

# WHAT ARE YOU WAITING FOR?



IT'S TIME TO GET SERIOUS ABOUT BUYING-BEFORE AN INEVITABLE RISE IN INTEREST RATES WIPES OUT YOUR ADVANTAGE.

"The thing that will make home prices stop falling is the very same thing that will push mortgage rates higher," says Jim Svinth, chief economist at mortgage firm Lending Tree. So anything you gain by a further drop in prices might be offset by rising financing costs."

- TIME MAGAZINE | February 25, 2008

## BEYOND THE HEADLINES

Interest rates have increased by 0.6 percentage points in five weeks...the fastest increase in two decades.

January 24, 2008: **5.48%**

February 21, 2008: **6.04%**



Let's look at the effect of interest rate hikes and home price declines and how they might affect your finances.

### SCENARIO 1:

Home prices **decrease by 5%**  
Interest rates **increase by 0.5%**

### SCENARIO 2:

Home prices **decrease by 10%**  
Interest rates **increase by 1.0%**

#### TODAY

Home Price:

\$218,900

Interest Rates:

6.04%

Your Payment:

**\$1,054**

#### SCENARIO 1

Home Price:

-5% | \$207,955

Interest Rates:

+0.5% | 6.54%

Your Payment:

**\$1,056**

#### SCENARIO 2

Home Price:

-10% | \$197,010

Interest Rates:

+1.0% | 7.04%

Your Payment:

**\$1,053**

IT'S CALLED A **BUYER'S MARKET** FOR A REASON.....