

The New York Times

### **Shopping for the best rates**

Interest rates are the lowest in decades, enticing many borrowers to shop for a loan. Mortgage lenders adjust their rates based on perceptions of risk, so unless the borrower can show they're a low-risk individual, the borrower is unlikely to qualify for a rate that matches those seen in recent advertisements and headlines.

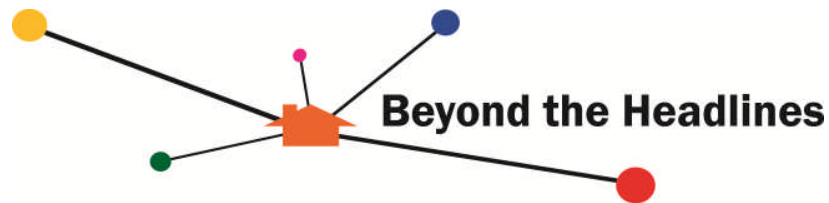
#### Making sense of the story

- The rates quoted are averages drawn from a variety of financial institutions, and lenders use varied approaches to set them. Consumers who want to try for the lowest rates available need to consider basic factors, such as credit score, points, property type, down payment, and length of the loan.
- Credit score: The ideal borrower has a FICO score of 740 or higher, which puts the individual in the best place for pricing.
- Points: The lowest rates usually are decreased by paying a fee called a point, or 1 percent of the loan amount. Borrowers may buy points in order to get the best rates at many banks. Points might make sense depending on the borrower's financial situation and how long they expect to stay in the home.
- Property type: Borrowers planning to buy a duplex or a four-unit build likely will have a higher interest rate. Condominiums also may have a rate premium rate, especially if they are newer or the down payment is less than 25 percent. Lenders also may charge more if the borrower is not planning to live in the home.
- Down payment: Borrowers who put down at least 25 percent are more likely to obtain the best interest rates. Lenders offer different breaks on rates if equity in the property is higher, so borrowers should ask what is available.
- Length of loan: Borrowers who are likely to move in a few years may want to look into an adjustable-rate loan with a low interest rate fixed for a few years, and adjusted afterward.

Read the full story

<http://nyti.ms/AES4O8>

**Jan. 19, 2012**



## In other news ...



The Mercury News

### **Mortgage rate drop sparks refinancing wave**

Historically low interest rates coupled with a strengthening economy are getting the new year off to a fast start, stirring hopes that the housing and mortgage markets may finally come to life in 2012.

Read the full story:  
<http://bit.ly/zp8N8M>



San Francisco Chronicle

### **Fed to regularly forecast interest-rate changes**

In a major shift, the Federal Reserve will start announcing four times a year how long it plans to keep short-term interest rates at existing levels, according to minutes from its December policy meeting.

Read the full story:  
<http://bit.ly/y0B98O>



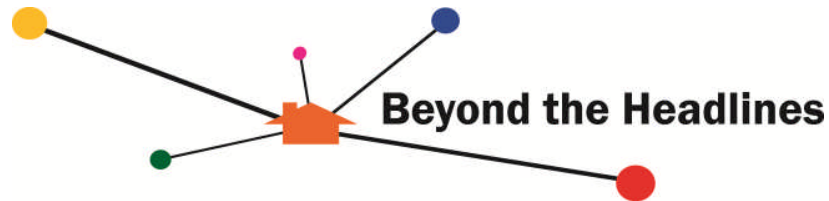
The Wall Street Journal

### **Amid squeeze on home equity, a revival for reverse mortgages**

Converting home equity into cash has been a challenge for homeowners since the real-estate downturn, but a growing number of lenders are quietly reviving a loan for seniors that does just that: The reverse mortgage.

Read the full story:  
<http://on.wsj.com/zCrpDI>

**Jan. 19, 2012**



The Mercury News

**Pay off mortgage early to save money**

Paying off a mortgage might sound like an ambitious plan, especially for those who have recently refinanced into a 30-year term. But it's still smart for homeowners to give some serious thought as to how they'll pay off their loan; if not in 2012, then sometime.

Read the full story  
<http://bit.ly/ybAbZM>



The San Francisco Chronicle

**Home seizures may jump 25 percent this year**

Banks may seize more than 1 million U.S. homes this year after legal scrutiny of their foreclosure practices slowed actions against delinquent property owners in 2011, RealtyTrac said.

Read the full story  
<http://bit.ly/wBvTu>



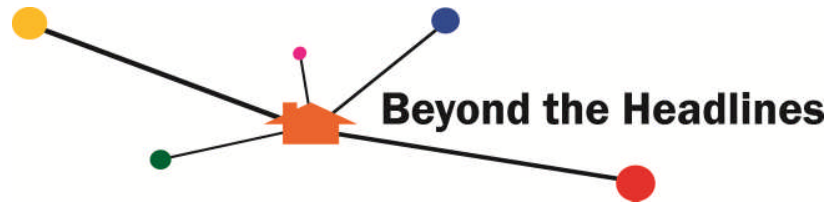
The Orange County Register

**Calif. house price drop 7th biggest in U.S.**

California house prices had the seventh-biggest price drop among U.S. states in November, falling 5.9 percent from year-ago levels, according to data firm CoreLogic

Read the full story  
<http://bit.ly/zHom6P>

**Jan. 19, 2012**



### **What you should know**

- Living in California, the chances of being in an earthquake are highly likely. That's why it's important to prepare for emergencies, as much as possible.
- When preparing for an earthquake, be sure to stock up at least a three-day supply of food, water, clothes, medical supplies, and other necessary equipment for everyone in the family. Make sure everyone in the house knows where to find the supplies.
- Decide where and when to reunite the family, should you be apart when an earthquake happens.
- Choose a person outside of the immediate area to contact if family members are separated. Long distance phone service probably will be restored sooner than local service. However, do not use the phone immediately after an earthquake.

**Jan. 19, 2012**