

***Lincoln Trust Mortgage* News - Vol. 1. No. 1**

Hello Everyone!

INTRODUCTION

This email newsletter "of sorts" is going out to all my clients and business partners. I read this great article about credit scores (see attached) and I thought it would be great to share this kind of information with everyone I do business with. I also would like to keep everyone up to date with the mortgage market trends of late. So, my plan is to send new information out at least once a quarter. I will take suggestions as well if there is particular information you would like to see. Of course if you feel I am cluttering up your mailbox, just reply with a "please remove me from your mailing list" and you won't get any more email from me.

MARKET NEWS

Well as you have been hearing, Greenspan has been busily driving up short-term interest rates to the tune of today's Prime Rate of 6.25%. He just was quoted this week saying he isn't done yet either. As expected shorter-term (ARM rates) have been steadily rising toward the surprisingly stable longer-term rates (fixed 15, 20, and 30 year). Conventional 3/1 and 5/1 ARMs are now at the same prices as 15 and 30 year fixed (5.25 to 5.625%). Right now, no one that qualifies for a conventional mortgage (and rightly so) is bothering with adjustable rates. The market feelings are that the longer term rates will begin to creep up and there will be a spread between short and long-term rates again. We will see.....

YOUR CREDIT SCORES

I hope you get a chance to read the article on "credit scores". It dispels myths and reinforces good credit behavior to move forward with. Credit reporting has really been in the news lately. You already know that credit card companies offer interest percentage rates to you based on the scores they get. The same is true for mortgages and car loans. Now the insurance companies (home, car, and health) are getting into the act by using the same rationale. That being, the better credit history one has seems to be correlating with people who take better care of their homes; have fewer car accidents; and have better health. The insurance companies are now giving lower rates to those people who have high credit scores just like the financial markets do. There are many arguments on both sides whether these extrapolations of data are accurate or not.

Will it ever end? There has been evidence of companies trying to use the same rationale and data (FICO credit scores) to actually decide who to offer jobs to! There will be lawsuits and court action to be sure before all this is sorted out. But don't let the underlying message get lost. Your credit history is becoming, and will continue to become MORE important to your livelihood.

LATE PAYMENTS ARE CREDIT KILLERS

No kidding! Believe it or not, it takes a lot to make a late payment. You can forget to make this months payment (say due on the 1st of the month). Say you "come to" by the 15th and remember to make the payment. Even though you are "late" per the mortgage company or credit card company, you will only be assessed a fee in your next months bill. They DO NOT report this payment as late to the credit reporting agencies!!! You are still CLEAN with your credit history!!! To be reported as LATE to the credit agencies you have to NOT PAY for the full 30 DAYS! So if you never "came to" for a full month, you deservedly will get penalized on your credit scores.

For credit cards, you only have to make the MINIMUM PAYMNET DUE amount within those 30 days to keep you credit clean. I've seen credit reports with a minimum payment due of \$10 go un-paid for 30, 60, or more days. Just by paying the \$10 each month, this person could have kept perfect credit. Instead their credit scores got worse month after month.

Now if you are legitimately in trouble financially, you probably realize it well before you know you have bills becoming due. Get help IMMEDIATELY!! Guess what? Even as you know trouble is on the horizon, RIGHT NOW, you have GREAT credit.....you need to move quickly to stave off trouble. Get the home equity loan or line-of-credit NOW to use as a buffer for tough times! You can refinance your mortgage and credit card debt in well UNDER 30 days so you never have to be late on ANY payments (cash-out refinance) and lower your monthly debt to boot!

The problem with humans is they don't like to admit they see trouble coming....they don't make payments....their credit takes a nosedive....they no longer qualify for refinancing....they continue to spiral down and out. PLEASE don't let this happen to you or anyone you know. Ask for help and ask questions WAY before you are thinking of making that DEADLY late payment.

warmest regards,

--Craig

Lincoln Trust Mortgage, LLC

P.O. Box 366

Hampton Falls, NH 03844

Craig M. Barrett, specialized lending

Toll-free 1-800-732-8810

Local: 603-772-7270

Cell: 603-702-0489

FAX: 603-772-0828

email: craig.barrett@comcast.net

website: www.lincoln-trust.com