

TRIVIA challenge

Starting at age 14, if a person invested \$2K a year in a Roth IRA yielding an average return of 10% a year, how many years would he have to contribute the \$2K in order to retire at age 65 with over a million dollars?

- A) 5 years B) 10 years
C) 20 years D) 30 years



Send your answers by October 31 to Melanie Thompson at mthompson@mortgagevirginia.com. Each correct answer will be entered into a drawing for movie tickets and dinner for two.

Current Rates

Program	Conforming
30-Year Fixed	Mid 5's
15-Year Fixed	Low 5's
7-Year Fixed*	Mid 5's
5-Year Fixed*	Low 5's
3-Year Fixed*	Low 5's
1-Year T-Bill ARM	Low 4's (Index Value: 3.820)
LAMA ARM	High 4's (Index Value: 2.784)
MTA ARM	Low 5's (Index Value: 3.019)

The interest rates represented here are at one point.

*Amortized over a 30-year period. Following its fixed rate term, it converts to a 1-year Treasury Bill or LIBOR adjustable rate mortgage for the remaining term of the 30-year loan.



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PLANTING

new seeds

Innovative Mortgage and Home Equity Solutions from the Mortgage Equity Team

www.MortgageEquityTeam.com

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DID YOU KNOW

Real estate represented 23% of the assets owned by US households as of December 31, 2000. As of June 30, 2005, real estate is equal to 30% of the assets owned by households.

(Source: Federal Reserve)



Introduction: The Mortgage Equity Team is Planting New Seeds

Some of you may be thinking it's a little unusual for a mortgage team to name a newsletter *Planting New Seeds*, but we're definitely not your usual mortgage planners, and *Planting New Seeds* isn't your usual mortgage newsletter. In fact, the title has greater meaning than you may first imagine.

When you obtain a mortgage you're planting important new seeds in your life. The significance of your mortgage, however, doesn't end there, and the goal of the Mortgage Equity Team—through *Planting New Seeds*—is to provide you with the guidance necessary to use your mortgage and home equity in a financially beneficial manner. From understanding credit, to placing you in the right lending program, to educating you about equity repositioning and management, we want to plant new seeds of knowledge.

Most people think a mortgage is a necessary evil—something we all must endure to make our dream of homeownership come true. However, this isn't the case. Your mortgage, driven by your home equity, can be used to help you obtain financial security and build wealth over time. Sound interesting? It is, and the information and leadership we can offer will simply astound you.

We offer our services to you, not only as mortgage planners, but as trusted advisors. We're here to help you make your dream of homeownership become your dream maker to financial freedom. You work hard to pay your mortgage... isn't it time to make your mortgage work just as hard for you? Contact us today for more information.



Understanding Credit Scoring & Credit Repair

By The Mortgage Equity Team

Melanie Thompson, Mortgage Planner

Barry Doyle, Production Assistant

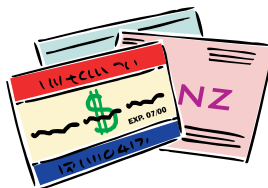
Credit remediation is a subject consumers often face with trepidation, and for good reason. With the exception of recognizing the best score wins, the average home shopper knows very little about the whole credit scoring process. Sub-prime borrowers often find themselves at a loss when trying to upgrade their credit history. The good news is there are ways to improve less-than-perfect credit *and* obtain a loan for the home you really want, or to start taking advantage of the equity that exists in your current home.

The first step is making sure you have a current copy of your credit report. Congress recently amended the Fair Credit Reporting Act, and consumers may now receive one free credit report annually. There are three major credit bureaus: Equifax, Experian, and Transunion. Since entries can vary across bureaus, you'll want to request a free report from each of the three companies.

It's also important to know just what a good credit score is. Most A-Paper scores generally begin around 680, although this number may differ slightly among lenders. Don't despair if you come up shy—there is always room for improvement. Increasing your score just 5 points can save a significant amount of money. For example, if your score is 698 and you increase it to 703, then you could save yourself thousands of dollars as a result of a slight improvement to your loan's interest rate.

While credit repair is necessary for some, it's not the only way to increase your credit score. Even if you have stellar credit, you can enhance your score through these steps:

- Evenly distribute your credit card debt to change the ratio of debt to available credit. Let's say you have a credit score of 665. If you have debt on only one card, and four additional credit cards with zero balances, evenly distributing the debt of the first card could move you closer, and possibly into, that ideal bracket. Keeping each of your revolving credit accounts below fifty percent of the maximum balance can also improve scores.
- Keep your existing accounts open and active. The average consumer is usually anxious to close credit card accounts that have zero balances, but doing this can cause them to lose the benefits of a long-term credit history and increase their ratio of debt-to-available credit.
- Keep credit inquiries to a minimum. Each inquiry into your credit history can impact your score anywhere from 2-50 points. When it comes to mortgage and auto loans, even though you're only looking for one loan, multiple lenders may request your credit report. To compensate for this, the score counts multiple auto or mortgage inquiries in any 14-day period as just one inquiry, so try and stay within that time frame.



Remember, credit scores don't change overnight. Improving them requires time and diligent effort on your part, so it's a good idea to get the ball rolling at least three to six months prior to submitting your application for home financing.

If credit repair is what you need, you can either begin the process yourself or seek out a repair service. If you decide to make your own improvements, visit as many websites as possible to get information regarding credit laws and consumer rights. Diligently search through them and educate yourself to ensure that you don't sustain any self-inflicted wounds. A good place to start would be the Federal Trade Commission's website, which contains a wealth of helpful literature.

If you're facing severe or complicated credit issues, then you'll probably want to enlist the assistance of a professional credit repair company. Before you do, be sure to familiarize yourself with the FTC's regulations on credit repair. With over 1100 credit repair companies to choose from, it's important to be certain you are dealing with a reputable firm. Examine the FTC's information on fraudulent practices to avoid falling prey to credit repair scams.

Addressing credit issues can be uncomfortable to say the least. But by taking these steps now, you'll be that much closer to obtaining the home of your dreams.

ADDITIONAL RESOURCES

To order your free credit report, go to
www.annualcreditreport.com

To read the Fair Credit Reporting Act, go to
www.ftc.gov/os/statutes/frca.htm

For the Federal Trade Commission's information on consumer credit, go to
www.ftc.gov/bcp/online/edcams/credit/index.html

Visit us online at

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NEXT
ISSUE



Home Improvements Turn Average
Homes into Dreams Come True

By Melanie Thompson, Mortgage Planner