers with payments they simply cannot afford, and pre-payment penalties that make refinancing next to impossible.

According to CNNMoney.com*, one recent example is the Option ARM, in which the monthly payment is actually less than the monthly interest charge. The unpaid interest

is added to the principal balance of the loan, creating a phenomenon called negative amortization. The loan balance actually *increases* each month, even though the borrower is making payments. And when the rate is adjusted, the payments can climb beyond the homeowner's ability to pay. This can create a disastrous situation, especially in a falling housing market.

At NWFCU, we pledge to keep your best interests in mind. Our mortgage experts provide free counseling sessions to review these mortgage offers with you, decipher the small print and give you an honest assessment. If we can't "beat" the other lender's offer, we'll tell you — honestly. To schedule an appointment, call 703-709-8921 (1-866-709-8921 toll-free).

*Source: CNNMoney.com article posted on 5/2/07 titled, "The Buyers: The Quams and the Too-Good-To-Be-True Mortgage."

Keeping Your Home Secure



Your home is your castle; and it should be a place where you feel secure. Keep your fortress safe from intruders with these helpful tips.

OUTSIDE YOUR HOME

- Trim trees and shrubs around entrances and walkways to eliminate hiding places for an intruder. Remove tree limbs that could allow someone to climb to an upper-story window. Plant thorny shrubs or rosebushes under windows.
- Install low voltage lighting along your landscape and motion-sensor lights on the rear and sides of your home.
- Attach bold, reflective numbers on the front of your home, making it easy to find in case of emergency.
- Leave a spare key with a trusted neighbor; never hide one near your front door.

DOORS AND WINDOWS

- Close and securely fasten doors and windows, including storm doors and the door to an attached garage, even when you're home.
- Secure sliding glass doors with a metal rod

and equip all exterior doors with a heavy-duty deadbolt lock.

- Install a 180-degree angle peephole in the main entrance door.

WHEN YOU'RE ON VACATION

- Plug lights and a radio into timers; leave a car in the driveway; stop mail and newspaper delivery.
- Hire someone to mow your lawn.
- Leave curtains and blinds in their normal positions.
- Alert a trusted neighbor when you'll be out of town and leave a contact number.

For maximum protection, consider having a monitored home security system installed. Homes without them are three times* more likely to be broken into, and many insurance companies offer a discount on your premiums when you provide proof of professional security monitoring.

*Source: www.home-security-systems.net

FREE APPRAISAL WITH ANY ADJUSTABLE RATE MORTGAGE

Do you have family and friends who are in the market for a home? Or, perhaps you're buying a second home or interested in refinancing your current mortgage? We'll pay for the home appraisal (value up to \$350) when you close on any Adjustable Rate Mortgage with NWFCU, including new first mortgages or refinanced loans from NWFCU or any other lender.

Simply close by September 28, 2007 and we'll reimburse your NWFCU share savings account the actual cost of your appraisal within three business days.

For current rates and to apply online, visit www.nwfcu.org or call 703-709-8921 (1-866-709-8921 toll-free).

MORTGAGE & EQUITY LOAN RATES¹

MORTGAGES

Check with CU

EQUITY

5-Year	Max. Loan Amt.	Fixed Rate	APR
90% LTV	\$100,000	6.250%	6.38%
100% LTV	\$ 50,000	7.000%	7.13%

7-Year

90% LTV	\$100,000	6.625%	6.75%
100% LTV	\$ 50,000	7.625%	7.74%

10-Year

90% LTV	\$100,000	6.875%	6.99%
100% LTV	\$ 50,000	8.125%	8.24%

15-Year

80% LTV	\$350,000	7.000%	7.08%
90% LTV	\$350,000	8.250%	8.33%

HELP Loan

Max. Loan Amt.	Variable Rate
80% LTV	7.75% ²
90% LTV	9.25% ²
100% LTV	10.25% ²

Interest-Only

HELP Loan	Max. Loan Amt.	Variable Rate
90% LTV	\$350,000	9.75% ²

AUTO LOANS

NEW/USED & 2ND CHANCE LOANS¹

Up to 120% financing (check with NWFCU for details).

Term	APR
Up to 60 months	4.74% ³
61 to 84 months	5.74% ³

LEASES¹

Up to 120% financing (check with NWFCU for details).

	Term	APR
New	Up to 60 months	4.74% ³
Used	Up to 36 months	4.74% ³

CREDIT CARD RATES¹

	APR
Visa® Platinum	11.25% ⁴
Travel Rewards Gold MasterCard	
with \$30 annual fee	13.25% ⁴
with no annual fee	15.25% ⁴

¹ Rates current as of 6/28/07 and subject to change without notice.

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

³ For Credit Union members without Advantage or AdvantagePlus Checking, the rate will be 4.99% APR for up to 60 months and 5.99% for 61–84 months. \$20,000 minimum loan required for terms 61–84 months. When refinancing an existing NWFCU auto loan or lease to a lower interest rate using the same collateral, the promotional rates do not apply. Members may refinance an existing NWFCU auto loan at the rates in effect on 4/11/07 with 1/2% added to the rate for administrative purposes. Other restrictions may apply.

⁴ 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.



P.O. Box 1229
Herndon, VA 20172

MORTGAGES

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

EMAIL

nwfcu@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.



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.