

Hello,

**U.S. credit problems continue**

There will be a lot of ups and downs in the coming months. I encourage you to take a few minutes and read this newsletter completely if you want to get a better understanding of what's happening.

By now, you've probably heard phrases like 'sub-prime lending' or 'credit crisis', quite a few times over the past 2 months. But what is this really about and how will it affect us Canadians? The good news is that Canada's economy is healthy. The housing market is good. But every country has been affected in some way by this 'credit crunch' (yes, another phrase you've probably heard).

For us Canadians, a few things have changed...

1-the sub-prime lenders have tightened up their lending policies.. fortunately, this only accounts for 5% of all mortgage business in Canada....compared with over 25% in the U.S.

and

2-short term money has become more expensive for the Banks... this means the variable rate of Prime less 0.90% is a thing of the past.. the new pricing is Prime less 0.60%... this is expected to continue into 2008 or until the U.S. credit problems have subsided. [click here to read more](#)

**U.S. economic slowdown means stable or lower rates for 2008**

The forecast for the U.S. economy is not good. The predictions are for a severe slowdown as the credit crisis unfolds. Either way, for us Canadians, this will mean that rates will at least remain stable but could decrease (a more likely scenario). Here is a great summary from one of Canada's leading Economists. [click here to read more.](#)

**The Australian Mortgage Secret**

Here's some great news!.. how about a mortgage that allows you pay all your bills, all your loans, credit card debts at low mortgage rates? Oh, and did I mention \$0 banking fees!! That's right... free cheques, no charge debit card, pay bills, no bank fees... What if you could pay your mortgage off in 10 years or less? without any changes to your spending habits? This is the product you should be taking a close look at. [click here for more info](#)

**My thoughts**

I still like variable for most of us...little chance of rates going up means it's a good place to be right now.... if you're not sure what's right for you, call me anytime to discuss.

**Important Date**

October 16, 2007... the next Bank of Canada will take place and the Bank Prime rate will be set. If the Canadian stays high, we should see a drop in variable rates.... stay tuned.

Feel free to pass this newsletter to your friends or anyone you think might benefit from this

information.

Thank you,

Steve

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- [No Money Down Programs](#)
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- [Get started with secure, easy to use Online Application](#)
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Rates subject to change without notice.