

RODINO MORTGAGE SERVICES

Everything You Should Know About Mortgages

The information you really need to understand before you purchase or refinance a home.

(This report is the result of years of study and research and is not available in any book stores) As you know, buying a home will probably be the biggest financial decision you'll ever make.

8 Subjects that will astonish you about Home Mortgages!

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I guess it's no big surprise that \$100,000 or more is a ton of money, and since you will be promising to pay back this great sum of money, you will want to be sure that you have made the right decisions. So, let there be no mistake, there will be lots of decisions to make.

Most of us make these decisions without really knowing if we've done the right thing. I mean, have you ever seen so many options & choices?

Decisions about **interest rates**, and **down payments**, and the **length of the loan**, and **points**, and **escrow**, and on and on and on....

Let's face it, these choices are confusing to anyone. And it doesn't matter whether you're a financial genius, or you have trouble balancing your checkbook every month. They're still confusing choices and can lead to agonizing decisions.

So, when it comes to making these choices, we either make them on our own, or we get help from real estate agents,

bankers, our parents or friends.

Although they are all well meaning and sincere people, they usually don't have the right tools or knowledge to get the right answers for us.

Furthermore, concerning the bank, why go there anyway? Would you go to the I.R.S for advice on filling out your income tax return? Chances are you would want to avoid any contact with the I.R.S. when you are discussing your personal returns.

Similarly, why would you go to your local bank for a mortgage on your house. You see, your local banker examines your loan in much the same way that the I.R.S examines your income tax returns. **He looks for problems** (reasons not to give you a loan). What you want is someone who is looking for reasons to give you a loan.

So, why is it, that so many people go right into the local bank and expect the banker to tailor his lending guidelines to their needs. Most people don't know this, but the local banks don't care about getting you a mortgage that fits your needs, and with the tight requirements that the banks have, **EVEN ONE SMALL DISCREPENCY IN YOUR FILE, CAN CAUSE YOUR LOAN TO BE DENIED!**

Think about it, if there is just one thing that the bank doesn't like, you could be spending your time looking for another lender. Or worse, you could be out of \$300.00 or more in application fees and prepaid expenses.

(Think about how much you might spend going from bank to bank trying to qualify for a mortgage!)

And that was for having only minor discrepancies in your file. **Imagine trying to qualify at the bank when you have several major problems in the file.**

In fact, each time you shop a different lender, you run the risk of creating more problems.

The local banks
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your needs!

Let me give you a quick example of what I mean. Each time you go to a bank, the loan officer will run a new credit report on you. But, what you may not know is that each time a new credit report is run, your credit score will go down. So, suppose you already have some credit problems. It won't help you at all to lower your score. In Fact, it will

hinder your chances of qualifying for the loan. In addition, each new loan officer will notice that there were other banks that recently reviewed your credit and may just assume that you didn't qualify before, so you probably won't qualify at their bank either.

Does that make sense?

I sure hope so, Because we're going to spend the next few minutes talking about the ten biggest mistakes most homeowners make.

And as we discuss these mistakes, try to see if you've made any of them yourself. Please be honest, because, if you have made any one of them, you

could be dangerously off course!

Very well, let's take a look at this story to see if it sounds familiar.

Mike was totally confused, and Linda, his wife, wasn't feeling any better. They were, sitting in the banker's office, *praying* that he would give them an equity loan on their home.

At first, they were really excited. They had finally come to their senses and decided to do something about all that credit card debt they had been racking up.

Their current debts were beginning to eat up most of their monthly income. It seemed that they had nothing to live on after the credit cards bills were paid. And, they had to eat. so they just kept using the cards

Why You Should Never Pay an Application Fee

In the first place, its just plain silly to pay an application fee. Why on earth would you pay for something that is absolutely free! That's right. Securing a loan commitment should be absolutely free. Never mind what your banker told you. Compare this with other businesses. Do you pay a shoe salesman a measuring fee to measure your shoe size whether or not you buy a shoe from him, or do you pay a real estate agent a showing fee to show you houses that you will not buy? Well then, why would you pay the bank to tell you that they can approve your loan? (Application fees are silly, aren't they?) But, more importantly, when you pay for something, you tend to keep it don't you? Even if it's not what you really expected. How often have we gone to the store and bought something, brought it home, tried it, then decided we don't really care for it? Perhaps we only use a small portion of it and when were done, we throw it out never to buy it again. But, when you pay an application fee and then decide that its not what you want or what you expected, or even that you can't have it, you've just spent \$300.00 dollars or more. Its a little expensive to pay for something you may not like. Even more so, what if the bank can't get you a loan at all? It stands to reason that you should pay only after a commitment is secured, you like the commitment, and you consequently ***accept the commitment at closing!***

On another note, the bank is under no obligation to share any of the documents it procures for you with any else. That means if you decide to use a different bank, the bank, who subsequently ordered your appraisal, must only give a *copy* to you, the borrower. But in reality, this copy is useless to another lender unless the bank is willing to assign it to the other lender. Unfortunately, I haven't found a bank that is willing to assign their appraisals to another lender. So, at this point, you'll have to pay the appraiser to redraw or redo the appriaisal.

Banks purposely make it expensive to shop around. But, the good news is a mortgage broker can shop your loan for you. No need to fear whether or not you can get an approval. Your mortgage broker can get an approval for just about anyone, under any circumstance.

For more information or to consult with a mortgage broker see page XX. We'll get you a mortgage commitment without charging you an application fee.

The Truth about "Fee Free" Loans

Lately, there's been a lot of hype about the controversial "Fee Free" loans that some lenders have been advertising. The trick to luring someone into this type of loan is to make the borrower believe that there are no costs involved with getting them a loan. Think about it. Have you ever really gotten something for nothing? The gimmick here is that the lender hides the costs of the loan inside an inflated interest rate. Normally, the closing costs of a loan will be about 6-8% of the amount of the loan. There's just no way of getting around that. Just like you and I, the lender's employees and contractors won't work for free. The only way to legally hide the costs of the loan, is to jack the interest rate way up. Now, if your credit is good, and you have a conforming loan (See page 8 for additional information on non-conforming loans) you deserve the best rates on the market. Why should your interest rate be 10-12% just so the lender can say that there are no fees in your loan. Trust me, the lender has expenses. One way or another, he will get paid for these expenses. If you pay the lender his fees up front, you will pay much less than if the lender *finances* his fees with an inflated interest rate. Think about this for awhile. If your interest rate is boosted just 2%, you will pay over \$25,000.00 more in interest payments over the life of the loan for just a \$50,000.00 loan. Just think what you will pay if your loan amount is \$100,000.00 or more. It is far better to pay the costs of the mortgage up front than to pay too much for them over time.

to finance eating out and gasoline and all sorts of other things.

Anyway, now the time was right. They had some time to review their bills and decided that a debt consolidation loan was what they needed.

Coincidentally, they had just seen an advertisement from their local bank that said, "Come in today and Consolidate all of your debts or use the money to take a vacation." Well, they could use the vacation but getting a handle on their debt was more important.

After seeing the ad, Mike said to Linda, "Well, it looks like things may go our way for a change!" They felt comfortable with applying for the new mortgage at this bank because they have their current mortgage as well as their savings and checking accounts at that same bank.

So, they called the bank one afternoon and spoke with the manager. After all, they've known the manager for what, maybe twenty years, now? Anyway, when they called him, and he said, "You guys are in luck. We're having a special this month. I don't know all the details, but I'll be giving Mrs. Greenspan, our loan specialist, your phone number. She'll be calling you this afternoon."

Sure enough, Mrs. Greenspan called with the details of the special. She wanted to know things like:

How much do you make each month. How many credit cards do you have. What are the balances on those accounts. How long do you want the loan for, 15, or 30 years? What is your house worth? Do you want a fixed or an adjustable rate? Would you like a higher rate with less points, or, a lower rate with higher points? and so on....

They just guessed at the answers, and she told them they needed to come in and sign

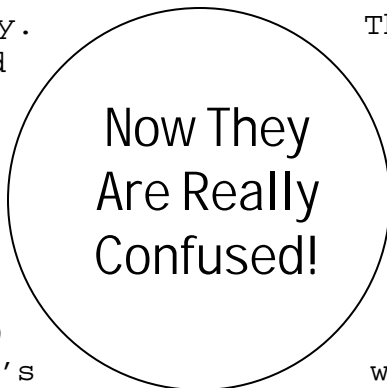
some documents and bring in their taxes, w-2's and paystubs and, not to forget, they must bring in \$375.00 for an application fee. So, they came in that afternoon with all their paperwork and the 375 dollars to sign the paperwork. When they were finished, Mrs. Greenspan said that she would get back to them with their approval very shortly.

About two weeks later, Mrs. Greenspan gave them a call. "Cincinnati says you need to give us more current pay stubs. "Who's Cincinnati?" Linda asked. "Not who, where," said Mrs. Greenspan. "Cincinnati is where the loans are processed. We need this information as soon as possible."

Well they sent her their most recent pay stubs, and assumed everything was OK. About a week and a half later, they got a short, one page letter saying how sorry the bank was, but that they were rejected because their debt to income ratio was too high!

Mike called his buddy, the manager, and was told, "Sorry Mike, There's nothing I can do." Disappointed is not a strong enough word to describe their feelings. But, they had to do something. Neither one of them knew if this bank was going to do the same thing as the other bank and reject their loan anyway. They really didn't know what they had to do to get approved for the loan. So, they asked for help.

First, they went to the information they could think from his sister's side, everything about everything. laws do know everything.) to another bank because that's



best source of of, Mike's brother-in-law Larry. Now, Larry knows (After all, brother-in-law Anyway, he told them to go where he got his loan.

Well, Mike and Linda weren't so sure, so they went to the real estate agent who listed their home. She told them about yet another bank where she sends her customers.

So now, they're sitting at home wondering which bank they should try next. But, what they don't realize is that it doesn't really matter which bank they try next. For the most part, banks are all the same. If one turned them down, its very likely that the next one will turn them down as well.

NOW THEY ARE REALLY CONFUSED! So, Linda leans over to Mike, and says in a whisper, "Honey, I have no idea which is the best bank for us. What do you want to do? I am scared they're just going to turn us down like the other bank just did. What do you think we should do?"

To which Mike replied, "I'm scared too! I guess we should use whichever bank Larry said to use. After all, he knows everything."

Of course, Mike was being sarcastic, and was trying to make the best

of a bad situation, But, he was also conveying his opinion of what they should do. Moreover, Linda was inclined to agree. After all, they had no idea what was right anyway, and had to do something.

So, they went where Larry told them to go and were now faced with all those same, confusing questions and decisions all over again. A couple of weeks later, they were turned down by that bank as well. Boy, were they sorry they listened to Larry!

For all kinds of reasons, they found out that they had wasted their time trying to get a bank to approve their loan. Unfortunately, banks don't do the type of loans that they needed. Not only did they waste their time, but their credit card debt continued to rise, and they were out of \$750.00 in application fees.

Now, let's take time to discuss the mistakes Mike and Linda made and see if we can show you

How to Avoid The 10 Biggest Mistakes When Getting A Mortgage!

1. Waiting for a bank approval

Avoid waiting for an approval from some giant bank who could care less if they get you the loan. Don't forget, banks are in the business of loaning money to people who really don't need it. They are in the business of avoiding risk.

Bankers are paid bonuses and receive promotions, based on the quality of the loans they approve. If they have even the slightest problem with a loan, it's usually declined.

Furthermore, banks usually only give loans that conform to the Federal Home Mortgage Association's (Fannie Mae) guidelines. These guidelines are the strictest in the lending industry for residential loans and most people do not qualify for them anyway.

You see, your banker will still get his or her paycheck every two weeks whether your loan is approved or not. But, if your loan goes bad down the road, it can cost them extra money. They will have to buy it back from the government. So, is it any mystery why banks are so hard to work with?

2. Paying an Application Fee

There is no reason that you should ever pay an application fee. Banks charge application fees to make sure that you won't shop around.

Let's face it, if you pay \$300.00 or more to a bank just to get your loan approved, you won't want to pay the same amount to another bank when you finally decide to get serious about whether or not the bank can even do the type of loan that you need.

Furthermore, its nice to know what you will really pay when you finally get the actual costs and interest rate of the loan.

A good mortgage broker has many sources where they can place your loan. They don't give up after the first try, and they have a pretty good idea of what your loan will cost you under different scenarios. Plus, he or she will give you a good faith estimate of the charges you will pay. Although this is only an estimate, it should be pretty close to what you will actually pay for the loan.

When you pay an application fee,

you can kiss that money goodbye!

(See more about application fees on page 19)

3. Seeking the Wrong advice

One of the biggest mistakes that our friends Mike and Linda made was seeking the wrong advice.

First of all, they fell for the advertising from their local bank. Sure, the bank could have given them a loan if they could have fit into their mold of a perfect borrower. But the truth of the matter was that they did not.

...even if she had taken the time she couldn't have helped them....

Then, the banker gave them some more bad advice when he told them to see Mrs. Greenspan. You see, Mrs. Greenspan didn't take the time to understand Mike and Linda's situation. Unfortunately, even if she had taken the time, she couldn't have helped them because their bank doesn't make loans for people in Mike and Linda's situation.

Next, they had consulted with Linda's brother, Larry. Now, there's nothing wrong with in-laws, but most of them know nothing about mortgages, and any advice they may give will probably be useless in your situation.

Finally, there was the Real Estate Agent. She would be the one person you would think knew something about mortgages, but in reality, she knows

very little.

Her recommendation would be strictly business or personal. She would be referring banks in hopes of gaining influence for future referrals. Or, she may just be referring someone to a long time friend. Unfortunately, her friend probably knows nothing about the type of mortgage that Mike and Linda needed.

The best possible source of advice would most likely come from a mortgage broker. Mortgage brokers have several sources for Real Estate Loans. They also may place your loan with a non-conforming lender giving you the best possible chance of getting your loan approved. (For more information about

Non-conforming loans see page 8)

4. Fear of closing costs

The first time anyone buys a home they almost always go into shock when they see the closing costs on the loan. Then, when they decide to refinance, they remember the costs and start panicking.

Now, let's calm down a minute. If you understand something, you tend not to be afraid of it. So let's take a few minutes to get to know something about closing costs.

First of all, I'll be the first one to tell you that nobody will do your loan for free. That means that you will pay someone to originate your

loan. You will also pay anyone who works on the loan or provides something for the loan package, like an Appraiser or Surveyor or overnight delivery company.

Now, you may be asking, I understand that I have to pay, but why so much. Well, let's break down the usual costs. First there is the origination fee, usually about 2-4 percent of the loan amount. This covers the commission of your loan officer, and the overhead expenses of the mortgage broker like utilities, advertising, insurance, and office rent.

Next there is the appraisal. Appraisers currently charge about \$250-\$300 for a residential single family appraisal and consequently have overhead too. The purposes of the appraisal is to let the lender know how much the house is worth. For obvious reasons, the lender would not want to lend more than the house is worth.

Then, comes the credit report which usually runs about \$50.00. This reveals how you have paid your bills in the past. An essential thing that anyone who is going to extend you credit will want to know.

Then, there are your obligations that must be satisfied. For instance, the taxes must be current. If they are not, you must bring them current. Also, if you are buying a house, you must satisfy all the obligations to purchase the real estate.

What is a Non-Conforming loan, and how can I get one?

The best way to describe a *non-conforming* loan is to tell you what a *conforming* loan is. A conforming loan is usually the only type of loan that the local bank can provide. These loans have the strictest underwriting guidelines in the mortgage industry. They are so strict that they have been set forth by the Federal National Mortgage Association (otherwise known as *Fannie Mae*). Unfortunately, most people will not qualify for one of these loans in their lifetime. One reason for this is that a borrower must have sterling credit to get a conforming loan. Because the credit requirements are extremely tight, missing just one payment in the past can prevent you from qualifying. Therefore, most borrowers are eliminated shortly after the lender sees their credit report. Conforming loans also require that you have worked for the same company for at least 24 months and allow you to use only 28% of your income to qualify for the loan. The list of requirements can even fill a 1,000 page book. So, maybe you just landed a good job, or you can't even show where the money comes from. You might have missed a payment or two here or there. So, What if you did! Everybody misses a payment once in awhile. If this sounds like your situation, you're in luck. Our non-conforming loans are for those of us who don't conform to Fannie Mae's silly underwriting guidelines. Before, when someone was turned down by the bank, their chances of getting a loan were just about zero. Now, we can approve people who filed for bankruptcy or are currently in foreclosure. We can also get loans for people who have no way to prove their income. If you've been turned down for a loan or you think it is impossible for you to get a loan, your chances of qualifying for a non-conforming loan are great. We approve people just like you every day. Being turned down by the bank is not the end of the story. See the information at the back of this bulletin to find out how we can get a non-conforming loan for you!

Unfortunately, these things add up. But the good news is that a mortgage is a tool to accomplish a unique goal:

financing real estate!

When this goal is kept clear, then the costs of the loan are proportionate to accomplishing this goal. In other words, owning real estate and/or consolidating debts are ways to secure a better future.

If your goal is to get a better handle on your finances in order to enjoy a more prosperous future, whether through owning a new home or using the money to pay off other debt, then the closing costs are just part of doing business.

There is no reason to be afraid of closing costs. (For more information on whether or not you should buy a home or some rental property, read on.)

5. Deciding not to buy a home.

Every year, countless numbers of people decide not to buy a home. Often, the reason they do so is because they think that it is too expensive. As discussed before, the closing costs seem to outweigh the benefits of ownership.

Furthermore, the monthly payment may seem too high. When either of these reasons are the case, it is important to understand the financial benefits of owning a home.

First of all, let's get an idea of what it costs to rent versus what it costs to buy. If you continue to rent, you will pay about \$500.00 a month. So, if you rent a home for 5 years, you will have paid out about \$30,000.00 in rental payments. The math is pretty straightforward. However, when you purchase a home, it's not so easy to figure out what it will cost you.

Assume that you buy a home for \$75,000.00. The payment on that home may be about \$658.00 a month plus \$100.00 for taxes and \$45.00 for insurance. That totals about \$803.00 a month.

Now, if you own the house for 5 years you will have paid out about \$48,180.00 for the five year period. But, now you only owe a little more than \$72,000.00 on the house. Moreover, the house will probably continue to appreciate at about 5% each year and would be worth \$93,750.00.

Now do the math!

If the house would be worth \$93,750.00 and you now only owe \$72,500.00 on it, you would have \$21,250.00 in equity in the property. Considering you paid out \$48,180.00 in payments subtract the value you have in the

Three Reasons Why You Should Never Use an Out-of-State Lender

- 1. Out of State Lenders take too long to process loans.** Normally, it takes about 3 weeks to process a loan. However, when you use an Out-of-State Lender, the process may take 2 months or longer. This is because most lenders who solicit clients Out-of-State use inexperienced telemarketers to take their loan applications. Furthermore, they generally have a huge volume of loans that they attempt to write in any given month. Unfortunately, these telemarketers are not experienced loan officers and may not know if there are any problems with the loan when taking information for the application. Often, the applications are taken wrong and this can slow the process down by a few weeks. Then, the loan may be sent to a processor, who may be swamped with business, and the process is slowed down some more. When there are problems with a loan, the processor may just put the loan on the back burner until he or she gets a phone call from the client asking about the status of the loan. Another thing that slows the process down when you use an Out-of-State Lender is the time it takes to send documents back and forth between the lender and the client. When you use a local Mortgage Broker, you can meet with an experienced loan officer and sign the documents the same day.

- 2. Out of State Lenders don't understand Michigan's Laws and ways of doing business.** In many states, loans are closed in escrow. That means, when someone purchases or refinances a home, the documents are signed and then reviewed for accuracy by an attorney, the title company, or someone else. When all documents are checked and verified, then, and only then will the lender disburse the loan. This could take a few weeks to accomplish, and may affect the seller by delaying their payoff or the borrowers by delaying their cash proceeds. Furthermore, any loans that would be paid through closing may accrue interest daily, increasing the amount needed to satisfy the payoffs. In Michigan, however, loans are settled at the table. This means that when the loan is closed, all parties are satisfied the same day. The only exception to this rule is a three day right of rescission for refinances. But, after three days, the loan disburses immediately, and the payoffs are known ahead of time. Often, when an Out-of-State lender is used, that lender may not know how loans are disbursed in Michigan. Thus, there could be a lot of angry people waiting for their money after the loan has closed.

- 3. You'll never meet the person originating your loan when you use an out of State Lender.** There are few businesses that provide products with values of \$10,000.00 or more. However, this is common in the mortgage business. Therefore, it is very important for a loan officer to communicate properly with the clientele. It is equally important for borrowers to understand the loan and what it will cost. Many of the disclosures regarding costs, rates, and terms, are mandated by law and are something that a good loan officer will discuss thoroughly with the borrowers prior to closing the loan. Also, there may be several small details that need to be handled locally. A good loan officer can take care of these issues by personally meeting with the individuals who are in charge of such items. Often, the loan officer has built sound relationships with the local title companies, attorneys, and government employees who will be involved with the details in closing your loan. Therefore, it is more than just a convenience to personally get to know your loan officer. However, when you use an Out-of-State lender, you will probably never meet face-to face with the individual originating your loan. If there is a problem, they can't lose face because you never saw them.

property and you will have a difference of \$26,930.00.

But, that's only the beginning. Every year you keep the house after that, it continues to get better and by the time you pay the house off, you have a substantial investment.

When you rent, you never gain anything. Furthermore, you will save considerably on your taxes each year with the interest deduction.

Now, concerning that monthly payment. Realize that your income will probably go up each year as well. Plus, you can buy a starter home for less money so that you can begin to ride the equity train just like all the other home owners do.

It is clear that the savings and financial gains of owning real estate far out weigh the initial costs.

6. Failing to consolidate other debts.

Often, many borrowers are denied mortgages because they have too much outstanding debt. This usually means that the borrower has too many credit cards or other types of loans that they are still paying. If this is the case, it is a good idea to consolidate those bills by refinancing your home to include these debts.

Of course this will increase the amount you owe on your home, but you will be spreading your other debts over a longer period of time. Consequently, you will also lower your monthly payments for your total debt, and you can deduct the interest on that debt from your income taxes.

As it stands currently, you cannot deduct the interest on credit card debt from your taxes.

7. Choosing the wrong type of loan.

Another grand mistake people make is choosing the wrong type of loan. How does this happen? you might ask. Well, typically, the borrower has some preconceived notions about mortgages. The borrower usually gets these ideas from the loans that are being advertised by the big banks. Generally, the only types of loans that they advertise are the conforming loans that have the best rates. However, as we discussed before, most people do not qualify for these loans. So, with these things ideas in mind, the borrower thinks he knows which is the best loan for him. But, he may not even qualify for this type of loan, and the reason may not have anything to do with credit. I remember one borrower who had perfect credit, and he couldn't get a conforming loan. Boy, was he mad when I told him that he didn't qualify for the loan he wanted. Fortunately, I secured an approval for a loan that was perfect for his needs. The good news is that because I am a mortgage broker, I have access to many more sources

than the local bank does. It is not often that I can't secure a loan for someone.

8. Believing you can't get a mortgage when you really can.

Sadly, this is probably the the most common thing people believe about themselves. I often hear them say things like, "My credit is so bad, the bank laughs when it sees me coming!"

Unfortunately, many people believe that they can't get a mortgage. Well, I'm here to tell you that that is hogwash! Just because you have a unique situation like bad credit or you are self employed or you have too much debt or maybe you own too many properties already, it doesn't mean you can't get a mortgage. You are probably seeking the wrong advice. You're going to the wrong source for your mortgage.

How about trying a mortgage broker. Again, a mortgage broker can handle almost any situation, and he or she can get you on the right track to handle your mortgage needs in the future as well. Mortgage Brokers have so many loan programs available to them that even a person who has declared bankruptcy and demonstrates that he doesn't pay anyone can get a mortgage!

9. Using the wrong rule of thumb.

There is only one rule of thumb that you must always remember, and that rule of thumb is....

**...THERE ARE NO
RULES OF THUMB!**

Each case is different.

"Debt Consolidation" How it Works

If you are like most Americans, you are probably swimming in a ocean of credit card debt. Unfortunately, most of us are in over our heads. We can't even see the shore from where we're swimming. Meanwhile, we are praying that someone will throw us a lifesaver before the collection sharks start to devour us. We spend most of our time wondering how we are going to make our monthly payments when they keep getting bigger and bigger. The answer to our problems is a debt consolidation loan. But, you say, "How can I afford a new loan when my current loans are bankrupting me? Well, maybe you don't understand how debt consolidation works. Consider this example: Let's say you owe \$90,000.00 on your current mortgage and you have outstanding balances of about \$30,000.00 in credit card bills and other loans. Your payment on your current mortgage may be around \$650.00 and your payments on the credit cards and other loans may be about \$800.00. When you roll the balance of your current mortgage and the balances of the credit cards and other loans into the new mortgage, your new monthly payments may only total a little more than \$1000.00 each month. That's a savings of over \$400.00 every month! Just think of what you could do with an extra \$400.00 every month. And you would only have one payment to make each month for all those bills. Just think, no more waiting each month to see how much your payments have grown. Debt consolidation can end the frustration of waiting and not knowing where you stand financially. Take a look towards the back of this brochure to find out how to contact us for help in solving your financial problems.

My circumstances are different from your circumstances, and your circumstances are different from everyone else's.

You cannot expect to make decisions that are right for you, based on what someone else is doing. Nor can you make them based on something you may have heard from someone in the press or maybe from a friend.

For example, most people have some "rule of thumb" about what the current interest rates should be. Usually, their rule of thumb rate is a lot lower than what the current market rate is. Or they only know what the prime rate of interest is. (Make note of this. The prime rate is the rate that banks give the best qualified borrowers under the most stringent underwriting guidelines. Remember, we said that most people cannot conform to those guidelines.)

But, understand that someone else's rule of thumb means absolutely nothing to you and your family.

Again, please recognize that you are you, and deciding to refinance or not, has nothing to do with some "rule of thumb" you read in a magazine or hear

How to Save Your House from Foreclosure!

The information in this section has changed because of recent events in the foreclosure market. If your house is in foreclosure, call us immediately! There is no time to waste! New laws are making it difficult for you to redeem your property. Doing nothing will guarantee that you lose your home! We can often help! Notice I said often because when a person's home goes into foreclosure, that person stops behaving rationally! Don't let your home and the money you invested in it be taken from you. Not every home can be saved from foreclosure, but if you do nothing, you will certainly lose your home. Call me right now! You can reach me directly at (313) 886-6800.

from a friend.

All that matters is whether or not you can get the loan that is right for you, not what type of loan someone else got.

10. Failing to seek alternative financing.

You would be surprised to know that there are many sources for alternative financing. Here are just a few.

I. Partners

It's possible that you may know someone who is willing to invest in a home with you. Quite often, family members or good friends can assist you by becoming a partner in your house. They will have part ownership of your house and will share in the appreciation when you sell. Or, they may want to cash out earlier when it is easy for you to refinance and pay them off.

In the \$100,000 example we used before, let's assume you wanted to get your payment as low as possible, and needed the extra \$15,000 down payment. If you got someone you know to put the cash up for you, they could take a 50% ownership in the house. You would make all the payments and improvements.

Then, down the road when the house grows in value, you could refinance the house, and get enough cash to "buy the partner out"! If the house appreciates to \$120,000, you could get a loan with PMI for \$95,000 and pay back the \$15,000 to your relative, and the home is all yours!

Even though you may have to pay them interest, or offer them some other incentive for them to do this for you, the bottom line is you are still getting to own your own house. We can assist you in structuring these types of arrangements.

I. Gifts

Instead of having a partner, it is sometimes possible to get a gift from someone you know to add to the down payment. Whereas a partner would have an ownership interest in the property, a partner would not.

Good candidates for gifts are close relatives like parents or Grandparents. Often, they may be willing to give you the money now, instead of leaving it to you in a will.

However, this may be a sensitive issue and these people should not be

How You Can Really Buy a Home with Little or No Money

I often believe that I should never tell anyone how to do this. The reason for this is because most people fail to follow my proven steps to buying a home this way. Then, after they are through jerking a real estate agent around for a couple of months and have tied up some poor seller's home, and wasted everyone's time and cash, they decide to call me to try and save their deal. Guess what? I CAN'T SAVE A TRANSACTION THAT WAS DOOMED FROM THE START! People who try to do something like this without experience are FOOLISH! Every one of them! There is a way to purchase a house with no money down, but it requires that you follow a proven formula. If you never purchased a home with no money, then consequently, you know nothing about how to do it. Veteran home investor's can tell you that it can be a difficult thing even for them. But, relax. I am here to tell you that it can be done if you remember the following important things:

1. Don't try to buy your dream home when have no money for a down payment. You can buy your dream home after you get a financial gain from this house or some other house.
2. Try to purchase a house that makes financial sense for you *and* the seller. A seller whose house is in a "seller's" market will not be willing to make the necessary concessions you need to complete this type of transaction.
3. Do not use a real estate agent who has no experience in making these types of transactions. Contract with an agent who knows how to make an offer to purchase a home with no down payment and knows how the mortgage broker finances these transactions. Most real estate agents know nothing of buying properties this way. So, don't be surprised when you can't find one who is willing to work with you when they find out you have no money.

If you are really interested in purchasing a home this way, you can give me a call. I know some agents who you can contract to purchase a home this way. However, if you think you already know how to do this, please don't call us to fix your mistakes! We will only help those who really want to buy a home with no money, and are willing to follow our instructions. (See page XX to find out how to contact me.)

approached if you could cause an offense when inquiring about a gift.

I. Builders

It isn't common knowledge, but builders can offer great financing terms for homes that they will construct for you.

Builders of single family, or townhouses, or condos, or modular housing, etc. may have cut a deal with a bank or other mortgage company to help people purchase their houses. Sometimes, they will offer very low down payments and/or special introductory interest rates.

For example, a developer was recently offering a 3% down payment option, with the first two years interest fixed at a rate of only 4.9%!

On a \$100,000 home, your cost of entry would be \$3,000 plus \$1,000 in fees, all totaling \$4,000. Your monthly payment, including all taxes and fees, would be around \$600 per month, for the first two years!

Compare owning a home worth \$100,000.00 with renting an apartment for \$600 bucks?

We can help you find these deals. We are always watching the marketplace for builders who want to get their homes sold!

I. Creative Financing

Did you know that the seller of a property can help you with financing? There are numerous ways to do this if you have a willing party.

What am I talking about?

Well, let's look at that \$100,000 house again. But first, be aware that many sellers will not, or are not able to help you with financing. It's hard to find a seller who is willing, but, just because it's hard, doesn't mean its not worth the effort.

Usually, the seller will be in a situation where they want or need to sell quickly. Many times, there house has been on the market a while or there is a divorce settlement or some other reason that motivates them. Regardless of their reason, there is an opportunity for you to buy their house if they will help you.

Let me give you a real example of a home that sold this way. It should make things clearer to you.

The seller was a widower for several years now, and was in his late 50's . He recently became engaged to a woman who also was a widow. Incidentally, they both paid off their homes from the proceeds of their spouses' life insurance.

After they were married, they planned to sell his house and move into hers. (Hers was closer to the city, where they both worked.)

On the other hand, there was a couple who wanted to buy the house. But, one of them was out of work for four months, and they were unable to pay their bills on time. Because of this, there credit was damaged, and they could not get a loan from a bank because they did not have enough cash to put down. At the time they were ready to buy, however, they were both working and had decent incomes. Also, they had saved three thousand dollars, and could get a gift of \$2,000 from one of their relatives.

So, here's what happened. We approached the seller with the following offer:

We'll "rent" the home for \$600 per month, plus a nonrefundable "option fee" of \$200 per month, for a total of \$800. (The \$200 per month option fee will apply towards the down payment in the future.)

We'll give you a nonrefundable \$5,000 deposit towards the eventual purchase price.

We will have to get a mortgage sometime in the next three years, to buy the home from you.

If we can't get a mortgage anytime in the next three years, or don't make our payments, etc., you get the home back. And you get to keep everything we've paid you so far.

As an additional incentive, we'll raise the purchase price of the home by 4% each year after the first year, if we haven't bought it from you by then. (So the seller will get appreciation if you "rent" it from him past the first year.)

Anyway, the seller accepted the deal and moved in with his new wife.

The buyers were able to get a mortgage a year later, and complete the deal.

Let's review the merits of this situation. First of all, the seller was able to move in with his new wife right away, and basically had a risk free offer on his old home. Secondly, the buyer was able to purchase a home even though his credit was bad and he had relatively little money to put down. Most importantly, the worst that could have happened to the seller was he would have taken the house back, and made a few grand off of the deal.

Here is another example. Likewise, the seller in this case is in a similar situation and will sell the house to a buyer on a "land contract".

This means the buyer makes monthly payments to the seller, and the buyer actually owns the home. Although in Michigan, the deed remains with the seller until the land contract is fulfilled.

In regards to this type of financing, there is no rent involved. You actually own the house and can deduct the interest off your taxes, and so forth. However, at some time as stated in the contract, the seller will want to "cash out", and you will have to get a mortgage to payoff the balance you owe.

One time, I had a client buy a \$90,000 home with ZERO down, and a monthly payment of \$700 per month to the seller. That was it. Our client

had to "buy" the home before the end of five years. That was it. This seller was happy to be getting the monthly income, and could afford to wait for the buyer to get a loan,

As you can see, there are literally dozens of ways to use creative financing to buy a house. And many of them apply, even if your credit isn't "sparkling clean!"

For many reasons, if you are buying a house on a land contract, we advise you to get a title company involved to prepare the settle statements and provide title insurance.

Whew! That's a lot of stuff to think about. And, I hope you can see just how many options and choices you have, and how, you will certainly be making the biggest mistake of all, if you don't

PLAN CAREFULLY!

What is the secret to all of this, you may ask?

You need to learn how to create and follow a money map!

In other words, find out how you can plan for your future like you plan a trip to drive out west to visit your parents.

Establish realistic goals. Be specific about what you really want. (Just like the destination of your trip. A place where you want to end up!) Take a good look at where you are today. (Just like looking at a map to see the place from where you are starting. (Home base, if you will!))

Then you can see which "financial roads" will get you to your destination. Some roads may be slower than others but much more peaceful. Others may get you there faster but cause you unnecessary grief.

Start on your journey with a small, easy to manage "vehicle", and see how your trip is going, one day at a time. If you go nice and easy, you have time to pull over at a rest stop, and check your progress. This is a lot less stressful as opposed to reading the map while driving 65 miles per hour.

By designing a map for your money you gain control of one of the most misunderstood areas of personal finance!

While most people are making decisions based on their intuition, impulses, or fears; you can rest assured that your decisions are sound.

It's like we're deciding to go on vacation, and we get in our car without a map. We start driving and we decide to make turns anywhere and everywhere!

Is that any way to get to our destination? Will we ever end up where we

want to go? Will we have any relaxation or peace just driving all over the place? Will we ever get any control of our vacation like this?

I don't think so. Just the same, I don't think most of us ever get control of our finances.

We drive around here and there and get nowhere. Designing this financial plan for yourself is the secret that may change your life forever.

I know, because for the last 2 years, I have helped many families design and follow their "money maps" to a more restful life. A life that is under financial control. Because without this map, they may never have arrived at their destination. Or if they did, they were not in good financial health.

So, does all this make sense?

Do you understand how important it is to know where you want to go before you get in the "car"? Likewise, it is equally important to have a map so you know how to get where you want to go.

Another way you can look at this is to think about an automobile mechanic. He cannot fix your car unless he does a diagnosis to see what is wrong with it. Then he can determine what he needs to do based on that diagnosis. So the mechanic has a "map" to show him what to do.

Just like the mechanic, the first step you need to get fixed financially is to perform a diagnosis to see what is "broken" on your financial vehicle!

Now that you are contemplating buying a new home or refinancing your current home, you really need to have someone perform a financial diagnosis for you.

I'm certain you recognize the need to make sure that you will be making all the right moves when it comes to financing your house. I'm also certain you don't want to make any of the mistakes we discussed earlier in this report.

So here's what I'd like to offer you:

A FREE CONSULTATION TO SHOW YOU EXACTLY WHAT YOUR OPTIONS ARE FOR FINANCING YOUR HOME.

(A diagnosis of your financial plan)

Yes, I will do something your mechanic won't do. I will Provide an initial interview and consultation ABSOLUTELY FREE!

And no, it will not be a disguised sales presentation or anything like

that. All I will do is give you a brief (half hour or so) of my time to review what is going on in your financial life, so you will be informed of the choices that are available to you for the financing of your home.

And that's it.

If; at the end of the Consultation, you do not believe that I can help you, or if you do not like me, or you want to keep doing what you're doing, that's fine.

We won't bug or pester you either! You go home, and we leave it at that.

NO PRESSURE. NO SALES. NO HASSLES!

You see, we know a critical fact:

IN TODAY'S SKEPTICAL AND FEARFUL SOCIETY, ANY ATTEMPT TO PRESSURE SOMEONE, OR SELL TO THEM BEFORE THEY ARE READY, ONLY ASSURES US THAT THE PROSPECT WILL AVOID US LIKE THE PLAGUE.

The truth of the matter is that I couldn't work with so many home buyers and owners if I was doing anything that would make them feel uncomfortable! They wouldn't put up with it for a second! There is no better way to work.

So, why don't you think this over for a couple of days, and see if this makes sense to you?

If you have any major skepticism left, or simply would like to ask a question, please feel free to give me a call. You will quickly discover that when we talk, there will be no pressure whatsoever.

If you are really not interested, or you're not ready to make any changes to your finances, that's fine.

You have to understand that I love getting new clients, and as a matter of fact, many people call upon me each month to be their loan officer and help them with their financial plan.

But, because I have a steady volume, I never accept clients who are not really excited and interested in financing their homes. I am going to be honest with you. I have so much fun seeing people's lives change for the better, that I would never work with anyone who wasn't excited about learning

how to avoid the 10 biggest mistakes when getting a mortgage!

and, looking forward to finally getting

control of their lives through financial planning!

Life is too short to fight with people who really don't want to PLAN FOR THE FUTURE.

I hope this discussion of building a map for your financial road makes sense. I also hope you are thinking a lot about your own life and whether you feel your controlling it or it is controlling you.

Even if we never talk, I want you begin to take a new view of your life. One where you obtain joy and happiness in everything, so you and your family can have the best life possible.

As I said before, there is too much good in life to worry over things that we can begin to control. I am positive that planning is the best weapon to stop the negative forces in our lives so we can begin to take advantage of the opportunities that abound!

Anyway, I'm done for now. I look forward to talking to you soon, and seeing where we can go from here!

To find out more about me, and how I can help you avoid the 10 biggest mistakes when getting a mortgage,

Call Today!

DON'T DELAY!

I can tell you how much house you really can afford.

For Your Free Consultation Call:

(313) 886-6800

10:00 a.m. - 5:00 p.m.

**THERE IS ABSOLUTELY
No COST Or OBLIGATION!
OUR SERVICES ARE**

100%
SATISFACTION GUARANTEED!!

We can meet at my office or anywhere you want!

**We'll take care, and I wish you all the best luck In the world! I will be looking forward to talking with
you soon!**

Sincerely,



Dante S. Rodino, Broker / Owner

**Rodino Mortgage Services
20490 Harper Avenue
Harper Woods, MI 48225**

Serving: Wayne, Oakland, Macomb, Washtenaw, St. Clair, Genessee, and Livingston Counties

PS. There is only one way to avoid making the 10 biggest mistakes when getting a mortgage.

Don't get caught in the traps that could cost you THOUSANDS or even TENS of THOUSANDS of dollars!

**“SO DON'T HESITATE TO CALL ME AT: (313) 886-6800 NOW FOR YOUR FREE MORTGAGE
CONSULTATION AND LOAN COMPARISON.”**