Strategies to Get Out of Your High Rate Loan Forever !

From the desk of Bob Schiano, President of All Island Mortgage & Funding Corp.

My headline may sound too good to be true but I encourage you to read all of this report before you make up your mind. I will lay out a 10 step plan to get you back into a low fixed-interest-rate loan in the shortest time possible. I promise you that if you follow these steps you will see good results. But keep in mind that this is a process and it will take patience and some time & effort on your part. Let me assure you the money you will save will make this process very worthwhile.

First, I want to share with you a few things I have learned about the mortgage business as an insider since 1989. Like every other industry we have a few bad apples that have given the home loan business a bad reputation.

The reason I point this out to you is that the mortgage business is much different than most other businesses. There is a huge amount of your money at stake. To give you an example, when I was younger I got 'burned' by someone who sold me a car that turned out to be a lemon. I put my trust in the seller who ended up being less than truthful about the car's reliability. Even though that experience taught me a valuable lesson and cost me money it didn't completely destroy my financial life.

Your home loan is different. It is the largest single debt you'll ever have in your lifetime. When it comes to your home loan you have to make good decisions because the stakes are so high. I have seen people lose their homes, ruin their credit, and experience long term financial setback as a result of being put into the wrong plan. To illustrate just how big the stakes are with your home loan please look at the table below:

Cost of your home comparison by interest rate:
We will use a $150,000 loan size for comparison

Rate	Monthly payments (P&I)	Total cost over 30 years
6.00%	$899.33 per mo	$323,754.57
7.00%	$997.95	$359,266.57
8.00%	$1,100.65	$396,229.32
9.00%	$1,206.93	$434,501.99
10.00%	$1,316.36	$473,883.62

As you can see in the example there is a dramatic difference between what you will end up paying over time for the same house. Having a rate of 6% vs. 8% will save you over $72,000 in interest over the 30 year term of the loan. With so much of your money on the line you simply cannot afford to be misguided, misinformed, and misled by an 'average' loan officer or the wrong loan product. A bad decision can cost you dearly.

If you are presently in a higher-than-market-rate loan your number one financial goal should be taking steps that will move you into qualifying status for the lowest-rate loan possible.

Most loan officers neglect to guide you past your present loan and into the future. They will approve and close your loan, get paid, and that's the end of it. They may follow up but chances are that they will either switch companies, or quit the business, and will lose touch with you over time. ***They never walk you through what you need to do after your loan closes. If you are credit-impaired this is the most important step.***

Chances are the loan you are in now is a 2 or 3 year adjustable rate loan with a possible pre-payment penalty. Since your credit was not perfect when you took the loan out that makes sense. You could have gotten into a fixed rate loan at the time but you would've settled for a higher rate and a higher payment.

The strategy of this type of loan is to use the 2 to 3 year period to improve your credit scores so when your credit adjusts and the prepayment penalty expires you simple refinance into a lower rate. Simple right?
Wrong.
You were probably never told what you need to do to make this happen. Most loan officers ignore this key step following the loan closing-consulting you on what to do next! The ugly truth is that they really have no incentive to do so. Most will wait until your prepayment penalty expires and put you right back into a high rate ARM loan because your credit is still damaged. *Every time you do this they make more money!*

You need to get out of this pattern. You must look at the big picture. You need a plan of action!
That process is what I am here to share with you. Let's get right into it!

10 Powerful Strategies-the roadmap to financial recovery.

1. Asses your present situation:

First and foremost you need to understand the terms of the loan you are in now. Most people tend to forget the details of their loan several months into it. You need to re-visit these important loan terms. Your lender should have provided you with a copy of your loan package at closing. If not, you'll need to pull out your most recent loan statement and call your lender's customer service number. You need to know the following information:

- *Your present rate of interest*
- *If your loan is a fixed rate or adjustable rate mortgage*
- *Whether or not your loan has a prepayment penalty and if so, when it expires*

It is most important to do whatever it takes to never allow your present mortgage to be late. You can pay it past the due date but do NOT let it go beyond 30 days, paying the mortgage within the month does not show late on the credit report.

2 . Obtain a copy of your credit report:
This can easily be done through All Island Mortgage.

3. Review your credit report to make sure what is on there is accurate:

Credit reporting companies are notoriously sloppy. Even if you think your credit is a mess you still may have inaccurate information showing up there that is hurting you. It is critical for you to know this. Please note that credit reports are not written in plain English so if you have trouble reading the report just give us a call and we will walk it through it.

4. Learn the credit scoring model:

It is key to understand the credit scoring model which determines your credit score. Send us an e-mail and we will send you a copy of this model. It is easy to understand and will help you maximize your credit scores going forward.

5. Begin the process of improving your credit scores:

You can do this yourself if you understand the rules and have some time and patience to invest in the process. Also there are many good professional companies that can assist you. We will analyze your credit report with you and explain exactly what needs to be performed.

6. Restructure your debt accordingly:

Using what you learned with the credit scoring model see if you can restructure your debt to maximum your credit scores. This may involve transferring balances from one credit card to another and so forth. Even spreading out your present balances over more credit cards will increase credit scores. Again, call us if you like our free coaching with this.

7. Determine your home value:

Get a free market analysis. It is important that you have a good idea of your home's present market value. When you have an idea of the equity you have to work with you can determine if you have room to pay off high interest credit card and/or other debt if you would like.
Plus having a low loan to value (loan amount divided by value) can get you a much better rate in itself. Many investors have a drop down scale when there is alot of equity left after a new loan.

8. Determine your long-term housing goals:

Decide how long you plan to live in your home. This is important since it will indicate the loan product you should be targeting. For example if you plan to live in your home for a long time a fixed-rate loan will be your best bet. If you plan to move in the next 5 years you may want to consider a different type of loan that will provide you with the lowest payments prior to moving.

9. Avoid solicitations and bogus offers:
I know…I get them too! My mailbox is full of them every week. Do not be tricked into a loan offer that is too good to be true – especially when you are still completing these steps. You must stay the course and stick to your plan until you are ready to take the next step.

10. Contact a qualified mortgage specialist:

You need a good loan planner to help you map out a timeline to make sure these steps are completed successfully before your present loan starts to adjust to a new monthly payment amount that will very difficult to pay.

I won't pull any punches here – I want MY company to be YOUR mortgage company. I am offering the valuable information in this report to you for free. I am doing so to demonstrate my expertise and hopefully earn your trust in becoming your mortgage broker.
I believe in providing value and helping people up front; in advance of asking for your business. The best news is that if you agree to let me work for you and become your trusted mortgage advisor, I will do so for free until you actually do a loan with me and my company.