

# SHOPPING AROUND FOR A MORTGAGE



*Here's the inside scoop on how to do it right.*

Always make sure you are working with an experienced, professional lender. The largest financial transaction of your life is far too important to place into the hands of someone who is not capable of advising you properly and troubleshooting the issues that may arise along the way. But how can you tell?

**Here are four simple questions your lender absolutely must be able to answer correctly. If they do not know the answers immediately leave and go to a lender that does.**

- 1. What are mortgage interest rates based on?** The only correct answer is Mortgage Backed Securities or Mortgage Bonds, not the Fed or the 10-year Treasury Note. While the 10-year Treasury Note sometimes trends in the same direction as Mortgage Bonds, it is not unusual to see them move in completely opposite directions. Do not work with a lender who has their eyes on the wrong indicators.
- 2. What is the next Economic Report or event that could cause interest rate movement?** A professional lender will have this at their fingertips. To receive an up-to-date weekly calendar of weekly economic reports and events that may cause rates to fluctuate, contact a *Certified Mortgage Planning Specialist professional* today.
- 3. When Bernanke and the Fed "change rates", what does this mean... and what impact does this have on mortgage interest rates?** The answer may surprise you. When the Fed makes a move, they are changing a rate called the "Fed Funds Rate". This is a very short-term rate that impacts credit cards, credit lines, auto loans and the like. Mortgage rates most often will actually move in the opposite direction as the Fed change, due to the dynamics within the financial markets. For more information and explanation, contact a CMPS professional today.
- 4. What is happening in the market today and what do you see in the near future?** If a lender cannot explain how Mortgage Bonds and interest rates are moving at the present time, as well as what is coming up in the near future, you are talking with someone who is still reading last week's newspaper, and probably not a professional with whom to entrust your home mortgage financing.

***Be smart... Ask questions... Get answers!***

More than likely, this is one of the largest and most important financial transactions you will ever make. You might do this only four or five times in your entire life but CMPS professionals do this every single day. It's your home and your future. It's our profession and our passion. We're ready to work for your best interest.



## *fast facts*

- **What are mortgage rates based on?**
- **What is the next Economic Report or event that could cause interest rate movement?**
- **When Bernanke and the Fed "changes rates", what does that mean?**
- **What is happening in the market today and what do you see in the near future?**



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