



Seattle Sales Prices Compared to Tax Assessed Values - September 2008

A while ago you may have seen an article about how the King County tax assessed values could be higher than actual sales prices. Our **Research Department** became intrigued and reviewed 366 sales in the **City of Seattle** for the month of September, and found that **on average the tax assessed values were about 87% the actual sales price**. There were only 57 tax assessed at more than sales price, and 309 (or 84.4%) had valuations that were less. There were some notable exceptions where the home was **new construction** (or a major remodel) and the property re-assessment had not been completed - the tax value was still based on the lot (or tear down house) value and much lower than the sales price. One home in **Washington Park** sold for \$2,435,000 (in just 7 days!) which had a tax value of \$1,760,000. Another on Sunset Avenue in **West Seattle** sold for \$1,550,000 which was assessed at \$1,059,000. On the other end of the scale several purchases made which were significantly less than the tax valuation: some were originally listed for close to the tax value, however the seller eventually took a much lower offer (and it seems the buyer got a very good deal). For more information and **expert mortgage financing** assistance on any purchase price range, give us a call on 206-325-8400!



Purchase Price: \$709,000
Tax Value: \$390,000



Purchase Price: \$300,000
Tax Value: \$391,000



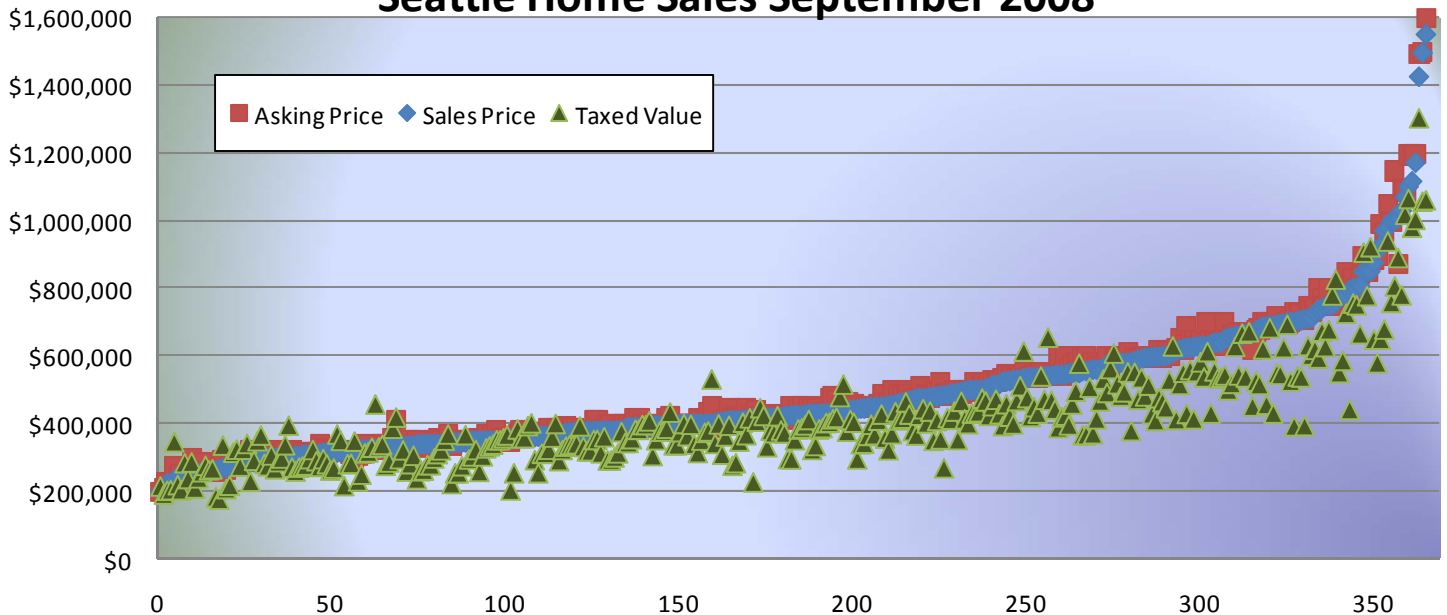
Purchase Price: \$230,000
Tax Value: \$342,000

Seattle Home Sales September 2008

Median Sales Price	\$425,000	Average Sales Price	\$487,303
Median Tax Value	\$382,000	Average Tax Value	\$420,285
Median Tax Value as %	87.78%	Average Tax Value as %	87.93%

Five Lowest Valuations			Five Highest over Sales Price		
Sales Price	Taxed Value	Tax Value as %	Sales Price	Taxed Value	Tax Value as %
\$415,000	\$222,800	53.69%	\$230,000	\$342,000	148.70%
\$484,950	\$265,000	54.64%	\$505,000	\$719,000	142.38%
\$709,000	\$390,000	55.01%	\$326,000	\$454,000	139.26%
\$795,000	\$438,000	55.09%	\$400,000	\$528,000	132.00%
\$700,000	\$389,000	55.57%	\$300,000	\$391,000	130.33%

Seattle Home Sales September 2008





Conforming mortgages with Very Low Down Payments are still available!

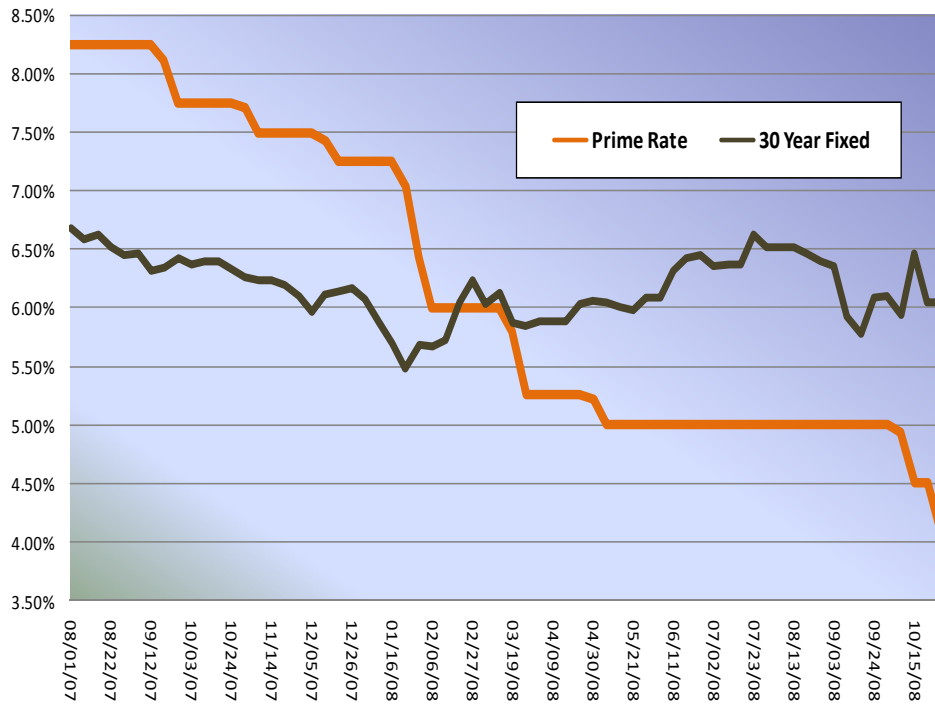
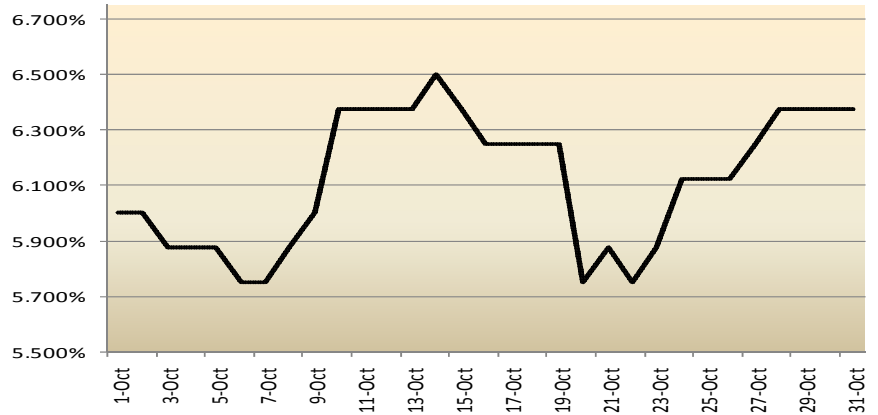
At Federal Mortgage we still have **very competitive** financing options for borrowers with low down payments! Today, a first-time homebuyer can still purchase a home **with as little as 3% down**. With that size down payment you get **Private Mortgage Insurance (PMI)** (with 35% coverage the monthly payment is calculated at .0792% of the loan amount) which is tax deductible if the borrower's income is less than \$100,000 a year. Or **with 5.0% down** they can select **Lender Paid Mortgage Insurance (LPMI)** which adds about .75% to the note rate and allows the home buyer to make just one payment and all of the interest is tax deductible. Please call us for details on these programs, and we will be happy to provide detailed **Good Faith Estimates** and complete information on debt to income ratios, credit score requirements, and documentation needed. **Special Hints:** The seller can pay up to 3% of the closing costs (which reduces the buyers closing costs and can be used to buy down the rate), and the down payment can be a **gift** from an immediate family member. The rates are still quite good right now with the 30 year fixed rates at 6.375% (6.471% APR based on a \$417,000 loan amount with PMI) and a 680 credit score. Call us at any time for more program information, special underwriting tips, or a specific detailed Good Faith Estimate. We also still have very good **Jumbo Loan Programs** - please call Conrad or Larissa on **206-325-8400** for details at any time.

See Our New Federal Mortgage Website !

We have created a new website found at **www.fedmtg.com** that has recent **MortgageGrams**, our Zip Code Survey of home values, County residential sales activity, and more information that is regularly added. As always we appreciate your comments and suggestions on other information that you feel would be valuable.

Please call or email us at **Mike@fedmtg.com** or **Conrad@fedmtg.com** anytime with comments.

October Conforming 30 Year Fixed



Mortgage Rate Trends

The recent **Federal Reserve** move to lower the Fed Funds rate by .50% did generate some calls to our office asking how much it lowered the 30 Year Mortgage Rates. The chart on the left shows the Bank Prime Rate (which does move with the Fed Funds Rate) and the average 30 year Fixed Rate conforming mortgages. This past Wednesday after the Federal announcement **the mortgage rates went up** - once again demonstrating that long term mortgage rates are much more set by market forces than the Fed. While the Federal Funds Rate was lowered 4.5%, **the average 30 Year Fixed Rates stayed in a relatively narrow range between 5.50% to 6.625%**. Sometimes mortgage rates are more influenced by actions the US Department of Treasury, and recent gyrations in the stock and bond markets have made rates move quickly up and down every day as shown on the chart above. Whatever the rate scenario, at **Federal Mortgage Company** we can find the best options for you, your clients, and family!