

HINTS FOR HOMEOWNERS

How To Find Your Dream Loan

(NAPSA)—Many Americans who want to finance, refinance or borrow against the worth of their homes are finding out what financial institutions have known for quite some time: It is a buyer's market.

The booming economy and competition between lenders have resulted in a number of families from different economic backgrounds finding good deals on first and second mortgages and home equity loans.

If you plan on joining this community of borrowers, the Federal Reserve Board recommends following these tips to improve your home loan:

Find The Deal

Just as you shopped for the right house, it's a good idea to shop for the right mortgage or equity loan. Think of mortgages and loans as products and like any other product their quality and value can vary a great deal. Shopping among three or four lenders could save borrowers thousands.

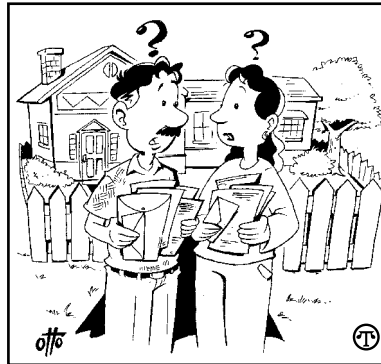
Start off by asking the lenders you visit for a list of their current mortgage or interest rates. If the rate quoted is adjustable, ask how that will affect your payment.

Next, ask the lender about points and other fees. Points are fees paid to the financial institution for the mortgage or loan and are often linked to the interest rate. Fees can range in description from loan origination to an underwriting fee. Make sure you know all of the costs associated with the loan or mortgage.

Finally, find out about the lender's requirements for a down-payment.

Negotiate The Deal

Once you know what different



A free guide is available that can help answer questions about financing a home or borrowing against its worth.

lenders have to offer, you are in a good position to find the best deal.

On any given day, lenders and brokers can offer different prices for the same loan to different consumers—even if the consumers have the same loan qualifications. According to the Federal Reserve Board, one reason for this is that loan officers are often allowed to keep some or all of the difference in price.

To avoid such hidden costs, ask the lender to write out all fees associated with the loan and ask whether he or she is willing to lower any of the individual fees (be sure they don't raise any others to compensate). Remember, there's no harm in asking lenders for better terms.

Borrowers who need more information can get a free brochure and worksheet (printed in Spanish or English) from the Federal Reserve Board. Write to Publications, MS 127, Federal Reserve Board, Washington, D.C. 20551; call 202-452-3244 or visit www.federalreserve.gov.