



HOMES & MONEY

Quarterly Newsletter

www.IntegraLendingGroup.com

May 2008

Mortgage News

FHA is Back and Better than Ever

Federal Housing Administration (FHA) loans have become an extremely popular choice recently for Americans looking to buy a new home, or refinance an existing home. In fact, according to the FHA, the total volume of FHA loans has reportedly tripled in the last year alone – but why?

In recent years, the FHA has made some important policy changes in order to be more competitive. These changes, along with the effects of the subprime collapse and the subsequent credit crunch on the mortgage and financial markets, have combined to make FHA a valuable option for many Americans, especially first-time home buyers, borrowers with less-than-perfect credit, and borrowers with adjustable rate mortgages.



In this article, we'll discuss four specific changes that have turned the tide for FHA loans, and why you might want to take a closer look at this valuable option when you're buying or refinancing a home.

But first, let's examine why FHA loans fell out of favor in the first place.

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Did You Know?

KLEENEX® Cleansing Tissues were invented in 1924 as a sanitary way to remove cold cream.

Five Quick Networking Tips:

Tip 1: Act like a host, not a guest.

Tip 2: Listen and ask questions.

Tip 3: Give referrals whenever possible.

Tip 4: Write notes on the business cards you get.

Tip 5: Follow up.

Tips from Dr. Ivan Misner, author of *Masters of Success*.

To learn more about Dr. Ivan Misner, visit www.MastersofSuccess.biz.

Finance News

Credit Card Crackdown Making Headlines

We've warned our friends, family and colleagues of the pitfalls of the credit card fine print. It seems Fed Chief Ben Bernanke may have been listening. The Federal Reserve recently announced a plan to crack down on this and other "unfair" features of credit cards. According to Bernanke, this plan is "intended to establish a new baseline for fairness in how credit card plans operate."

Here are some highlights of his plan that is currently open for public comment, and what it could mean to you as a customer. The plan aims to eliminate the following:



- **Universal default clause:** One credit card company cannot raise interest rates on you simply because you are having trouble paying another credit card account.
- **Diverting funds:** Lenders can no longer allocate payments to lower balances while you rack up interest on higher balances. This is a common practice currently for cash advances, which often have higher rates than your normal APR.
- **Unfair time constraints on payments:** Under Bernanke's plan, you must be given a reasonable amount of time before a payment is deemed late, such as 21 days.
- **Retroactive rate increases:** Lenders can no longer increase rates on existing balances under this plan.
- **Double-cycle billing:** This feature has allowed lenders to calculate your interest based on the average daily balance of two months. Under this billing method, you essentially end up paying interest on a balance you already paid off. Under the proposed Fed plan, this will no longer be permitted.

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Mortgage News *(Continued from cover)*

Since 1934, the FHA has helped some 34 million Americans become homeowners. In 1965, the FHA became part of the Department of Housing and Urban Development (HUD) and would go on to become the largest insurer of mortgages in the world.

By 2001, the FHA simply could not compete as a proliferation of exotic and subprime mortgage products and easy access to credit helped homeownership levels in America jump to record levels as the housing boom was in full swing. It wasn't until late 2006 that the FHA began reviewing and changing its policies in any meaningful way – just in time for the subprime market collapse and the turn in the real estate market.

Earlier this year, Congress passed the Stimulus Act of 2008, which did more than just provide rebate checks. It also temporarily increased FHA loan limits in many regions of the U.S. And with that, FHA loans were back in business.

But what about those other policies that made FHA loans less attractive in the past? Well, the FHA drastically changed its appraisal and fee negotiating policies, making it much more competitive, and much better for both buyers and sellers. The FHA also made other changes that allowed 1) sellers to finance all of the buyer's costs to close, 2) homeowners to take cash out up to 95% of the home's value, and 3) homeowners to consolidate a 1st and 2nd loan up to 97% of the home's value.

Because of these and other features, FHA loans in many cases are actually a little bit cheaper for the borrower. Also, because FHA loans are federally insured, they tend to trade at a higher premium in the secondary market, and consequently, lenders can often charge a lower rate.

Most importantly, FHA loans are not FICO-score driven. Borrowers can have a lower score than other products and still qualify for a good rate. FHA loans also require as little as 3% down and, at the time that this article is being written, FHA loans allow down payment assistance programs, which allow the seller to cover the buyer's down payment and closing costs. This means borrowers, especially first-time buyers, or move-up buyers with limited funds, have a real opportunity to get into a home with little or no cash at closing. For sellers, this means you can offer concessions that make marketing your home much more attractive without having to lower the price of your home again.

In many regions of the U.S., FHA loans have not been utilized for years, so a lot of real estate agents and mortgage originators aren't familiar with this great resource. But, if you or someone you know is thinking about buying or refinancing a home, don't miss out on this temporary opportunity. Give us a call. We'll provide a free credit review and see if an FHA loan is right for your financial goals and needs.

Finance News *(Continued from cover)*

- **"Security deposits" and other fees:** Lenders will no longer be allowed to tack on fees simply for issuing credit or increasing available credit.
- **Deceptive credit offers:** The language on this section is not clearly defined yet, but it's good to know that this area is being addressed – especially if you have college-aged children, who are a big target for misleading credit offers.

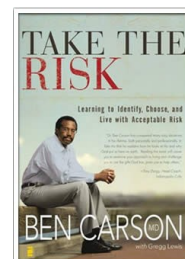
It's important to note that this plan, or any part of it, has yet to be implemented. Even if it gets approved as-is, without any changes, it might not take effect until 2009 or beyond. Although these changes may not take effect for some time, it's imperative to be an educated consumer of credit. During economic slowdowns, with increases in the costs of gas, food, healthcare, and education, it's more important than ever to stay on top of credit card use.

Another concern we have is that, if and when this plan is implemented, the credit card companies will try and spin the new rules in their favor, to make it seem as if this action was their creation to offer better, safer credit options that, again, lure you into utilizing expensive credit options that could bury you in credit card debt. Don't let this happen.

Book Review

Take the Risk : Learning to Identify, Choose, and Live with Acceptable Risk

by Ben Carson, MD



You can find our culture's obsession with avoiding risk everywhere, from multiple insurance policies to extended warranties. But is ducking risk the most productive way for us to live? Surgeon and author Dr. Ben Carson, who faces risk on a daily basis, offers an inspiring message on how accepting risk can lead us to a higher purpose in this best-selling book that is worth the risk to read this summer.

Take the Risk is available at Amazon.com.

Trivia Challenge

Who is Elwood Edwards?

- A. Inventor of the toothbrush
- B. The voice of AOL's "You've Got Mail"
- C. The CEO of craigslist
- D. Songwriter who penned "Jingle Bells"

Call 866-624-9844 or email us at ls@integralg.com with the correct answer, and your name will be entered into our quarterly drawing to win dinner and movie tickets for two!

Quote of the Day

"You are what you repeatedly do. Excellence is not an event, it is a habit."

-Aristotle



Street Smarts

Clip the Cost of Groceries



The high price of food these days is making many consumers hungry for better deals at the grocery store. The good news is an estimated \$360 billion in coupons are available right now for the taking, according to the Grocery Coupon Guide. Here are a few tips to help you save money without making coupon-clipping a full-time job:

- You don't have to wait for the Sunday paper anymore to collect money-saving coupons. There are many websites that offer coupons, newsletters, and coupon-saving strategies, including couponmom.com and coupons.com. Be cautious of expiration dates and plan your shopping accordingly.
- Use a coupon organizer and keep it in your car. This way you'll always have access to the coupons you need, when and where you need them.
- Make a grocery list before you review which coupons to clip or print out. If you know what you're buying, it's much easier to find the coupons you need, especially online.
- Use your club card and receive instant savings as well as additional coupons in the mail on items you already buy.
- Pick up coupons at the store. Some stores have "instant coupons" right in the area of the items you intend to buy. In some stores, your receipt is even printed on coupon paper. Flip it over and see what you may have been throwing away.
- Bring your own bags and save a few more cents. Some stores offer small rebates for saving the store, and the environment, on paper and plastic.
- Take advantage of double discount days. Call your grocery store and find out if and when they offer double coupon savings.

If you think of any more coupon tips to add to our list, give us a call.



Thai Lettuce Wraps

(serves 2 for dinner, 4 as a first course)

Ingredients:

- 1 lb. ground chicken
- 2 tbsp shallots, thinly sliced
- 2 tbsp green onion, thinly sliced
- 1/4 cup mint leaves, finely chopped
- 4 tbsp fresh lime juice
- 3 tbsp Thai fish sauce
- 1-2 tsp crushed red pepper
- Kosher salt and freshly ground black pepper
- 2 tbsp canola oil
- 1 large head of butter lettuce, leaves separated and washed (about 20 leaves)

Possible Garnishes:

Thinly-sliced English cucumber
Julienne of carrot
Blanched string beans
Tomato wedges
Cilantro leaves

Directions:

In a wok or heavy-bottomed skillet, heat canola oil until hot. Add chicken meat and season liberally with salt and pepper. Using a spatula or wooden spoon, break chicken meat into little pieces. When chicken is almost cooked through, add 2 tbsp of the lime juice.

Once the chicken is completely cooked, transfer to a bowl and add shallots, green onion, mint leaves, the remaining lime juice, fish sauce and crushed red pepper. Toss well to combine.

Serve the chicken meat on a platter surrounded by the desired garnishes. Spoon chicken onto lettuce leaves, top with veggies and enjoy.

Home News

Strategies for Savvy Sellers

If you're thinking about putting your home on the market this summer, you'll find yourself in good company and with some heavy competition. Increased foreclosures, short sales, and growing inventories will create some scorching summer deals. With this in mind, here are few seller strategies to keep you from getting burned this summer:

Small fixes, big impact – Don't be an as-is seller. You can really stand out in a crowd just by making some minor repairs and improvements to your house and property. Call us for a free copy of our *33 Ways to Sell Your Home Fast* booklet to get started.

Stage your home – Curb appeal is important, but don't forget about the inside of your home as well. Home staging experts suggest not only getting rid of any clutter or bulky furniture and other items, they also suggest getting rid of items that personalize your home as well: photos, diplomas, heirlooms, to name just a few. Here's why: you want potential buyers to imagine themselves in *their* new home, not your old home. And the best way to do this is to create a blank canvas, a neutral environment where their minds are free to fill the spaces as they please.

Get a professional – This is the wrong time and wrong market to go at it alone. If you're selling your home, hire a real estate agent, an experienced professional who knows how to negotiate and how to strategically market and realistically price your home. We'll gladly refer you to the real estate professionals we work with on a regular basis.

Find the first-timers – First-time home buyers typically make up about 40% of the real estate market each year. The great thing about these buyers is that they're not usually flippers or investors looking for bottom-of-the-barrel foreclosure prices. They're looking for a home. By utilizing seller concessions and creative financing to market to this large group, you'll be far more successful. Plus, you won't have to lower the price of your home to make it happen. If you're not sure how special financing options can increase your marketing capability, give us a call.

Facts and Figures

Top Jobs for Your College Grad



If your college kids are still wavering over which major to select, maybe this list of top entry-level job salaries for the class of 2008 might help them to finally decide. Or if you have a recent graduate in the house who is weighing their options, here's a look at their earning potential. According to the National Association of Colleges and Employers, these numbers represent a 4% increase over last year's graduates with the same degrees.

Chemical Engineers - \$63,749

Other Engineering fields - \$56,336

Economics - \$52,926

Nursing - \$52,129

Chemistry - \$52,125

Finance and Accounting -

\$48,795 and \$47,413

Business Administration/Management -

\$43,823

Political Science/Government - \$43,594

Marketing - \$43,459

Human Resources - \$40,250

History - \$35,956

Communications - \$35,196

English Language and Literature - \$34,757



If you know anyone who is looking to buy, sell or refinance a home, please forward their name and telephone number to us. We will happily provide the same high level of service that we have provided to you. The greatest compliment you could possibly give us is the referral of your friends and family.

Question: Is 100% Split Loan Financing still available and can you have seller paid closing costs included?

Answer: Only at Integra Lending Group!!! Integra Lending Group is proud to announce that we have brought back the 100% split loan product!!! And it now allows 9% in seller contributions!! Use it to pay closing costs, taxes and insurances. Borrower must contribute at least \$500 into the transaction and that can be in the form of the deposit on the sales contract! Both the first and second mortgages are fixed rates! Contact your local Integra representative for a quick loan approval today.

Thank You!

We wish to thank our clients who have been kind enough to refer business to us. We appreciate the opportunity to provide excellent service to your family, friends, and co-workers.

\$300 off!

This coupon entitles you or a friend to \$300 off your closing costs when obtaining home financing (purchase or refinance).

Coupon must be presented at time of application.

Limit one coupon per loan transaction.

Not valid on loans currently in process or with any other discounts or offers.



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