



# THE LAMPPOST

*Mortgage News and  
Good Stuff for Life*

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Volume 4, Issue 11

December 2005

## Borrowing is Getting More Expensive

Interest rates on Home Equity Lines of Credit (HELOCs) have skyrocketed since June 2004. For consumers the cost of borrowing short term money has jumped 3% in less than 18 months.

Why? The Federal Reserve Board of Governors has been increasing its rate in hope that businesses and consumers will slow down their borrowing and spending. If spending increases too rapidly, this means that demand for products and services is increasing. If demand increases too much, the cost of goods and services increases too quickly - which is a main ingredient of inflation. So far, the Fed's action has been working. Inflation has been kept in check. Most economists believe that the Fed will continue to raise the Federal Reserve Rate at least two to three more times (usually .25% at a time) before they begin to level off.

**But for those of you with Home Equity Lines of Credit that have larger balances, this is not good news.**

Federal Reserve rate changes have a direct effect on what the Prime Rate does. Banks use the Prime Rate plus an additional margin of interest to determine their HELOC rates. The Prime Rate, the rate that banks offer their best customers, was at 4.00% last June and stair-stepped to 7.00% by the end of last month after 12 consecutive rate hikes orchestrated by the Federal Reserve Board of Governors.



Recent history shows (1985 to present) that the Prime Rate generally stays between 7.5 and 9.0%. So interest rates are going back to their normal range. If you are not planning to use any additional funds in the near future or will not be able to pay off your Line of Credit balance in the next 2 years, it makes sense to check out your options to convert your line of credit to a fixed rate loan.

This is a simple and easy process. Call me today to find out how you can stabilize your payments, conserve your future cash flow and see how you can save hundreds or even thousands in interest payments.



### HOME BUYER'S SCOUTING REPORT

Thinking about buying a home in the next 12 months? Don't want to call multiple real estate agents to get information about homes? Would you like 24/7 information about homes?

Then check out the Home Buyer's Scouting Report. View pictures, prices, directions and descriptions of every home in all the listings from all the real estate companies. See a home that attracts your attention? Save it in your electronic notebook where information about that home will be automatically updated whenever the price changes, a new picture is added or the status of the home changes.

You have total control of your search. As soon as a home is listed on the MLS that fits in your parameters you will automatically receive an e-mail so that you will be one of the first to know about it!

This private, password protected website is the best search engine on the market. For more information or to request a secure username and password give me a call.

# A PROUD DAD

And the next Anoka Royal Ambassador is...Amy Hastings! In the midst of hundreds of people I leaped out of my seat and yelled like my team had just scored a touch down. She did it! All that hard work paid off! For six weeks Amy had interviewed, completed projects and written essays while competing against 26 of her peers to represent the city of Anoka as one of its three Royal Ambassadors.



*Amy (on the right) the evening she won.*

Her initial motivation for doing this was to earn scholarship money for college (that worked for me). As Amy invested her time into this six week competition, she learned more about the Royal Ambassador program and realized how proud she was of her school and city.

Amy traveled to other cities to observe their hospitality events and began to see how other cities hosted their neighbors. She participated in various volunteer programs and service projects that helped her to see how cities can work together to help others.

As I sat in the audience the night of her coronation I reflected back on those six weeks. I watched a naïve teenage girl wanting money for college turn into a young lady who could interact with people in local government, handle pressure situations with grace and poise, and give her best effort regardless of the activity. Even if she hadn't won, I was so proud of her for what she had learned and for giving it her best effort.

So if you happen to be at any local parades next spring, summer or fall, look for the float from Anoka and you'll probably see a familiar driver beaming with pride for his daughter.

Another daughter you haven't heard much about is my little girl, Abby. She is my baby, the youngest of our five. This was her first year playing basketball. Half of her team, the Comets, had no experience playing organized basketball. They also had no coach. So I volunteered.

We had a rough start. Many of the teams in Abby's league had played together before and it showed. In our first few games we were annihilated. Our girls were so lost and confused, that I couldn't even incorporate plays until half way into the season. But the girls started to understand the game and by the end of the season we won our last two games.

Then came tournament time. In the regular season, we placed 10<sup>th</sup> out of 11 teams in the league. In our first tournament game, we had to play the 11<sup>th</sup> place team. We won! That victory was the "play in" game to be the victim of the 1<sup>st</sup> place team – the Suns. The Suns destroyed us the first game we played them during the regular season (31-6). They went undefeated this season and beat their opponents by an average of 17 points a game.

The one strength of our team was defense and Abby was one of my best defenders. I told the girls that if they played defense like they did the last few games of the season we would give the Suns a run for their money – and we did. After leading in the first quarter we fell behind and went into the fourth quarter down 10-8. It was a defensive battle. With two minutes remaining our girls took the lead and Abby had two critical defensive plays – a steal and a leaping dive that knocked the ball out of bounds – at the end of the game that helped preserve our win.

We won our first two games and placed sixth in the Tournament – a feat I never could have imagined at the beginning of the season. But Abby learned, like her sister Amy, that hard work, determination, and giving your best effort at every opportunity will take you farther than your expectations. I was proud of my girls for learning these lessons and look forward to seeing how they overcome future challenges in their young lives.



*Abby is back row in the middle.*