

Today's Low Interest Rates Save You More Than the Expired Tax Credits

At a recent Realtor marketing session, a mortgage broker distributed a flyer demonstrating that today's historically low mortgage interest rates save the buyer more money than did the now-expired tax credits at the interest rates prevailing when those credits expired.

On our website, www.GoldenRealEstate.com, you can click on a button for current mortgage rates from Freddie Mac. It is refreshed every Thursday, but when I checked it this Monday

for this column, the average 30-year fixed rate for conventional mortgages in our section of the country was 4.28%. The average 15-year fixed rate was 3.92%. You could get a 5-year adjustable rate mortgage for 3.67%. No significant change is expected this week.

These rates are almost a percentage point lower than they were on April 30th, when the tax credits

expired. The savings in interest expense over the life of a loan written now more than makes up for the loss of those tax credits.

Using the mortgage calculator on our website, I figured that on a 30-year conventional loan, even a half-percent reduction in the interest rate results in \$27,000 savings over the life of a fixed-rate \$250,000 loan.

Here in Jeffco, we enjoy an unusual circumstance. Our housing market is healthy overall, unlike elsewhere in the nation, but the current mortgage rates reflect a nationwide real estate market which is not as healthy. Buyers would be smart to take advantage of that discrepancy and seize on low mortgage rates intended to help the rest of the nation recover. I can refer you to several mortgage brokers who can

help you maximize your savings.

Meanwhile, last week the press was full of reports that fewer renters are even considering buying a home. Where's the disconnect?

Part of it has to do with the perception that it's harder to get a loan. Yes, that's true if you have bad credit, but many of the fence sitters could qualify for a loan. Another perception is that you must have a 20% down payment, but FHA is still offering loans with 3.5% down payment, and veterans can still buy homes with no down payment. (I closed one last week.)

The most interesting reason renters give for not buying now is that they are waiting for interest rates to go even lower, or for home prices to drop further. The first reason doesn't make sense to me, and the second may apply in Las Vegas, but home prices here in Jeffco and much of the metro area are steady or on the rise. This is the perfect time to buy.

This Week's Featured New Listing:

Another 2-Story Kinney Run Townhome

A few weeks ago I advertised my listing at 902 Homestake Dr. in Golden's Kinney Run subdivision. Now I have a second listing in the same neighborhood to tell you about. It is **913 Homestake Drive**, another 2-story home but with a different floor plan. Video tours of both homes (plus a rental at 901 Homestake Dr.) can be taken at the same website shown above.

This home, like 902, backs to the agricultural ditch, has a detached 1-car garage and two upstairs bedrooms and baths. But unlike 902, it has a walk-out basement which is all studio space with vinyl flooring. (The previous owner was a well-known local painter.) It has central air conditioning, a tiled foyer, gas fireplace and both a formal dining room and eat-in kitchen. Tour it online, then ask your agent or me for a showing.



REAL ESTATE TODAY



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