

Financially

Speaking

Live Well, Laugh Often

308 Third Street
Mailing Address: PO Box 1343
San Juan, Bautista, CA 95045
Phone: (831) 623-2126
Fax: (866) 415-7813

Providing Professional Guidance for the Future You Deserve

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Financial Markets Ups and Downs *Probably not over yet.....*



The varied financial markets have continued the recent roller coaster ride and there is every possibility that for the next several months, the volatility will continue. The past week, thankfully, has seen some positive movements up in the stock market, lowering of mortgage rates and indications that the banks are beginning to

defrost the credit freeze. But, without raining on this parade, it is prudent to be prepared for some down days ahead. The economy is still fragile and fear is not far from the surface and fear is what has driven the huge market swings in this recession. There seem to be two major general trains of thought from economists. One says what we are experiencing now is a bear market rally and the Dow Jones Index has yet to fall to its lowest point which should happen in the second quarter of this year with some form of turn around late in the year or early next year. Other economists suggest that what you may see going forward is day to day swings, often large, but the trend over several months is upward with a recognized turn in the late third or early fourth quarter of this year. But, the general lesson of this recession is not to make grand predictions, keep your emotions in check and note that both viewpoints mention a turnaround in the future.

National Mortgage Rate Trends

*Provided by Informa | updated
Friday, March 27, 2009*

Loan Type	Today	Last Week
15 Year Fixed	4.798% ▾	4.946%
30 Year Fixed	4.975% ▾	5.141%
1 Year ARM	3.965% ▾	4.023%
5/1 Year ARM	4.286% ▾	4.372%

Mortgage Rates and Refinancing

As I write this 30-year fixed mortgage loans averaged 4.85% for the week ending March 26, the lowest point since Freddie Mac's weekly survey began in 1971. If you have been thinking of refinancing, now is a good time to find out if it would be a good move.

Determining the exact perfect time to refinance is not really possible. Most experts suggest that knowing why you want to refinance is the place to start. Then is it is possible to calculate if refinancing makes sense.

Some good reasons to refinance are to lower house payments thus freeing up money for other savings or investments, shortening the length of the loan or changing from an adjustable rate to a fixed rate mortgage. Refinancing to take money out should be done with caution. Paying for an extraordinary medical bill makes sense, but paying for a wedding or vacation probably doesn't in the current housing environment.



Because there are costs to refinancing don't only focus on the interest rate. You will possibly spend thousands of dollars on a new loan. Bank fees, appraisal fees, points and other expenses will have to be added to the loan balance or paid for out of pocket. You have to weigh the price of refinancing against how long it will take you to repay those fees back. Fortunately, there are several internet based calculators to help you with this. Below are the links to the on line calculators.

Bankrate.com: http://www.bankrate.com/brm_c/calc_vml/refi/refi.asp



Yahoo Real Estate: <http://realestate.yahoo.com/loans/refinance-mortgage.html>



MORTGAGE MODIFICATION— GOVERNMENT PROGRAM

If you or someone you know are in an uncertain situation with your mortgage you might be eligible to participate in the government sponsored mortgage loan modification program. Eligibility factors are varied, but a quick start to finding out is to follow this link to the website sponsored by the Department of Housing and Urban Development, HUD, and the Department of the Treasury: http://www.makinghomeaffordable.gov/modification_eligibility.html There is a calculator and other information on the program. Get armed with information before you call your lender.



Or you can call a HUD counselor at 1-888-995-HOPE (4673). If you have missed a mortgage payment, immediately call your lender or a HUD counselor. Many lenders have agreed to delay foreclosure on homes that meet minimum eligibility criteria for a home affordable modification.

MORTGAGE MODIFICATION SCAMS



The bad actors and con artists are at it again, preying on folks who are weakened by financial troubles.

Here is a warning from HUD:

Beware of Foreclosure Rescue Scams - Help Is Free!

There is never a fee to get assistance or information about Making Home Affordable from your lender or a HUD-approved housing counselor.

Beware of any person or organization that asks you to pay a fee in exchange for housing counseling services or modification of a delinquent loan. ***Do not pay walk away!***

Beware of anyone who says they can “save” your home if you sign or transfer over the deed to your house. Do not sign over the deed to your property to any organization or individual unless you are working directly with your mortgage company to forgive your debt.

Never submit your mortgage payments to anyone other than your mortgage company without their approval.

PRIORITIES FOR SAVING MONEY



Americans seem to have done a turnaround with regards to saving money as a result of the recession. The savings rate has gone to above 5% from 0% just a short while ago. It is a dramatic change.

But, what should you save for and in what order?

Creating a prioritized savings strategy is the key and it is not too difficult.

The hard thing to do is to stay with your plan. It seems that there can be an internal battle to fight off the pressure to fall back into old spending habits.

Get started by dreaming of what you want to have in your future. Set some goals that go right to the end of your life. I fibbed a bit, this is the difficult part for many. But what is it you want to accomplish? The list will include many things and some will conflict. After all you only have so many resources, time and money. Retirement, pay off the mortgage, pay for college, give to charity or...

Prioritize the major goals, those that address your security well into the future first. Then focus on the goals that affect your health and well being. Family and Friends come next followed by the niceties of life.

Security goals include retirement, emergency reserve accounts, paying off debt and for some, paying off the mortgage before retirement.

Health and well being goals could be paying health insurance and long term care planning and funding.

Family and Friends goals are multiple, but setting up a trust fund for a special needs family member, paying for college and paying for a wedding are common.

Niceties of life goals are so numerous and really depend on your interests and lifestyle needs. Vacations, hobbies, home remodeling, education for education's sake and...

Often, depending on your income and stage of life, saving for everything is impossible. By having your goals prioritized, you will be able to stay on track for the important things in life.



SOME GOOD WEBSITES FOR FINANCIAL INFORMATION AND SOME JUST FOR FUN...

Learn more about Financial Planning and your money strategies

Public site for Financial Planning Association:
<http://www.fpaforfinancialplanning.org/>

Public site for National Association of Personal Financial
Planners: <http://www.napfa.org/consumer/>

Visit <http://www.bankrate.com> for information and calculators
on mortgages loans, loan rates, CD, credit card and other bank
related products.



The Motley Fool, <http://www.fool.com> has investment
articles galore.

For investment news without hype

National Public Radio: <http://www.npr.org/>



PBS TV Nightly Business Report: [http://www.pbs.org/nbr/
index.html](http://www.pbs.org/nbr/index.html)

Just for Fun

Don't mess with Older Ladies:

<http://www.youtube.com/watch?v=UjcoRFcmQuo>

Working together: [http://www.youtube.com/watch?
v=cP2PixShNeU&feature=related](http://www.youtube.com/watch?v=cP2PixShNeU&feature=related)

Pronunciation: **Money** \mə-nē\

Function: noun

Usage: *often attributive*

Inflected Form(s): *plural moneys or monies* \mə-nēz\

Etymology: Middle English *moneye*, from Anglo-French *monieie*,
from Latin *moneta* mint, money

Date : 14th Century

1: something generally accepted as a medium of exchange, a
measure of value, or means of payment: as **a**: officially coined or
stamped metal currency **b**: money of account, **c**: paper money 2 **a**:
wealth reckoned in terms of money **b**: an amount of money **c**:
plural: sums of money : FUNDS 3: a form or denomination of coin
or paper money 4 **a**: the first, second, and third place winners (as in
a horse or dog race) - usually used in the phrases *in the money* or
out of the money **b**: prize money <his horse took third *money*> 5 **a**:
persons or interests possessing or controlling great wealthy **b**: a
position of wealth <born into *money*>

-**for one's money** : according to one's preference or opinion

-**on the money**: exactly right or accurate

Disclaimer: All informational articles provided by this newsletter do not constitute tax, investment advice or legal advice. Consult your tax, financial or legal advisors before making any tax or legal or investment decisions. All articles are published for general informational and educational purposes and are not an offer or solicitation to sell or buy any securities or commodities. Any particular investment should be analyzed based on its terms and risks as they relate to your specific circumstances and objectives.

Mary L. Gibson is the principal of MLG Financial Planning, a Fee-Only financial planning and personal coaching service. Located in San Juan Bautista, CA and serving the greater Central Coast area, Mary is committed to her clients: individuals, families and small business owners. *"I really care that my clients understand what their financial future can be."*

As a CERTIFIED FINANCIAL PLANNER™ I offer my knowledge and expertise through a fee-only, hourly advisory service. *"Because I do not accept commissions, I can offer unbiased financial advice."*

It is my mission to empower people, by providing them with knowledge, planning and advice, to believe they can take control of their financial lives to achieve their lifestyle goals. To give my clients a greater understanding of the use and power that money has in their lives.



Mary Lacey Gibson, CFP®