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**Mortgage**  
SPECIALISTS, LLC

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The Mortgage Update®

## A Billionaire's Best Investments

**B**illionaire philanthropist and investor Warren Buffett expresses strong support for America's real estate market.



Art by Lara Tomlin

*"Home-ownership makes sense for most Americans,"* he writes, *"particularly at*

*today's lower prices and bargain interest rates."*

Buffett pens a yearly letter to shareholders as CEO of Berkshire Hathaway Inc. His most-recent letter states that, in Buffett's experience, purchasing wedding rings is the only investment that's better than buying a house.

*"My family and I gained 52 years of terrific memories with*

*more to come" living in their five-bedroom stucco home in Omaha, NE, Buffett explains. Americans don't have to be billionaires to gain the advantages which our country offers.*

### OUR BEST DAYS

Warren Buffett continuously exudes a vibrant faith in America. He believes *"there is an abundance" of opportunity for everyone in this country* — even though we can't be certain how the future will turn out. But *"don't let that reality spook you,"* adds Buffett.

*"Throughout my lifetime, politicians and pundits have constantly*

*moaned about terrifying problems facing America,"* he adds. *"Yet our citizens now live an astonishing six times better than when I was born.*



*"The prophets of doom have overlooked the all-important factor that is certain: Human potential is far from exhausted, and the American system for unleashing that potential — a system*

*that has worked wonders for over two centuries despite frequent interruptions for recessions and even a Civil War — remains alive and effective."*

*"America's best days,"* Buffett contends, *"lie ahead." ★*

### Inside This Issue:

- *Housing Market is Looking Up*
- *A Passion for Sales*
- *Get Chosen First*
- *Today's Biggest Bargain*

## Americans Love Gadgets



**T**rying to guess someone's age is easier once you know what electronic devices they own, a recent survey suggests. *"Millennials" — ages 18-34 — are the only group which is more likely to own a laptop or notebook computer instead of a desktop machine.* Almost two-thirds

of adults between the ages of 18 and 46 also like to relax with their game consoles, adds the Pew Research Center.

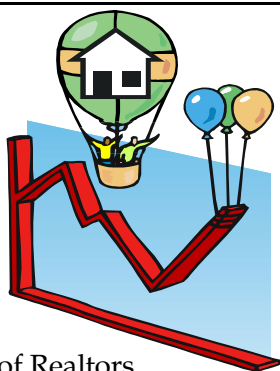
*Cell phones are in the hands of 85 percent of adults,* and about three-fourths of those owners also use them to take photos and send text messages.

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**Thanks for Your Referrals!**

# Housing Market is Looking Up

Home sales are rising, while prices are still edging downward, according to recent economic reports. *Sales have gone up in five out of the last six months*, states the National Association of Realtors (NAR). "The sales recovery appears to be a sustained gain," adds NAR Chief Economist Lawrence Yun.



*total pay for an average family,"* reports **The Wall Street Journal**.

Homes haven't been this affordable in 35 years, the **Journal** adds. Typically properties cost about two year's pay. Renters in some communities find they actually can save on their housing costs by purchasing now, states the **Journal**.

## **READY TO RISE**

Other analysts explain that increasing sales mean savvy investors are purchasing houses now, since they're aware prices could start picking up soon. You can *encourage consumers to buy soon if that's happening in neighborhoods in which they're interested*.

Areas where jobs and incomes are growing provide positive real estate conditions, and an excellent outlook for future price increases. If home sales are rising and the number of properties on the market



is falling, today's buyers most likely will be able to sell profitably in the future.

*"The worst of the housing bust is over in most areas,"* adds the **Journal**. Homebuyers can be more confident today as a result.

Ask your buyers to meet with me to find out what their monthly payments would be on a great home they'll enjoy for years. I'll emphasize that now is the time to benefit from super prices and low mortgage rates!

**I'll also help them get ready to purchase, so your clients will be able to make a solid offer once you show them the right home.** Instead of simply shopping for a new house, they'll be in prime position to buy one. ★

**Why aren't average prices going up yet?** One reason is that some sellers are eager to find buyers now, and offering great deals.

Another factor is that reporting average prices obscures what's happening in different communities. Areas that are stable or improving are overshadowed by neighborhoods under stress.

A sounder perspective comes from real estate experts at Moody's Analytics. Comparing home prices to average U.S. incomes today shows *"the cost of a house is the equivalent of about 19 months of*

## **A Passion for Sales**

Often a real estate salesperson has an outside hobby or other interest which can be used to attract clients. *You can create a relationship with a stranger when you find you share a previous profession or passion* about a local team.

It's easier to build trust when you have common ground with someone. But then you also need to bring their attention to real estate.

Developing friends is important, yet it's just one step in the sales cycle. At the very least, let these new prospects know what you do for a living. *Ask if you can put them in your database to regularly receive market information.*

Also try to form a link between your hobby and your livelihood. An agent who enjoys horses can introduce new friends who share that interest to horse properties. Or someone who is a woodworker can highlight houses for sale which have a large garage or other area suitable for pursuing that hobby.

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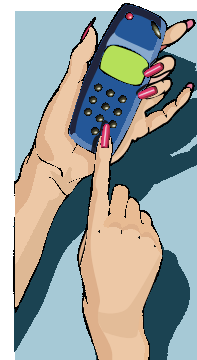
## **Americans Love Gadgets**

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However, more than two out of five Americans age 75 or older don't have a cell phone, computer, music player, or game console.

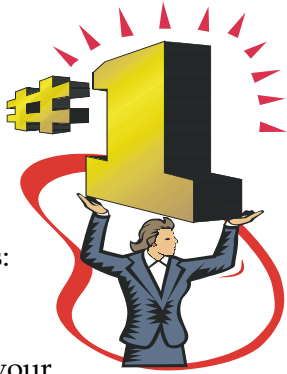
It's critical to know how your clients and prospects prefer to receive information. *Ask new customers both how often they'd like to hear from you and the best method for reaching them.*

If someone prefers phone updates, find out when during the day they'd like to receive a call. Also **make sure everyone who will be working on that transaction knows the primary means of contact.** ★



# Get Chosen First

Being the real estate professional of choice in our area is a goal you focus on every day. Here are some benefits of working with you which you can describe to your prospects:



- **You first find out about a consumer's real estate plans.** Let your prospects know you'll start by asking questions, to discover how you can best work together. Learning what a buyer's or seller's goal is gives you an objective to reach.
- **You help your clients make smart choices by showing them several possible solutions.** Emphasize that you won't try to sell anyone a

home. Instead, you'll present options and invite your customers to select what they prefer.

Your clients will find my approach to financing is similar. I educate borrowers about different loans, and show them how each would work in their situation.

At that point they can choose what suits their family's needs.

- **Creative solutions may be required.** Tell buyers that your negotiating skills and real estate knowledge can help them find success in today's market.

Whether they'd benefit from locating a sound fixer-upper or need sellers to make concessions, you'll be working hard on their behalf.

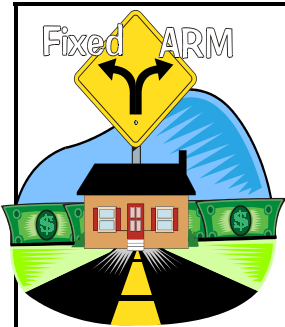
And tell your buyers that as your real estate financing partner, I have a full financial toolbox to assist them. My experience provides a variety of helpful strategies to draw on, as well.

- **You treat clients like family members.** Buying a home can be stressful, so it's important for your clients to know that we're always here to answer questions and provide them with progress updates.



As we work together, your buyers will know what to expect, and when each step will occur. I'm

ready to help you close more transactions this selling season! ★



## Today's Biggest Bargain

Adjustable-rate loans are making a comeback, since they provide borrowers with lower monthly payments. Yet it's crucial for consumers to understand how these tools will work in their situation.

**Fixed-rate home loans provide peace of mind, since owners know their monthly payments will never change.** Yet lenders must charge a higher rate to make up for the risks of lending money for three decades.

However, **most owners don't need to pay extra to obtain funds for 30 years.** It's more likely they'll move or refinance before that time is up.

**Adjustable mortgages offer a lower, fixed rate for a set period.** Homeowners have guaranteed low payments during that interval, and afterwards their rate will move to reflect market conditions.

Recently borrowers could obtain an adjustable-rate loan with payments which wouldn't change for five years at more than one percentage point below the rate on a 30-year mortgage. **Savings of \$135 per month on a \$200,000 mortgage were gained with this loan.**

An adjustable mortgage would be a good fit if a buying household's income will be higher five years from now. Perhaps one spouse currently is in school, but will be working at that point.

**I'll answer your customers' borrowing questions as we go over their current situation and review their plans.** They then can make a smart long-term decision which will enhance both their lifestyle and finances. ★

## A Passion for Sales

(continued from page two)

You may find it beneficial to **develop a website which combines your interest and real estate.** Have a special business card to pass out to potential clients sharing that passion, which gives the website address.

For instance, a horse property website would feature you, while giving information about owning horses and showcasing horse



properties which are on the market. **Pursuing your interest can be an exciting and fun way to build your business!** ★



**Brent Rasmussen,**  
CRMS, President

# Driven. Trusted. Reliable.

I am a self driven person just like you are, so I understand that your business doesn't just occur from 8am – 5pm. As a Certified Residential Mortgage Specialist I am here to serve you day, night or weekends when your clients call you.

I promise to get you and your clients the best service in our industry as I have gained trust, knowledge, and reliability through the years. I am committed to exceeding your expectations, and those of your clients, by providing excellent customer service and getting your transactions done on time!

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- Expertise and Answers the 1st Time
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