



Jesse Lawler  
9 Montara Dr.  
Aliso Viejo, CA 92656



# The Lawler Lender: Newsletter

## This Is My Last Newsletter...

...Before I become a father! As I write this, Amanda and I are 4 weeks away from having our first child; a boy! And I could not be happier. The fears and jitters of becoming a parent have subsided, and I'm really looking forward to meeting this little guy!

It's pretty exciting to think that this little person we are creating could grow up to be anything: doctor, astronaut, teacher, professional athlete, movie star! Whatever he decides to be, we'll definitely be there to support him. (But selfishly, I would like him to become a pro surfer, enjoy building classic cars, & be insanely smart! — Just thought I put that "on the record.")

While I can't give out the name yet, I can tell everyone that Amanda and baby are doing great. According to the doctor, he is approximately 5 lbs. and 19 inches long (of course he's still inside of Amanda's belly mind you, so those figures might be off). All of his organs are fully developed and he is just hanging out in the womb gaining baby weight!

Amanda is a CHAMPION! She is making pregnancy look like a breeze but deep down I know she's putting on a strong face for me. Super happy I don't have to carry a baby for 9 months, it sounds brutal!

Happy belated Father's Day and Mother's Day to all the parents out there, we are can't wait to joining the club!



## REFERRAL RECOGNITION!



*I'd like to personally thank these clients, friends, and family members for their referrals! Thanks for your support!*

**Marc and Alex** referred:

- **Peter** and **Geenan** for their home purchase!
- **Donnie** and **Julia** for her refinance!
- **Jules** for a cash out HELOC!
- **Carlos** for their home purchase!

**Ken** referred **Lawrence Wang** for his refinance!

**Victor Torres** referred **Delores Martinez** for a refi!

**Josh Carlton** referred **Scott G.** for his home purchase!

**Tom J.** referred his father for a purchase loan!

**Herb Leary** referred:

- **Chris** and **Jen Williams** for their home purchase!
- **Jon** and **Kimberly** for their home purchase!

**Mario Alfaro** referred:

- **Erick** for his first home purchase!
- **Alfred** for his home purchase!
- **Carlos Limon** for his home purchase!

**Claudia** referred her co-worker **Debra** for a purchase!

**Donna Lawler** referred **Frank Horn** for a purchase!

Thank you, thank you, thank you, for all the referrals; it's what keeps my business moving forward. If you know a family member or friend who is looking to buy, sell, or refinance, I'd be honored to help them too! - Jesse

**CALL me to get pre-approved for a purchase or to see your NO COST refi options (714) 502-4066**

# HELOC vs. Cash-Out Refinance

I've been getting this question a lot:

*"Should I get a Home Equity Line of Credit (HELOC) or do a cash-out refinance?"*

I don't think there's a "stock" answer to this question. To arrive at the right option, you need do a little financial planning and side-by-side comparing. Here are the main questions to ask yourself when choosing between the two:



1. **Will you be using all of the Cash-Out/HELOC funds right away?** HELOC's are great as safety nets (like a credit card that you tuck away for emergencies). But be careful if you are using the entire line amount, as most HELOC's have adjustable rates that can adjust on a monthly basis... with an 18% interest rate cap! That means your monthly payment can change every month depending on market conditions. Combine that with an interest only payment for the first 10 years: You could be paying interest forever without even chipping away at the principal.

2. **What are the terms of your current 1st mortgage?** If you can answer yes to any of the following questions, then it's most likely better to do a cash-out refinance vs. a HELOC:

- \* Do you have a high interest rate on your 1st mortgage?
- \* Do you have an adjustable rate mortgage that is nearing the end of it's fixed period or already in the adj. period?
- \* Do you have mortgage insurance included in your monthly payment?



These are all signs that completing a cash-out refinance will likely provide more value to you than just getting a HELOC. Conversely, if you have a 3.875% 30 year fixed rate or lower... a HELOC might be the way to go!

3. **How much equity do you have in your home?** Depending on the size of your mortgage, the amount of equity you can pull out may vary, but for simplicity, here is the general rule of thumb: 80% loan to value ratio (LTV) for cash-out refinance and 85-89.99% LTV for HELOC's. So with a HELOC you can usually access more of your home's equity, but it will come at a higher interest rate.

# HELOC vs. Cash-Out Refinance (cont.)

4. **Comparing interest rates and payments.** Let's say you want to pull out \$50K for home renovation or debit consolidation (i.e.: you will be using all the money now).

Here is an example of a 30 year fixed cash-out refi payment compared to an interest only payment w/ a HELOC:

- \*\$50K @ 4.75% w/ 30 yr. fixed principal and interest pmt = \$260.82
- \*\$50K @ 6.24% w/ adjustable interest only pmt = \$260.00

You can see the payment are practically identical, BUT there are 3 major differences:

- \* Principal and interest payment vs. interest only payment
- \* Fixed rate vs. adjustable rate
- \* Payment amount on the cash-out option will not change

If you are considering a HELOC or Cash-Out refinance, please call me so we can find out which options is best suited for your needs!

- Jesse 714-502-4066

## Market Check-Up!

### ANOTHER RATE HIKE!!! Why???

On Wednesday, June 13th the FED announced their 2nd rate hike of the year, increasing their benchmark rate another 1/4%. But wait there's more... specifically, 2 more rate hikes in 2018 and 3 scheduled for 2019. STOP THE MADNESS! If each rate hike is a 1/4% (as we have previously seen), then we can expect a total of 1.25% in rate increases from now until the end of 2019!

With the economy booming, unemployment at record lows, and the housing market showing continued strength, I can't say that I see interest rates dropping any time soon. The most we can hope for is moderate/gradual rate increases. My best advise is:

- If you want to buy a house in the next 2-3 years, do it now.
- If you need to pull cash out, do it now.
- If you have an adjustable rate mortgage that is in it's adjustment phase or about to move into the adjustment phase, let's look at fixed rate options now.
- Do you have an adjustable rate HELOC?? Let's weigh out the pros and cons of that HELOC vs. a fixed rate cash out refi.



Call me anytime with questions! - Jesse 714-502-4066