

Real Estate Today

Is a Mortgage Broker Better Than a Mortgage Banker?

By **JIM SMITH**
Jefferson County Realtor®

Personally, I favor using a mortgage broker over a mortgage banker for one big reason: A mortgage broker works with many lenders who offer a multitude of products, whereas a mortgage banker can only select from the products which his own company offers. It may be that a product such as an interest-only loan makes the most sense in your situation, but one particular lender may not offer that product. A mortgage broker, on the other hand, may work with 100 or more lenders and be able to suggest that product and sell it to you.

Jean Rowe, the mortgage broker who provides the "Mortgage Update" for this column, works for Clarion Capital Mortgage as an independent mortgage broker. She pointed out to me that her company does so much business that some lenders will offer them special deals on products because of their volume. You might not get as good a deal if you bought the same product directly from that lender.

Clarion is a direct lender, which means that they fund all their loans at the closing table with their own money and sell their loans right after closing to a predetermined lender. Some brokers don't do that, but arrange for that lender's money to be provided at closing. I would suggest you ask whether your mortgage broker does that.

Another important piece of advice I'd offer is that you select your mortgage broker on the advice of your Realtor, because mortgage brokers are not licensed or regulated in Colorado and if an unknown mortgage broker gets your

business, he could conceivably have a criminal past and be out to steal your identity and/or your money. That's why the mortgage brokers themselves have asked that their industry be regulated by the State of Colorado, which regulates Realtors. Until that happens, your best bet is to get a mortgage referral from someone (like me) who knows the reputation of anyone he would refer.



Join Me At a Habitat for Humanity Event May 11

On May 11, I'm going to be a "table host" at the Breakfast for Humanity, an annual fundraising event of Habitat for Humanity of Metro Denver. There is no fee to attend this meeting, at which you'll learn about the organization and hopefully be inspired to make a financial contribution to its work. If you'd like to sit at my table, call me at 303-525-1851 soon!

Mortgage Update

By Jean Rowe, 303-601-4035

The market was up one day and down the next all of last week. It ended on an up note on Friday, and bonds dropped. The Fed meets this Tuesday and many expect yet another interest rate increase. What will this translate to for mortgage rates? Right now, rates are very good.

Mortgage rates as of 5/2/05:

3/1 Interest-only ARM: 4.625% (APR 5.901%), Interest-only payment: **\$770.83!**

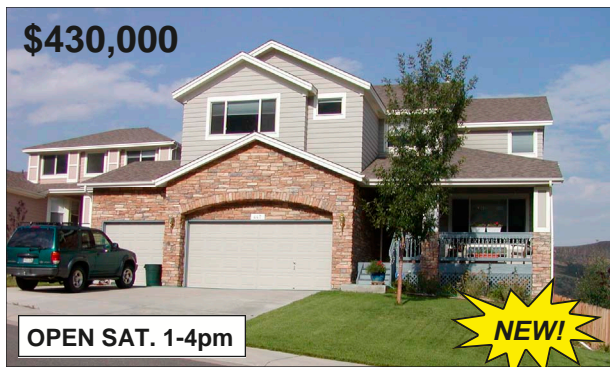
30-year fixed rate: 5.5% (APR 5.646%), P & I: \$1135.58

5/1 ARM (fixed for 5 years): 5.00% (APR 5.798%), P & I: \$1073.64 (P & I = Principal and Interest. Figures are estimates only. Rates are based on a conventional loan, 30-day rate lock, \$250,000 purchase with a \$200,000 loan amount, subject to change. Certain criteria apply.)

Three Listings from Golden's Top Listing Agent*



1858 PARFET ESTATES DRIVE: Enjoy your front-row seat for Golden's twice-yearly fireworks displays from this spectacular Beverly Heights home under the "M"! It features 4BR (plus study with closet), 4 Baths, and 3,217 finished sq. ft. Hot tub is included! Take a virtual tour and get more info at www.BeverlyHeightsHome.com.



447 WHITE ASH DRIVE: This 2-story home towers above the homes below, offering a panoramic view both North & South Table Mountains, the City of Golden and the foothills. The partially finished walk-out basement includes a 4th bedroom and 4th bathroom, plus 2nd family room. www.447WhiteAsh.com.



245 WEST DRIVE: This is your best value in high-end homes in Golden's Village at Mountain Ridge. With 4,756 finished square feet, the reduced price on this home computes to less than \$118 per finished square foot. 5 BR, 4½ Baths, walk-around gas fireplace, 2 family rooms. This is quite a home! www.245WestDrive.com

*It's a Fact:

No Realtor Had More Sold Listings in Zip Codes 80401+80403 During 2004 Than Jim Smith!

Based on an analysis of data by Metrolist, Inc.



Jim Smith
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Buy or Sell a Home Using Jim Smith, and Get Free Use of His Moving Truck with Driver/Helper. (Picture of this truck is on website.)