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Union Title Chatterbox

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A Quarterly Newsletter of Thoughts and Tidbits from The Staff at Union Title Company
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What's ahead for mortgages in 2009

By Bankrate.com

The Mess won't be cleaned up soon, so homeowners-and buyers-must address key questions about financing, the housing market and "underwater" loans.

If 2008 was the year of foreclosures and when "underwater" entered every homeowner's lexicon, 2009 will be the year of refinances and mortgage modifications.

As home prices fell, millions of homeowners discovered that they owed more than their houses were worth. They were unable to refinance and unable to sell. Delinquencies soared. As the recession matures in 2009, more people are going to fall behind on mortgage payments. At the same time, the federal government will try to hold down mortgage rates. And house prices will continue to fall. These three factors limit the smart moves you can make in 2009 with your mortgage and equity debt.

Buying a House

House prices have been falling in most places. In declining markets, people have trouble deciding whether to buy a house now or wait for prices to fall further. Instead of getting stuck on the buy-or wait question, smart consumers consider other questions first:

1. Have we put our financial house in order? Not long ago, the best mortgage deals were offered to borrowers with credit scores of 720 or higher. Nowadays, many lender's thresholds have risen to 740. The necessity of a higher credit score is just one consequence of the mortgage debacle, and lenders have tightened their requirements in other ways, too. During the boom years, many applicants merely stated their incomes without having to provide documentation. Those days are gone. Low-documentation and no-documentation loans are rare. Expect to provide paycheck stubs or tax returns, or both to demonstrate that you earn what you say you earn. The lender will want to see that your expenses are in line with your income. You might have to provide bank statements to show where the money goes. If a big chunk of your monthly income goes toward debts for credit cards, cars and college, the lender might constrain the amount you borrow.

2. Have we saved enough for a down payment? During the credit and housing boom, people routinely bought houses with no money down. Piggyback loans were the norm as homeowners avoided the mortgage insurance. Now, substantial down payments have made a comeback, and so has mortgage insurance. A few low-down-payment programs are still available, all courtesy of the federal government. The Department of Veterans Affairs guarantees mortgages with no down payment, and so does the Department of Agriculture's Rural Housing Services. There are restrictions on who is eligible for those loans, where the loans are available and for how much.

More people are eligible for Federal Housing Administration-insured mortgages, which require down payments as low as 3.5%.

Outside those federal loan programs, most lenders require significant down payments. The requirements vary by lender, the type of dwelling and where it is. A few creditworthy people might be able to buy houses with 5% down, but a 10% minimum is more common.

Mortgage insurance companies won't insure loans on Florida condominiums, so lenders require down payments of at least 20%. For jumbo mortgages in California, many lenders require 30% down payments.

Loan modifications sometimes only delay, rather than prevent, mortgages from going bad. Two experts discuss the issue. On top of that, the lender will want to know how you got the down payment money. Is it from personal savings? Was all or part of the money a gift from family? If some of the money was given to you, the lender will want to make sure you have enough savings and income to handle temporary financial setbacks

3. Is this the right time in our lives? Homebuyers, especially first-timers, should aim to own for the medium to long term. House prices have room to fall further in many-if not most-markets, and it could take years for prices to rebound. In short, it's a bad idea to buy a house with the intention of selling it in two or three years. Doing so could be a money-losing proposition, especially after factoring in the costs of real-estate commissions and taxes.

Vinegar and Baking Soda used as household cleaning products

By Ask Heloise

Vinegar and Baking Soda can be used as household cleaning products! Both are cheap to buy, safe to use around your home and family and they are environmentally friendly! You can save a lot of money (\$15 to \$30 a month) by using them instead of buying commercial products.

COFFEEMAKER

To remove hard water buildup in most drip-type coffeemakers, run full-strength household vinegar (white or apple cider) through a normal brew cycle, then carefully pour the hot vinegar back in the water reservoir and let it set for 20 minutes, or longer, to break up the mineral deposits. Then run a couple of cycles with just plain water.

DEODORANT STAIN REMOVAL

To get rid of most fresh deodorant and antiperspirant stains on washable fabrics, rub the areas with undiluted white vinegar, let set for 5 minutes, so the vinegar can work, then launder as you normally do and use the hottest water appropriate for the fabric. Let air dry, don't put in the dryer and retreat if needed.

DRAIN FRESHENER

This homemade mixture will help to keep drains fresh, but WON'T unclog them. Pour 1 cup of baking soda down the drain and follow with 1 to 2 cups of warm vinegar. After a minute or so, let hot water flow down the drain for a good minute or two. Then flush out the drain with a lot of cold tap water. NOTE: When you add the vinegar, the mixture will fizz and foam up; this action helps to clean out the drains. CAUTION: Don't let the mixture sit in the drain overnight.

GLASS CLEANER

Has hard water built up on drinking glasses? To take it off, try soaking the glasses in hot (not boiling) household vinegar for 30 to 60 minutes, then scrub with a nylon net scrubby. NOTE: If this doesn't work, the glasses are probably permanently etched, and unfortunately, there is nothing that can be done.

WINDOW CLEANER

To make clean windows or mirrors sparkle, add 2 cups of vinegar to 1 gallon of water. Put the solution in a spray bottle and spray liberally over the window or mirror. Dry with crumpled newspaper for a streak-free window or mirror. You can make the vinegar/water cleaner stronger, if needed.

UTC Cooking Corner (favorite recipes from Union Title employees)

Italian Cream Cheese Chicken

Submitted by: Jennifer Field

Ingredients:

- 4 boneless skinless chicken breasts
- 2 T butter (melted)
- 1 pkg. Good Seasons Italian Dressing
- 1 pkg. cream cheese
- 1 can golden mushroom soup
- 1 pkg. angel hair pasta

Directions: Heat butter, dressing mix, cream cheese and soup together. Add 1/4 cup water, pour over chicken in a crock pot. Cook 6 hrs on high or all day on low (the longer cooked, the thicker the sauce and more tender the chicken). Serve over angel hair pasta.



Calendar of Events

- 4/3/09 through 4/5/09 Neat Repeatz Children's Consignment Sale
- 4/7/09-Primary Election
- 4/12/09-Easter
- 4/15/09-Tax Day
- 4/18/09-27th Annual Novartis Run
- 4/18/09-Red/White Spring Football Game
- 4/22/09-Earth Day
- 4/24/09-Arbor Day
- 4/25/09-Realtors Association of Lincoln Housing Fair
- 5/5/09-General Election
- 5/9/09-First Haymarket Farmers Market
- 5/17/09 through 5/20/09-Spring Parade of Homes
- 6/21/09-Father's Day

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Dear Customer:

As a valued customer you will be receiving the "Union Title Chatterbox". This is a quarterly newsletter, published by Union Title Company, LLC, to keep you informed and updated on current news and events in our industry. We have also included helpful tips and tidbits for your own personal use.

If you wish to receive the "paperless edition" of this newsletter you can contact us on our website at www.uniontitle.com, click on the newsletter tab, then click on the "paperless edition" link and simply supply us your email address and we will send all further editions directly to your email.

Should you choose not to receive this mailing, please logon to our website, click on the newsletter tab, then the "opt out" link. You may also call our office at 402-323-1888 and let us know that you would like your name removed from our mailing list.

Again, thank you for your business and we look forward to seeing you again in the future!!

Sincerely,

The staff at Union Title Company, LLC