

H O U S I N G The Portland Observer

U.S. mortgage rates fall again

Home mortgage rates fell this week as a series of downbeat economic data eased inflation fears, Freddie Mac said Thursday.

Fixed rate mortgage rates slid for the second week in a row. Thirty-year loans averaged 8.01 percent in the week ending May 2, down from 8.08 percent last week, while 15-year mortgage rates fell to 7.53 percent from 7.62 percent.

One-year adjustable mortgage rates inched down a third consecutive week to 5.84 percent from 5.86 percent last week.

A year ago, the 30-year rate averaged 7.99 percent, the 15-year 7.50 percent and the adjustable loan 5.76 percent.

Lenders charged an average of 1.7 percent in fees and points on both 30- and 15-year loans, unchanged from last week. They charged 1.4 percent on adjustable loans, down from 1.5 percent last week.

"Both existing and new home sales were down in March, largely in response to a rise in mortgage rates," said Frank Nothaft, Freddie Mac's deputy chief economist.

"This, coupled with a dip in consumer confidence in April indicating that consumer spending may decline over the next few months, eased concerns the economy was growing too quickly and helped lead to a moderation in interest rates."

The National Association of Realtors said Thursday its U.S. Housing Affordability Index fell to 130.8 in the first quarter from 131.6 in fourth quarter 1996.

The Commerce Department said earlier this week that new home sales fell 2.5 percent in March to an annualized rate of 813,000 units, while the realtors association last week reported that March sales of U.S. existing homes also fell 2.8 percent to a 4.11 million unit annual rate.

Freddie Mac is a corporation chartered by Congress that buys mortgages from lenders and packages them into securities for investors.

Affordable manufactured homes

New manufactured homes placed in land-rental communities in 1996 were 57 percent more affordable and, on private land or in subdivisions were 123 percent more affordable, than new site-built homes.

A family could qualify to purchase a new, median-priced manufactured home and place it in a land-rental community with annual income of only \$24,418. And it could qualify for that home on private land or in a subdivision with an annual income of only \$17,265.

This compares to the \$38,366 to qualify for the new, median-priced, site-built home.

Those were some of the conclusions presented by a new nationwide affordability index developed by Apollo Properties Inc. of Mesa, Ariz.

Manufactured Home Affordability Index Is A First

"We believe this is the first index to correlate all those factors that apply to the purchase of manufactured homes with median family income to derive a real conclusion about affordability," said Stephen G. Pappas, CPM(R), MBA, president of Apollo Properties.

"We felt that manufactured housing was getting lost in the general discussion of home affordability, and that putting it on a level playing field with site-built housing might shed more light on the subject."

The Pappas Affordability Index(C) (see Table) is an indicator of the affordability of new manufactured homes on private land, in subdivisions or in communities. Similar calculations were made for new site-built homes in order to draw comparisons.

"It essentially answers questions," said Pappas, "of what is happening to new home affordability in the United States."

What The Index Shows

the East Concord Street complex.

"This key is really a perfect symbol of what so many of us take for granted in our lives," said Bissonnette. "But for more than a thousand elders throughout our state, shelter is not a given, it is just a memory and an unreachable goal. We are so grateful to the Massachusetts Extended Care Federation and their members for making the roof of their organization a little larger so that it might help provide shelter for our at-risk elders."

The Massachusetts Extended Care Federation, based in Newton, is the state's largest elder care provider organization representing 500 nursing facilities, assisted living residences and retirement communities providing services to more than 50,000 people.

Homeless elderly assisted

The Massachusetts Extended Care Federation (MECF) announced it has contributed \$50,000 to the Committee to End Elder Homelessness to help complete outfitting and furnishing for the newly built apartments at the East Concord Street Housing complex for homeless elders.

The contribution had been pledged by the MECF last fall by Federation President Susan S. Bailis when the Committee to End Elder Homelessness kicked off an \$800,000 capital campaign to complete the \$6 million construction and renovation project near the Boston Medical Center. The East Concord Street Apartment Complex has 40 units of permanent housing for elderly homeless citizens. A recent survey by the Committee found 1,047 homeless elders in Massachusetts

on February 24, 1997 — the date of the one-day survey, a 25% increase from a study completed in 1993.

"As providers of long term care services to the elderly, we know that hope and dignity are essential to the well-being of the elderly," said Bailis. "The Committee's advocacy on behalf of homeless elders has given them back that hope and dignity. We are very proud to be part of the East Concord Street development."

In addition to the check, Bailis and a dozen members of the MECF Board of Directors also presented Anna Bissonnette, president of the Committee to End Elder Homelessness, with an oversized door key to signify the beginning of real housing opportunity for so many in need. The program was held at 10 a.m. at

Performance guarantee programs

Move designed to enhance consumer advocacy positioning and increase mortgage loan volume in HomeOwner Centers

Three bold new performance guaranty programs designed to enhance AmeriNet's consumer advocacy positioning in real estate financing and to increase mortgage loan volume in AmeriNet HomeOwner Centers were announced Wednesday by John J. Pembroke, chairman, president and chief executive officer of AmeriNet Financial Systems Inc. (OTC/BB:ANFS).

"These programs clearly stake out AmeriNet's position as an advocate for consumers in their acquisition of home mortgages," Pembroke said. "We are so confident that AmeriNet can provide consumers with the most competitive home loans available to them in the marketplace that we are backing our commitment with fi-

nancial performance guarantees."

Two of the three AmeriNet programs are for consumers. The first, the "AmeriNet Service Guaranty," pays a cash reimbursement to a home buyer or seller if AmeriNet or any AmeriNet Network provider creates a delay in closing the loan which creates certain expenses to the consumer, such as temporary housing costs.

The second, the "AmeriNet Challenge," offers a cash rebate to the home buyer if AmeriNet cannot "meet or beat" the terms of any mortgage program commitment brought to an AmeriNet HomeOwner Center by that buyer or that buyer's sales agent, regardless of whether or not the buyer chooses an AmeriNet program.

The third performance program is an exclusive "Commission Guaranty" for sales agents. If an AmeriNet lender does not honor a written loan

commitment to the buyer and the AmeriNet System is not able to close the loan to the buyer's satisfaction, then AmeriNet will pay the sales agent's commission.

"Our objective is to make the entire home purchasing process easier, faster, less stressful and less expensive for the consumer," Pembroke explained. "These three programs put our money behind our guarantees!"

Currently, there are 28 national lenders — including 13 of the top 15 — as well as numerous regional lenders on the AmeriNet Network, offering thousands of mortgage product choices for home buyers and homeowners that want to refinance their existing homes.

AmeriNet HomeOwner Centers are presently operating in real estate broker offices in four states — California, Oregon, Washington and Colorado — including five different real estate franchise organizations.

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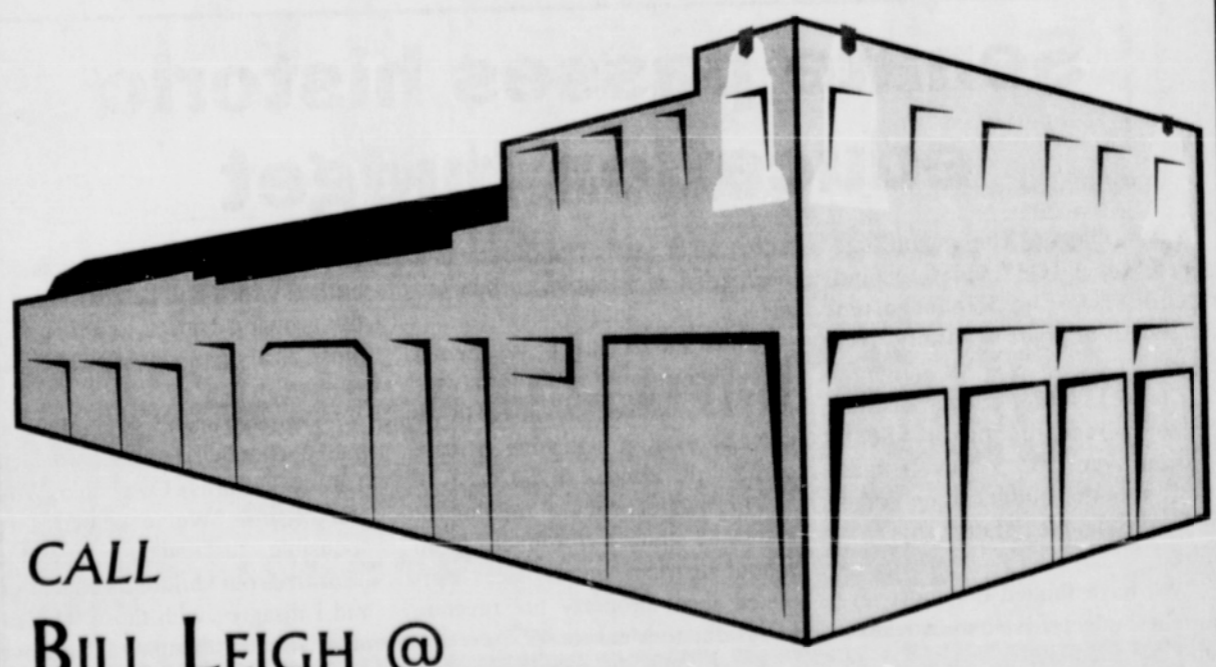
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