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Plunging Mortgage Rates Create Surge of Activity at Usually Quiet Time of Year

As we see in the stores and at the gas pumps, the recession has brought some plunging prices.

Well, the same holds true in the mortgage industry.

Mortgage and title companies are working overtime this holiday season closing an unusually high volume of purchase mortgages and refinances.

The paradox is that just prior to this surge in business, a large number of mortgage brokers and title companies went out of business from lack of customers.

The plunge in mortgage rates is documented at the Freddie Mac website, www.FreddieMac.com. It is updated every Thursday. As of last Thursday, the average nationwide 30-year fixed mortgage rate, according to the site, was 5.47%. Two weeks earlier it was 5.97%,

four weeks earlier it was 6.14% and six weeks earlier it was 6.46%.

Remember: that's an *average* rate. With a good mortgage broker, it's not hard nowadays to lock in a fixed rate mortgage close to 5%.

At 5%, the payment on a \$295,000 mortgage is about the same as the payment on a \$250,000 mortgage at 6.5%. It's like getting \$45,000 more house for your money.

Looked at another way, the payment on a \$250,000 mortgage at 5% is \$140 less than on the same mortgage at 6.5%.

My mortgage broker, Shelley, told me that rates are so low now that customers are not even getting the lowest available rates when they apply for a loan. She explained that 5.5% sounds so good, that they don't ask if there's a lower rate — and often there is.

Even though rates are attractive, still be a smart shopper!

What to Fix/Update When Putting Home on Market?

One of the more common questions I get is what should be fixed or updated before putting one's home on the market.

My answer is that unless something is an eyesore or distraction when the house is shown, I'd leave it alone for the simple reason that you won't get back the money you spend on the update.

Example: If your carpeting is old and tired but not stained or torn, I'd not replace it, but just clean and (if necessary) have it stretched. If, however, it is stained and doesn't clean well, I'd replace it. If you have Formica counters, but they are clean and undamaged, I would not replace them. Wash those windows, and replace ones that are cracked or have condensation due to broken vapor seals.

Call me for additional advice.

This Week's Featured Listing:

New Price on Home Backing to Open Space

This fine home located in the Village at Mountain Ridge has 5 bedrooms, 3½ baths and 3,886 square feet of living space, thanks to its finished walk-out basement. It sits on a corner lot backing to the Mt. Galbraith Open Space Park with a straight-ahead view of the famous "M" on Mt. Zion in the Windy Saddle Open Space Park.

This is the lowest price home currently on the market in this premier subdivision built in the late 1990's. The home is within easy walking distance of Mitchell School via a pedestrian bridge which crosses Hwy. 93. The path to that bridge is less than 100 yards from this home's front door. Clear Creek and downtown Golden are only a little further across that same bridge. At just \$131 per finished square foot, this home is a great deal! Open Sat. 1-4.



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