

Mortgages/Equity Harvesting

- 1) Introduction
 - a) Help your clients and build a more profitable practice through the use of mortgages
- 2) Conventional loans
 - b) Amortization schedules
 - c) Protecting the client
- 3) Types of Mortgages
 - a) Conventional and Government Loans
 - i) FHA
 - ii) VA
 - iii) RHS Loan Programs
 - iv) State and Local Housing Programs
 - v) Conforming Loans
 - vi) Jumbo Loans
 - vii) B/C Loans
 - viii) Fixed Rate Mortgages
 - ix) Balloon loans
 - x) Adjustable Rate Mortgages (ARMs)
 - Margins
 - Negatively amortizing loans
- 4) Indexes
 - a) Constant Maturity Treasury (CMT) Indexes
 - b) Treasury Bill (T-Bill) Indexes
 - c) 12-Month Treasury Average (MTA)
 - d) 11th District Cost of Funds Index (COFI)
 - e) London Inter Bank Offering Rates (LIBOR)
 - f) Certificates of Deposit (CD) Indexes
 - g) Prime Rate
- 5) Should clients pay off their mortgages?
- 6) The Cash Flow/Option Arm Mortgage
 - a) 1% Cash Flow Arm Mortgage
 - b) Mechanics of the 1% CFA Mortgage
 - c) Real World Planning
- 7) Equity Harvesting (also known as equity stripping)
 - a) Why would a client want to equity harvest?
 - b) Real World
 - c) Interest deduction
 - d) Not for everyone

- e) Getting to the numbers behind equity harvesting
 - f) Non-1% cash flow arm equity harvesting
- 8) Should you be selling mortgages?
- a) Why should you sell mortgages?
 - b) Aren't mortgages a pain in the neck to sell?
 - c) What kind of money can be made selling mortgages?
- 9) Summary on Mortgages