

In Touch With BOB

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“Making Friends One Home at a Time”

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Castles In The Kingdom Are Safe!

With all the mortgage news recently, you might be tempted to think there is a problem with the Great America Dream of homeownership. You might hear that mortgage delinquencies are up. Foreclosures are up, and so forth.

But here is some good news for you: A whopping 97 percent of all homeowners are not in foreclosure and they are paying their mortgage on time. That's good news for homeownership and it means that you can confidently be the monarch of your own castle. Ready to reign? Call me today!

Bob

FHA Steps Up To Serve First-time Homeowners

First-time buyers and those who have lower to middle income have an old way, now turned new, to find a mortgage.

Many are turning to federally-backed Federal Housing Administration (FHA) loans. Mortgage applications increased from 41,530 in December 2006 to 73,444 in June of this year.

When the FHA was established in 1934, it provided the only way for lower- and middle-income buyers to get a home of their own. In 1934 it was difficult to get a home loan because many banks required a down payment of up to one-half of a home's purchase price.

Today, FHA requires a 3 percent loan down payment.

As many mortgage companies came up with innovative financing plans for home buyers in recent years, the number of buyers turning to FHA fell significantly.

Though there are still some nothing-down loans available from mortgage companies, most require the

buyer to have a high credit rating and above-average income to get one.

While the FHA system needs some updating, it still works for many people. One of its flaws is the current maximum for a single-family home, which is \$362,790. In San Francisco, however, the average home price is \$748,100, according to the National Association of Realtors.

Because some lenders don't care to deal with FHA paperwork, usually a mortgage broker handles the loan. It usually takes from 90 to 120 days to get approval. Buyers should know what the entire cost of the mortgage will be including the broker's fee.

Meg Burns, FHA's director of the Office of Single Family Program Development says, "Given how many borrowers really could benefit from FHA financing but how few of them do, I would say we are still in the doldrums."

The FHA is anticipating more applications as mortgage companies continue to make requirements more stringent.

Easy, do-it-yourself plan to save thousands on your mortgage! Page 3

Watch For Deadly Traffic

Catching some sort of foreign disease is not the major risk for travelers to other countries. The leading cause of death from non-natural causes is traffic accidents, according to the Centers for Disease Control and Prevention in Atlanta.

Specific figures are provided in the CDC's new Health Information for International Travel 2008, also known as the CDC's Yellow Book. It gives tips for avoiding traffic

accidents such as avoiding rides in a crowded minivan or bus and offering a taxi driver a bonus for driving in a manner you determine to be safe.

The Yellow Book offers immunization guidelines and gives information on prevention of malaria and avian flu. The Yellow Book costs \$24.95 at amazon.com and is available free on line at cdc.gov/travel.



Ask the expert



What is the smart way to buy a home?

Q With all the mortgage news, we're confused. What is the smart way to buy and finance a home?

A There has been a lot of talk about adjustable rate mortgages, subprime loans, and the like and you might be wondering if it is actually hazardous to buy a home! But nothing can be further from the truth. Remember that more than 97 percent of homeowners pay their mortgages on time. Buying a home is the great route to financial security.

The rules of smart home buying haven't changed. Simply put: Buy a home you can comfortably afford right now.

The first step is to get a loan with a good interest rate. To do that pay your bills on time to create a good credit rating. Next, save some money so you can make a down payment on your new home. The down payment combined with a good credit rating will give you an affordable interest rate and start you off with a little equity in your new home. Equity is the best insurance you

Dinner In A Hurry! Spaghetti Has Protein & More

Many restaurants serve spaghetti portions that are half the size of a basketball. Eating that much very often is not a good idea.

Spaghetti contains only 180 calories per cup. Those calories are in the form of complex carbohydrates, the kind recommended by Food and Drug Administration. Complex carbs provide energy and keep hunger away for hours.

Adding meat to the sauce has the added benefit of protein, an important dietary ingredient which increases spaghetti's staying power.

The sauce contains tomatoes, onions, and garlic, all of which rank high on any list of healthful foods. Tomatoes contain vitamin C and lycopene, an antioxidant and cancer fighter.

Traditional Italian cooks may think nothing can equal their day-long sauce preparation. But today there are high-quality bottled sauces that come very close. By adding ground beef and possibly customizing the sauce, results are certain to be appetizing and healthful.

While the following recipe can be done in half an hour or less, preparing to entertain will take longer. It includes spiffing up the house, setting an attractive table, making a great salad, chopping ingredients to customize the sauce, and getting dressed for dinner. For all of this, allow 2 hours.

Company-style spaghetti

Cook 1 pound of at least 80 percent lean ground beef in a frying pan until just done. In a sieve, wash under hot water to remove any extra fat.

If desired, chop a green pepper, fresh garlic, and half an onion to add a fresh taste. Put in the same pan and cook slightly.

Add a 26 ounce jar of high-quality spaghetti sauce and the ground beef. Bring to a boil, then cook on low heat for 15 minutes. Add some water if it's too thick. Keep warm until served.

Cook 1 pound of spaghetti according to directions. If it will not be served immediately, add 1 tablespoon olive oil and mix to prevent sticking.

This recipe serves 4. For big eaters, or more people, double the recipe.



can have against unforeseen events.

If you want to buy a home in the next two years, don't get yourself in a lot of debt with things like big new car loans.

If you can start off buying a home within that framework, you are doing the smartest possible thing. If you are buying what you believe to be your permanent home, a fixed-rate mortgage is best. The 15-year instruments carry lower interest rates than 30-year mortgages.

You can still buy a home if your credit isn't perfect or if you have new car payments or if you don't have a big down payment, but lenders will be tightening their rules and you will have a higher interest rate. Still, if you finance a house that you can comfortably afford right now, you will be making a wise

move.

Interest rates also can be reduced by paying points (one point equals 1 percent of the principal). A new study by Penn State College of Business and economists at Freddie Mac, however, show that fewer than 1.5 percent of borrowers held loans long enough to make that decision pay off.

Many lenders offer better rates on loans that charge penalties if the loan is refinanced or paid off ahead of schedule. It's standard practice for lenders to charge six months' interest on 80 percent of an outstanding balance if the loan is refinanced or paid off within one to five years.

Advisers reporting in *Business Week* say the possibility of paying the penalty offsets any advantage of the lower interest rate.

Rescoring: The little known credit score maneuver

If you have paid your bills on time but your credit report says you haven't, your mortgage lender might have a trick up his sleeve to fix your report fast.

Typically, the three credit bureaus each require at least 30 days to investigate and make changes to your credit report. But if you are in the process of applying for a mortgage, your lender might be able to get the changes made in just a few days.

This 'trick' is called rescoring, according to Evan Hendricks, author of *Credit Scores and Credit Reports: How the System Really Works*.

Rescoring is a service offered only to mortgage lenders by independent credit reporting agencies, which compile information from the three credit bureaus (Equifax, Experian, and TransUnion). The independents can work with the Big Three, fix errors, and then recalculate your credit score. If your score can go up, even a little, after the errors are fixed, you could save thousands of dollars on your mortgage interest.

The key is that rescoring works only on real errors. If you have a low score because you don't pay your bills on time, then you can't rescore. You must demonstrate to your lender that you have a legitimate error on your report and provide proof, such as payment records. If your lender does decide you have a legitimate case, you will have to pay up to \$150 to have the rescoring done.

Rescoring is really an emergency maneuver. If you are planning to apply for a mortgage, you should get a copy of your credit report first. Go to annualcreditreport.com. You can get one free report each year from each of the credit bureaus. You will have to pay to get your score.

Top costumes for Halloween

According to extreme-halloween.com, here are the top costumes for 2007:

For boys, Captain Jack Sparrow, Spiderman (black suit), Shrek, Harry Potter.

For girls, girl pirate, Disney Cinderella, fairy witch.

For babies, Dronkey (baby of Donkey and Dragon from Shrek), Pea in Pod, baby Spidey, toddler lady bug.



Culminating 20 years of planning, engineering, and sculpting, the gift celebrating freedom and French and American friendship was unveiled in New York Harbor and The Statue of Liberty became an American landmark on October 28, 1886.

The colossal statue itself was designed and its sections built in France. The pedestal and base were built in America. The base on which Liberty stands was the largest cement mass ever poured until that time. Half of the cost was contributed by wealthy patrons.

Joseph Pulitzer, publisher of the New York World, organized a campaign to raise the balance. American school children donated their pennies, nickels, and dimes. Ordinary working people contributed the rest.

Pulitzer commissioned poet Emma Lazarus to write a poem for the new statue. The poem has been forgotten except for the last lines, which are inscribed at the base of the statue:

*Give me your poor,
Your huddled masses
yearning to breathe free,
The wretched refuse of your teeming shore.
Send these, the homeless, tempest tossed to me.
I lift my lamp beside the golden door.*

Sculptor Auguste Bartholdi designed the torch made of solid copper and gilded it to shine brightly in daylight. Upon its arrival, however, the Army Corps of Engineers modified the torch so it would be lighted at night.



LADY LIBERTY CELEBRATES

Do it yourself: Save with easy mortgage add-on

Here's a relatively painless way to save big on your mortgage: Give yourself a longer year!

You can easily and painlessly make 13 payments a year instead of 12. Simply take your monthly payment and divide by 12. Add that amount to your monthly payment and you have a do-it-yourself mortgage accelerator. Over the long span of a mortgage, your extra annual payment will save thousands in interest and shorten the time to payoff.

Here's an example: A \$150,000, 30-year mortgage at 6.15 percent has a monthly payment of \$914. Divide the monthly payment of \$914 by 12 to equal \$76. If you add the \$76 to your monthly payment, you will shorten your mortgage repayment by five years and six months. You will save \$38,732 in interest.

To see how a small monthly payment can shorten your mortgage, search the Internet for 'mortgage payoff calculator' and experiment!

I studied the lives of great men and famous women, and I found that the men and women who got to the top were those who did the jobs they had in hand with everything they had of energy and enthusiasm and hard work.

Harry S. Truman

If I had thought about it, I wouldn't have done the experiment. The literature was full of examples that said you can't do this.

*Spencer Silver,
Inventor of
Post-It-Notes*

When you get right down to the root of the meaning of the word "succeed," you find that it simply means to follow through.

F.W. Nichol

October 2007 *Breast Cancer Awareness Month*

- ♣ Traditional birthstone#: [opal, pink](#)
- ♣ Mystical birthstone#: [jasper](#)
- ♣ Ayurvedic birthstone#: [opal](#)
- ♣ Flower: [orange calendula or marigold](#)
- ♣ Sun Signs: [Libra](#) / [Scorpio](#)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 Child Health Day	2	3	4 National Golf Day	5 National Story Telling Festival	6
7 	8 Columbus Day	9 Fire Prevention Week	10 Take Teddy Bear to Work Day	11	12 International Frustration Scream Day	13 Hispanic Heritage Festival
14 Book Month	15 National Grouch Day	16 Boss Day	17	18	19 Mammography Day	20
21	22	23	24 U.N. Day	25 	26	27 Cranky Coworker Day
28 National Chocolate Day	29 		31 Halloween		Adopt a shelter dog this month!	

"I've learned....."

In April, Maya Angelou was interviewed by Oprah on her 70+ birthday. Oprah asked her what she thought of growing older. And, there on television, she said it was "exciting." Regarding body changes, she said there were many, occurring every day...like her breasts. They seem to be in a race to see which will reach her waist, first. The audience laughed so hard they cried. She is such a simple and honest woman, with so much wisdom in her words!

Maya Angelou said:

"I've learned that no matter what happens, or how bad it seems today, life does go on, and it will be better tomorrow."

"I've learned that you can tell a lot about a person by the way he/she handles these three things: a rainy day, lost luggage, and tangled Christmas tree lights."

"I've learned that regardless of your relationship with your parents, you'll miss them when they're gone from your life."

"I've learned that making a 'living' is not the same thing as 'making a life.'"

"I've learned that life sometimes gives you a second chance."

"I've learned that you shouldn't go through life with a catcher's mitt on both hands; you need to be able to throw some things back."

"I've learned that whenever I decide something with an open heart, I usually make the right decision."

"I've learned that even when I have pains, I don't have to be one."

"I've learned that every day you should reach out and touch someone. People love a warm hug, or just a friendly pat on the back."

"I've learned that I still have a lot to learn."

"I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel."

Develop an attitude of gratitude and give thanks for everything that happens to you, knowing that every step forward is a step toward achieving something bigger and better than your current situation.

Brian Tracy

Life is simple. You do some stuff. Most fails. Some works. You do more of what works. If it works big, others quickly copy it. Then you do something else. The trick is the doing something else.

Tom Peters

Email for the free report: Three letters that could change your credit!



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**More Bang for Your Buck:
10 Remodeling Projects with the Biggest Payback**

According to the Cost vs. Value Report*, replacing your vinyl siding is the least expensive way to add value and increase the selling price for your home. Replacing wood windows and performing a minor kitchen remodel (\$17,000 or less) tie for second place on the list of high-impact home improvements to help you sell. The third most profitable home improvement to add value to your home is a bathroom makeover (\$12,000 or less).

Project	Job Cost	Resale Value	Average ROI
Vinyl Siding Replacement	\$9,134	\$7,963	87.2%
Window Replacement (Wood)	\$11,040	\$9,416	85.3%
Minor Kitchen Remodel	\$17,928	\$15,278	85.2%
Bathroom Remodel	\$12,918	\$10,970	84.9%
Window Replacement (Vinyl)	\$13,120	\$11,109	84.7%
Two-Story Addition	\$105,297	\$87,654	83.2%
Major Kitchen Remodel	\$54,241	\$43,603	80.4%
Attic Bedroom Remodel	\$44,073	\$35,228	79.9%
Basement Remodel	\$56,724	\$44,685	78.8%
Deck Addition	\$14,728	\$11,307	76.8%

Know Your Neighborhood

Before you decide which home improvement project adds the most house value, do a little competitive research by finding out what features are popular with other homes in your neighborhood. If most houses in your neighborhood are about 15 to 20 years old but have upgraded kitchens with contemporary countertops, tile flooring, and stainless steel appliances, you'll net a better return if you invest in a minor kitchen remodel. By knowing your neighborhood, you'll get a better sense of what projects are the best home improvement values for your dollar.

Know Your Region of the Country

Not only should you know your neighborhood but you should also know your region. Consider a remodeled basement which, nationally, offers 78.8% ROI; widely popular with buyers in some parts of the country (in the Pacific, it nets a 92.7% ROI), remodeled basements are not as popular in other parts of the country (in New England, its ROI is only 61.9%). To help you sell now, know what buyers in your area prefer. According to the Cost vs. Value Report, each part of the country has unique home improvement values. While a kitchen or bath remodel can net a hefty ROI in the Midwest, the best ROI on the East Coast comes from home improvements that save energy or maintenance, like siding and window replacements.

*The 2006 Cost vs. Value Report (a combined effort by Remodeling magazine and REALTOR® Magazine) can be downloaded at <http://lowesmoving.com/images/pdf/115.pdf>
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"Do they come with free tech support?"

Watson's formula

Would you like me to give you a formula for success? It's quite simple, really. Double your rate of failure. You're thinking of failure as the enemy of success, but it isn't at all. You can be discouraged by failure or you can learn from it.

So go ahead and make mistakes. Make all you can. Because, remember, that's where you'll find success. On the far side.

Thomas J. Watson, Founder of IBM

The average four-bedroom, two-and-a-half-bath home costs \$2.21 million in Beverly Hills, Calif., but only \$136,725 in Killeen, Texas, according to the Coldwell Banker Home Price Comparison Index released this week.

Coldwell Banker looked at 317 markets throughout the United States for an "apples to apples" comparison of similar homes. Beverly Hills was the most expensive market; Killeen was the most affordable.

The 2200 sq. ft. homes used in the survey had a family room or the equivalent of one, as well as a two-car garage. The cumulative average sales price of the homes was \$422,343, according to the survey.

The firm also took a look at markets outside the U.S. and concluded that the most expensive foreign market in the study was Dublin, where the comparable home averages \$2.1 million U.S. dollars. [View the release at Coldwell Banker's Web site.](#)

Jim Gillespie, president and CEO of Coldwell Banker Real Estate, used the domestic findings to reiterate the differences in local real-estate markets.

"I continue to point out that we can not make national blanket statements about appreciation and inventory," Gillespie said in a statement. "Real estate is a local business, with each market having its own story to tell."

It's not surprising that you'll pay a pretty penny for a home in Beverly Hills -- or that eight of the top 10 most expensive markets are in California -- when bargains can be found in the Heartland. But comparing those markets side by side still provides a striking contrast and backing to the real-estate adage that it's all about location, location, location.