



Mark Berical's

MORTGAGE/REAL ESTATE NEWS

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Summit Mortgage Closing... Continued from Page 2

typical lender fees total less than \$900.00, placing Summit among the low cost leaders in mortgage loans.

Across the board, we make every effort to minimize our customer's cost of obtaining a mortgage loan, and that, as they say, "Is a good thing!"

To learn more about Summit's low cost mortgage programs and how they might benefit your financial goals, please contact Mark Berical at (520)248-9279.

Certain restrictions apply. Rates/programs subject to change. This newsletter is provided for your information and convenience only. It is not an advertisement. Always consult a tax advisor(s) for information regarding your individual circumstances. Summit Mortgage is an Equal Housing Lender.

You miss 100 percent of the shots you never take.

-- Wayne Gretzky

Tax Tips... Continued from Page 3

held for two years. Any sale prior to that would be taxed as a capital gain.

Q: How about for investment properties or second homes? Can the owner avoid taxation on these types of properties by holding them for two years?

A: Unfortunately, the answer is no. Any gain on the sale of either a second home or an investment property is taxed, regardless of the length of ownership.

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INSIDE THIS ISSUE

Summit Mortgage Closing Costs....Page 2
 Tax Tips by Steve Personett.....Page 3
 What Can I Deduct.....Page 3
 Sales of Retirement Homes.....Page 3

Mortgage Rates Drop To Lowest Level In Months!

New wave of refinancing expected

Fueled in part by the Federal Reserve's recent halt in rate hikes, the average rate on a 30-year fixed-rate mortgage has fallen to 6.48 percent as of the week ending August 25th.

Freddie Mac's chief economist, Frank Northaft, noted that, "Lower rates may bring about a significant rise in refinancing activity. Many homeowners with ARM loans due for adjustment will decide to take advantage by locking into a fixed rate mortgage now, rather than waiting for the adjustment date when their effective rate may be higher."

"The anticipated surge in mortgage refinancing may also be spurred by large numbers of homeowners in markets like Tucson, Phoenix, and Las Vegas, that have seen the market value of their properties jump dramatically in the last two to three years," commented market analyst Paul Benjamin.

"Many people will take advantage of that by pulling cash out of their equity to fund other investments, pay for college tuition, remodeling and the like," Benjamin added. "The other factor triggering the current refi 'mini-boom' is that the Fed could resume raising interest rates at any time. Savvy homeowners with large amounts of equity are acting quickly to lock in today's lower interest rates and hold their payments to a minimum."

To add further credence to those sentiments, the national Mortgage Bankers Association just reported that refinance related mortgage applications have risen to their strongest levels since March of this year, as of the week ending August 11th.

Stuart Cresee of the industry publication Mortgage Watch, cautions consumers to thoroughly compare rates and fees before committing to

Continued on Page 2

a specific lender. "Before a consumer initiates the refinance process, they should search for a lender that not only gives them a great rate, but one that keeps their closing costs to a minimum as well. Look for a lender who is willing to eliminate the points, origination fees and other add-on expenses that so many banks and mortgage companies love to charge these days," Cresee added.

Summit Mortgage offers an excellent Low Cost mortgage refinance program. To learn more about the Summit *Fast 'N Easy Low Cost Refi*, please contact Mark Berial at (520) 248-8279, or by e-mail at mberical@summit-mortgage.com.

Summit Mortgage Closing Costs Among Lowest In The Industry!

Summit Mortgage continues to be a leader in providing low cost mortgage financing. Due to our high volume and commitment to maintaining the lowest lender fees possible, we are able to eliminate many of the "junk fees" and other add-on charges so typical in the industry today.

Naturally some restrictions may apply depending on the borrower's credit history and type of transaction; but in most cases we are able to completely eliminate the points and origination fees often charged by many lenders, and in most cases our

Continued on Page 4



On A Personal Note:

Ike Turns Two!

After the passing of our beloved Golden Retriever last year, we found Ike available for adoption at the Humane Society of Tucson. Four months old at the time, Ike unfortunately had been abused by his previous owner and was severely underweight at only 18 pounds.

Now almost two years later, Ike has grown into a much loved and very happy and healthy dog, tipping the scale at a robust 78 pounds. Ike is also quite a comedian, and is by far the funniest dog we have ever known. Ike is seen here "supervising" my youngest son, Jamie, during the opening of presents this past Christmas.

Our sincere thanks go out to the terrific people at the Humane Society for rescuing Ike, and allowing him to become a very special member of our family.

To adopt a pet, or to learn more about supporting this great organization, call the Humane Society of Tucson at (520) 327-6088, or go online at www.HSSAZ.org. Thank you.



M.B.

Tax Tips

What Can I Deduct When Purchasing Or Refinancing A Home?

As we all know, tax laws are constantly changing, which often creates confusion as to what can legally be deducted when buying or refinancing real estate. We spoke recently with noted Tucson CPA Steve Personett on this subject.

Q: Steve, when a client buys a new house or decides to refinance their current home, exactly what costs and expenses are they allowed to deduct?

A: On a purchase transaction involving a primary home, the borrower may deduct those fees that represent an upfront payment for the use of the money loaned, and based on a percentage of the principal amount. These fees are normally referred to as points or "origination fees." This deduction is taken in the same calendar year that the purchase takes place.

Q: How about for a refinance transaction?

A: A refinance transaction is treated a little differently. The borrower may still deduct the points or origination fee, but the deduction on a refinance transaction would be prorated and spread out over the term of the loan. For example, on a 30-year mortgage, the borrower may deduct 1/30th of the amount each year.

Q: Another common question we get is, How long must a person hold a primary residence to avoid paying taxes on the gain when it sells?

A: Two years. If it is an individual, he/she may exempt up to \$250,000, and a married couple may exempt up to a \$500,000 gain, IF the property is

Continued on Page 4



"Why do I drink? Well, it all started when my wife and I got our mortgage over the internet.."

Sales Of Retirement Homes Expected To Be Brisk

Baby Boomers Boost Market This Fall/Winter

Tucson has long been a popular destination for folks nearing retirement age who long for a home in the Sun Belt. Beginning this year however, their impact on Tucson's housing market is expected to be bigger than ever. This year the first wave of Baby Boomers will turn 60.

According to Steve Rydberg, a Long Realty agent who specializes in working with retirees in areas like Sun City Vistoso and Saddlebrooke, the market for both second and retirement homes should be "very good this coming season."

"We usually see most of our activity beginning in late October and carrying through until early June," remarked Rydberg. "This coming fall and winter should be especially busy, as many Baby Boomers will be retiring this year, and looking for nice homes in 'active adult communities.'" Rydberg added that, "As many as 135,000 retirees are expected to relocate to communities in Tucson's northwestern corridor over the next ten years."

For more information on local active adult communities please contact Steve Rydberg at (520) 918-7498. Thank you.