

CHARLOTTE URBAN

HOME

SUMMER 2009

Designs | Lifestyles | Investments | Improvements

Remodeling with Style and a High Return on Investment

OVER **48** NEW
LOCAL PRODUCTS
for Kitchens and Baths

Decorating Kids Rooms
The ABC's of Style

home finance

Dispelling Loan Myths



David Woldman

Read the news headlines and you may think it's pointless to waste time visiting the bank to apply for a home purchase or renovation loan. "No Jumbo Loans Available" or "Banks Not Lending" are the headlines of the day. Don't be fooled. Actually, renovation lending has greatly increased from 2008.

The interesting fact about the current economy is that homeowners have a big opportunity many don't even recognize. With rates at a 57-year-low, now is the best time in recent history to renovate your home. Homes are more affordable now than ever before and savvy homeowners are securing homes and creative financing that was almost unthinkable several years ago.

Renovation loans are good for our local economy, and money is available for those who have budgeted, spent wisely, and have a good credit history to show for it; even if you need a jumbo loan! If you have accumulated equity in your home, the market is ripe for a renovation project. Perhaps the updated kitchen you've always wanted or the master bathroom you've dreamed about? You can qualify for up to 80 percent of your loan needs. As an added bonus, most builders are turning around projects at a faster rate.

Another misconception is the frightening notion of losing your home if you lose your job. There's no reason to be afraid that a job loss or rate increase will throw a curve ball into your budgeting, making the process unaffordable.

Say, for example, you've taken out a home renovation or construction perm loan at the historically low interest rates available now. You can have your loan locked in permanently at today's favorable rate at the beginning of the renovation project, negating the need to convert to another, maybe less favorable rate, later when your project is complete. If the rates are lower at the end of your project, you can re-negotiate the loan for a better rate, or even move from an adjustable rate mortgage (ARM) to a fixed rate loan.

If you take a step back and look at the banking industry, you can see the market went from mortgage lending to mortgage giving and is now back to mortgage lending, a self-correcting process. Money is available, so make sure you take advantage of the favorable lending climate while "America is on sale!" ❖

David Woldman is SunTrust Mortgage's Top Producer company-wide, and his specialty is Renovation and Construction-perm lending. He has been in the mortgage industry for over 23 years, 13 of which he has been in the Charlotte market. David can be reached at 704-651-8377.



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