

**FOR IMMEDIATE RELEASE**

**Contact: Carolyn McKibbin**

**617-230-4886**

**Carolyn@IctusInitiative.com**

**Finance Guru Says Financial Literacy Is the Best Weapon to Battle the Sub-Prime Mortgage Crisis**

**LOS ANGELES, December 6, 2007**—Millions of Americans are feeling a financial crunch, and it's just barely holiday shopping season. This is thanks to the sub-prime mortgage bubble bursting and the many bad decisions people have made not knowing or understanding how interest and an unstable market could come back and bite them in the checkbook. Finance expert Gene Siciliano, author of *Finance for Non-financial Managers* (McGraw-Hill), has some wise words for those making important financial decisions.

“Business finance and personal finance have one thing in common: they rely on the financial knowledge of the individuals who make the decisions,” says Siciliano, a former CPA with over 30 years of financial and general management experience. “Today’s business professional is struggling to cope with the increasingly complex financial decisions that are necessary to succeed in business, and the complexities of home financing have confused many people to the point that they have made bad decisions.”

Siciliano has a few tips for people interested in financing a home. First, he says any house purchase should be preceded by a look at the family annual budget to see how much is available to make a mortgage payment—in good times and bad. Secondly, there is always a good reason to spend money. Don’t let a “good reason” cause your budget to get upside down—ever. Third, buying a home with an ARM-style mortgage is like buying a stock on margin when you are certain you will be getting a margin call before very long. Most folks would pass on the stock, and most folks should pass on the mortgage too, unless the adjusted mortgage payment would be possible under the worst case scenario.

Siciliano’s advice for new home owners is to read his book, get financially smart, and ask tough questions such as:

1. What is the difference in my cash out-of-pocket between my monthly payment now and the first monthly payment after my ARM rate adjusts?
2. What will be the difference in my ARM mortgage payment over time between a LIBOR interest rate basis vs. a Treasury Bill interest rate basis?
3. How many years could I cut off of the duration of my mortgage by adding \$100 a month to my payment?
4. How much have historical home values in my area declined during periodic economic cycles (recessions)?
5. How long do I really plan to remain in this house?

6. What will it cost me each month to ensure I keep the same fixed rate for that entire time, instead of an ARM?

“People don’t buy houses with the expectation of a bubble, they buy them as places to live and they want to be able to afford them in good times and bad,” says Siciliano. “The problem is often that they only see the good times in their rosy view of the future, which makes for good feelings but poor planning.”

For more information on Gene “Your CFO for Rent” Siciliano, please visit his website at [www.GeneSiciliano.com](http://www.GeneSiciliano.com). To schedule an interview with him, please contact Carolyn McKibbin at 617-230-4886 or [Carolyn@IctusInitiative.com](mailto:Carolyn@IctusInitiative.com).

###