

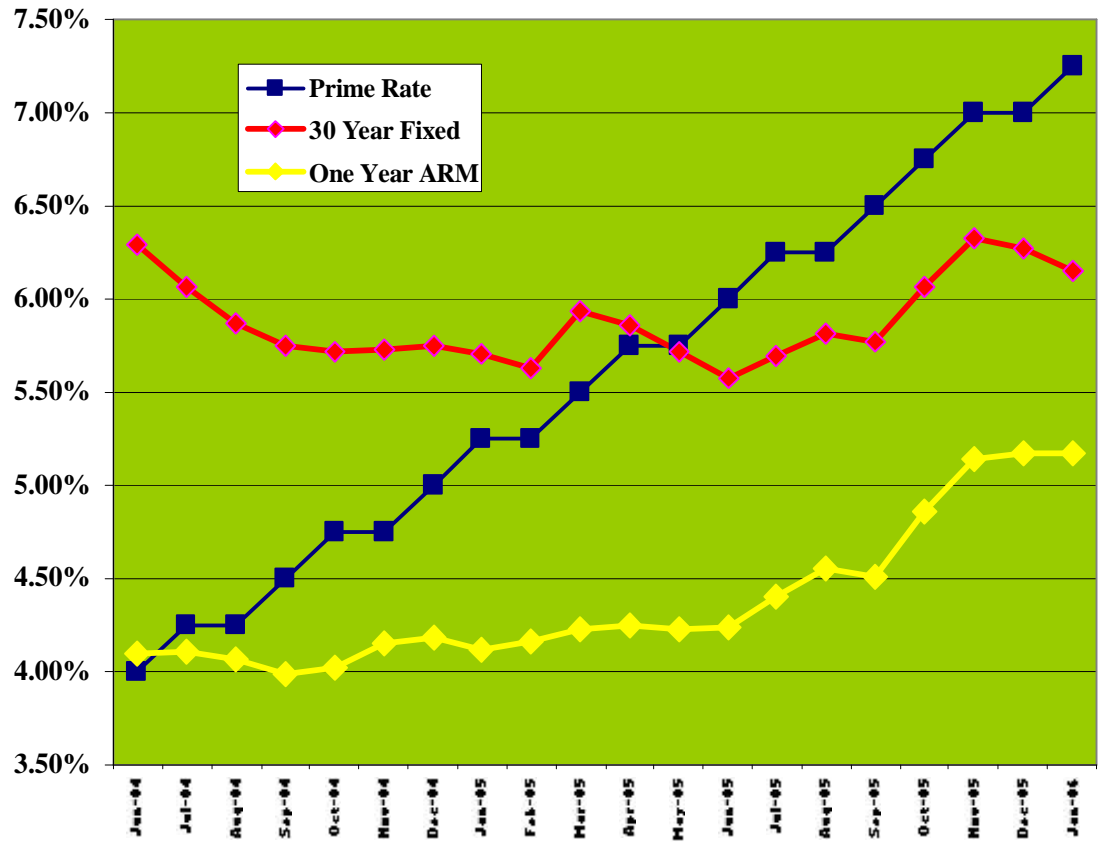


Federal MortgageGram

February 2006

How did the Fed discount rate increases influence Mortgage Rates ?

The Fed raised the bank discount rate from 2.00% in June 2004 to 5.50% in January 2006. The Bank Prime Rate rose at each Fed move as indicated in the graph - however **the average 30 Year Fixed rate mortgage actually went down** the first year of Fed increases (Alan Greenspan referred to this as a **conundrum**). Overall the 30 Year Fixed rates have remained quite stable. The Fed moves did influence shorter term rates and flattened the yield curve, as indicated by the One Year ARM. Now the gap is less than 1.00% - it was 2.19% in June 2004. Call Conrad or Ryan on 206-325-8400 for more details on mortgage rate trends.



Federal Mortgage **NEW** real estate niche programs

At Federal Mortgage we continually research new lender programs and we analyze the underwriting. Here are some new programs that you or your clients may find very useful:

- ✂ Excellent financing for NEW “non-warrantable” Condo projects.
- ✂ **95% Loan to Value** on Homes, with **No Employment**, **No Income**, and **No Assets**.
- ✂ **No Income Verification** on **Commercial Properties**, with excellent pricing.
- ✂ **LLC vesting** on homes for purchases or refinances to reduce borrower liability.
- ✂ **No Recourse** loans (great for Condo Associations and partnerships).
- ✂ **30 Year** fixed rate Commercial Property loans at **90%** Loan to Value.
- ✂ Multifamily financing for **5 to 20 units** with interest only initial terms.

These are specialty niche programs with excellent pricing and are **NOT “hard money”** deals. Please call Ryan, Conrad, Andy or Garret for precise terms and conditions.

Balancing Real Estate Loans

At Federal Mortgage Company we have expertise to help borrowers with **both** residential and commercial real estate financing. Many times our self employed clients have multiple properties, and the best financing package involves balancing the best terms and conditions. We recently arranged some intriguing packages that took advantage of the very best terms of both worlds. Call Conrad or Ryan on (206) 325-8400 and we can review any scenario no matter how complex, and provide the best overall solutions for you or your clients.

95% Loan to Value home loan with No Income, No Assets, and No Job?

Easily Done !

See the reverse for detailed information.

Self Employed?

We have always specialized in loans to **Self Employed** individuals. We have a huge array of options and know how to underwrite and price them at the best possible terms.

Federal Mortgage Company, Inc. is a member in good standing of the **Washington Association of Mortgage Brokers**, the **Seattle Mortgage Bankers Association**, and the **National Mortgage Bankers Association**. We are licensed and bonded to originate mortgage loans in **Washington, Oregon, and Idaho**.

Please call us on 206-325-8400 or email us at info@fedmtg.com for more details