

A Word from the Road...

As a father, the ultimate love that you can give to your children, is to love their mother.

~ Coach John Wooden

HOMES & MONEY

FROM THE OFFICES OF Robin Paul • 1st Quarter, 2004
Your Source for Real Estate and Finance Information!

Did You Know?

The NASDAQ is up a full 50% since June of 2003.



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Robin on Bonds:

Is That Three-Year Clearance Sale on Rates Over?

By Robin Paul, Mortgage Planner

A steady influx of conflicting economic reports since mid-December has caused not only the stock market to rally but bonds and mortgage-backed securities as well. So often, we have talked in the past how the two work inverse of each other, meaning that bonds typically rally when stocks are selling off and when stocks are rallying, bonds sell off and therefore mortgage rates rise.

Over the past thirty days or so, the opposite has occurred. Both stocks and bonds have been rallying as a result of significantly bullish economic reports for both indices. The US economy is gaining steam and positive economic data has proven that the worst is behind us from an economic perspective but simultaneously, jobs data has kept wage inflation in check.

New jobs are simply not being created at the rapid pace economists have expected. This lack of new jobs and subsequent lack of increase in wages has given economic forecasters the opinion that the Federal Reserve will not have to take aggressive monetary tightening action anytime soon. The result is the best of both worlds. How long will this last is the key question? Most experts predict that mortgage interest rates will remain reasonably attractive (under 7% for the remainder of the year). Short-term, over the past 30-45 days beginning in mid-December of 2003, mortgage interest rates have actually tumbled back down to levels we have not seen since late last summer.

Many consumers are taking advantage of what might be the later days of this "interest

rate clearance sale". There has been a significant pickup in mortgage refinances of people who have 30-year fixed rate mortgages that want to convert to 15- or 20-year loans in the low-to-mid 5% range. Many people have concluded that a 30-year loan is ultimately not in their best long-term financial planning future.

One of the things you should be doing is asking yourself the question, "How old do I want to be when I am debt-free?" Let's assume for a moment that the answer is 65 but presently you are 46 years old. A 30-year fixed rate mortgage is likely not in your best interest given that it would have you paying on that mortgage for eleven years past your retirement age.

Take advantage of the opportunity now to convert to a 15- or 20-year fixed. Yes, your payment will go up slightly over what it currently is but in the long run the amount of money you will save will be in the hundreds of thousands of dollars in some cases.

(See **RATES**, continued on Page 3)

Rates:

| | Conforming | Jumbo |
|----------------------|------------|----------|
| 30-Year Fixed | Low 6's | Mid 6's |
| 15-Year Fixed | High 5's | Low 6's |
| 7-Year Fixed* | Low 5's | Low 5's |
| 5-Year Fixed* | High 4's | Low 5's |
| 3-Year Fixed* | Mid 4's | Mid 4's |
| T-Bill ARM | Mid 3's | Mid 3's |
| (Index Value: 1.35) | | |
| COFI ARM | Low 5's | Low 5's |
| (Index Value: 1.923) | | |
| MTA ARM | High 3's | High 3's |
| (Index Value: 1.302) | | |

The interest rate represented here is at one point.

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

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A Pork Roast Worth a Toast!

Ingredients

4 T. olive oil
1 medium onion, finely chopped
2 garlic cloves, chopped
1 ½ cups fresh bread crumbs
4 dried figs, or 15 - 20 dried cherries, chopped
8 pitted Kalamata olives, chopped
¼ cup flaked almonds
1 T. lemon juice
1 T. fresh parsley, chopped
1 egg yolk
2 lbs. pork loin, boned
Salt and pepper
1 T. ground cumin

Preparation

Preheat oven to 400 degrees. Heat 3 T. of the olive oil in a pan. Add onion and garlic to the oil and cook gently until softened, approximately 5 - 7 minutes. Remove the pan from the heat and stir in the bread crumbs, figs or cherries, olives, almonds, lemon juice, parsley and egg yolk. Season to taste with the cumin, salt and pepper.

Remove any string from the pork roast and unroll. Pound with a tenderizing mallet, if necessary. Cut away any excess fat. Spread half of the stuffing on the pork roast and roll. Tie the roast with some string to hold together.

Pour the remaining oil into a small roasting pan and add the roast to it. Roast for 1 hour and 15 minutes.

Form the remaining stuffing mixture into balls and add around the roast 15 to 20 minutes before the roast is done.

Remove the roast from the oven and let rest for 10 minutes before slicing. Serve with stuffing and any juices from the pan.

*Remember that pork should be served slightly pink. If you overcook it, it will be dry. Use a thermometer to check doneness.

Enjoy!

Rates

(Continued from Page 1)

Other consumers are taking advantage of the opportunity to consolidate debt to create a tax-deductible instrument, by taking cash out on their home via refinance. Still others are taking advantage of the equity they have in their home and pulling money out at a very cheap price to invest in what has been a very robust stock market rally over the past twelve months.

Whatever the case may be, if you fall into any of these categories, you should give some serious consideration to re-evaluating your loan situation one final time before the cheap money is gone.

Please feel free to contact us if you have any questions regarding these suggestions and/or analyses... 888/713-0202. ■

What's New

(Continued from Page 2)

TRIVIA CHALLENGE

Win a night on the town by answering our Trivia Challenge correctly!

Trivia Challenge Question:

What is the highest peak in the continental United States?

Call in with your answer on our Trivia Challenge Answer line: The names of all those who call in with the correct answer will be put into a drawing. The prize: Dinner and movie tickets for two!

You must call the number above to qualify.

Congratulations to WINNER NAME HERE, winner of last issues trivia question:

Name the religion whose origin began in the United States that boasts the statistic of being the fastest growing religion in the World.

Answer: Mormonism (Latter Day Saints)

WHAT'S NEW?

(See WHAT'S NEW, continued on Page 3)

Personal Funding:

Since our last issue:

Number of loans funded:
Dollar volume:

Year to date funded:

Dollar volume:

Thanks to You!

As always, we wish to thank our clients who are kind enough to refer more business to us. This quarter, our thanks go out to: