

In Touch With BOB

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“Making Friends One Home at a Time”

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The Harvest Moon and autumn

September is the month of both autumn, and its herald, the lovely Harvest Moon, the last full moon before the autumnal equinox.

The Harvest Moon on September 15 will offer some extra light in the earlier evenings of September.

So, in September, we start to think about the year ending. Just a few months to go until we say goodbye to 2008 and it's time to take some inventory.

Have you done everything you wanted to in 2008? You have three more months to complete your list!

Although the housing market has been soft there are signals coming across the country that the tide is turning. Of course, in Knoxville, housing has always maintained a slow, steady growth. This is a great time to buy. Rates are still low (you probably don't remember the 10-15% of the past), and there is a generous supply of choices.

If you, or a friend are ready to buy or sell, I'm ready to help. Give me a call or send me an e-mail.

Dream the dream: You can own a home

If you are thinking of buying a home, you might be confused about the many issues in the news from mortgage rates to mortgage bills in Congress.

But the fundamentals of buying a home really haven't changed and, in fact, there are new incentives on the horizon that should make home buying more attractive than ever.

There are plenty of homes on the market in every price range and if you want one of them, you need only do what generations of people have done. You just have to pay attention to these basics:

First, cultivate good credit by prudent living. Pay your bills and pay them on time. Use credit sparingly.

If you do this, you'll earn a good credit score, which is crucial to getting a good interest rate. Research shows that many consumers believe that they have to have a high income to have a high credit score, but that's not true. In fact, income is irrelevant to your credit score. Your credit score is a rating based on how well you live up to your obligations, pay your bills and use your credit.

Second, save money for a down payment. In the current climate, most lenders will ask you to bring some cash to the table in a mortgage deal.

Third, find a house you love but can also afford. One path to financial freedom is to buy a modest house and build equity. When you decide to move up, you can sell your house and take a large chunk of the money from the sale and apply it to your new home. Your payment is lower while you live better. It's the good, always-in-fashion way to live.

Congress is also planning some incentives for new home buyers. It appears first-time home buyers will get a tax credit of 10 percent of the purchase price of a home up to \$7,500. That means in the year you purchase a new home, your tax bill could be reduced up to \$7,500. However, the credit is not a pure gift. Homeowners apparently will be asked to pay back the credit during a 15 year period. Each year, they will be required to repay a little more than 6.5 percent of the tax credit. That's just over \$530 per year for an \$7,500 credit. Selling before the total is paid back will require immediate repayment of the total..

To be classified as a first-time homeowner, you must not have owned a home in three years

SCHOOL'S-OPEN



Drive Carefully!

Profitably rent properties, see page 3

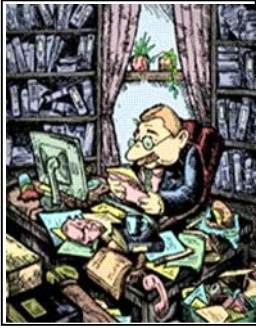


Gutter and lawn robots: They come.

From the people who brought you little robots that run around the carpet sucking up dirt, soon to come is the lawn robot. Natch. Patents are pending.

In the meantime, there is one that will clean your gutters and another that will suck up sawdust from your shop. There is also a visiting robot so you don't actually have to see your loved ones. See irobot.com

Ask the Expert



Q I see headlines that say mortgage rates are falling. I see headlines that say mortgage rates are rising. I want to refinance at the best rate. When should I do it?

A You really can't go by your daily newspaper to find out what mortgage rates are doing. One reason is that by the time they report the rate, it has changed.

The key, if you want the best rate is to speak with a mortgage banker, develop a relationship with him, and when he thinks the time is right (and you agree) then lock in your rate.

A lock is a guarantee by a lender that your mortgage will come with a specific interest rate, points and other costs. Lock agreements will cost money and you should inquire as to the terms.

Locks are also limited in time, to protect the lender if you decide not to buy immediately. Be sure to discuss the time needed to process your application so whatever lock period you choose is long enough.

Before going for a lock, be sure you gather all

Fighting Brothers Conduct Footwear Wars

Barbara Smith, writing in her book, *The Sneaker Wars: The Enemy Brothers Who Founded Adidas and Puma and the Family Feud that Forever Changed the Business of Sport* talks about the founding of today's giants in the athletic footwear business.

Brothers Rudolf and Adolf ("Adi") Dassler were proprietors of a German athletic-shoe company before World War II. During the war, Rudolf was convinced Adi arranged to have him sent with German Forces to Poland.

After the war, Rudolf retaliated by denouncing Adi, saying he cooperated with the Nazis. The feuding brothers split up. Rudolph formed an athletic-shoe company named Puma, and Adi formed one he called Adidas.

They lived in the Bavarian town of Herzogenaurach. The whole town was involved in their brawl. Residents declared their loyalty to either

company by the shoes they wore. They often refused to speak to members of the other side..

Both brothers separately shaped the shoe industry and its relationship with sports. Contrary to Olympic rules, they, and later their sons, showered potential medalists with cash and gifts. They are at least partly responsible for turning the Olympics into the marketing event it is today.

Adi and Rudolf stopped at nothing to undermine each other. At the 1968 Olympics in Mexico City, Adidas managers contrived to have Puma shoes impounded by Mexican customs. Both brothers, however, saw the great potential in the United States and went on to sign great athletes to wear their shoes.

The rivalry contributed to riches and growth for them both, but may have left them exposed to newcomer Nike in the 1970s. Nike's rise reduced Adidas from a 60 percent market share to 2.5 percent by the 1990s. Heirs of Rudolf and Adi lost control of Adidas and Puma.

your paperwork: credit report, income documentation, asset and debt documentation and whatever else you need to support your mortgage application. You will want to quickly submit your application as soon as you lock in your rate. You can read more about locks in a document by the Federal Reserve Board.

Web: federalreserve.gov/pubs/lockins/

Enjoy Beauty Safely

Gas fireplaces are safe, but take a few precautions

As the cool breezes of September and October begin, few people want to start an expensive heating system. Instead, they take off the evening chill by using a fireplace.

Gas fireplaces are a modern choice for people who don't want the task of building a fire. A vented fireplace should be your first choice. You can install one even if you don't have a chimney, because they require only a small vent pipe.

Unvented gas fireplaces can go anywhere in a house, look nice, and are safe, according to a study by Consumer Reports.

Whether vented or unvented, be cautious when buying and using a unit.

- First, read the specified room dimensions carefully. The National Fuel Gas Code and many local codes call only for the fireplace to be sized so sufficient air is available for combustion.
- Buy a certified package rather than a separate firebox and log set.

- Limit its use. Though occasional extended use poses little health risk, experts recommend using it for only a few hours at a time.
- Use a CO alarm. All units they tested showed no tendency for high carbon monoxide levels, but study authors recommend a CO alarm for any combustion appliance.
- Provide extra ventilation. Open the window when using an unvented fireplace, because air pollution can build up after several hours of use.

Life is pretty good in the 21st century

According to W. Michael Cox and Richard Alm of the Federal Reserve Bank of Dallas, in their work "How are we doing?" in 1870 a man would start work at 13 and worked every day for 30 years until the day he died at age 43. In his entire life, he never had more than 9.6 hours a day for sleep, play, home work.

In the 1950s he started work at age 17.6 and worked 50 years. He typically died a year before he could retire at age 68.5. He had about 13 hours a day for sleep, leisure and work at home.

In 1973 he started work at about 18.5 and is expected to work until the year 2018, when he will be about 64. He will actually enjoy 6.6 years of retirement and is expected to die at age 70.6. During his work life, he enjoyed 15.6 hours a day for sleep, leisure, and work at home.

In 2007 he started work at 20. He will work 42.5 years, having 17.5 hours a day for sleep, leisure and home. He will retire at age 62.5. He will live 15.5 more years and die at age 78.

How to get the right tenant

You don't have to be an investment professional in order to operate your property profitably, according to real estate professionals. But there are a few things you should plan to do.

* The number one key to running a profitable rental property might seem obvious: Find the right tenant.

But it isn't as obvious as you might think. Remember that the right tenant is the one who will respect your property, stay in the property for a suitable length of time, abide by the terms of the lease, be a good neighbor and pay the rent.

First, pre-qualify the prospect when they call to make an appointment. Ask how many people will be living there, where the person is employed and if they can pay the first month's rent and deposit when the sign the lease. This will reduce the number of times you have to show the place.

If there are too many people for the property, simply point out the areas that would be inadequate: closet space, for example, would be lacking if too many people live in an apartment. If the prospective tenant wants to make deals with you on the deposit or the rent, don't show the property. It is crucial that you know how much you need to run and maintain the property and then set a rent that will be sufficient. You can't negotiate your investment.

* After screening applicants, it's time to set up appointments. If you particularly like one person's story, make that your first appointment. Conversely, if your initial conversation gives you a shaky impression of the applicant, schedule the appointment a day later than the others. Get phone numbers.

* To get the best tenant, you have to get your property in top shape. It should be sparkling clean. Paint the door or add new hardware if necessary. Put out potted plants or an attractive door mat. If you want more rent than the previous tenant paid, freshen paint if needed. Consider updating appliances or adding a dishwasher if the property doesn't have one.

* Have a lease application ready. Be sure it asks the name and phone number of their present landlord and the name and phone number of their employer.

* If they have cash in hand and want to sign a lease and move in this afternoon, smile and say you have to check their references first and then do it.

* Set up an appointment for the next day to sign the lease. Make sure the lease also asks for their Social Security number and the names and phones of next of kin. When the lease is completed and you have the money, give them the keys.



HOME DESIGN: THE TUB AS POND



From KÄSCH. This overflow bathtub is designed so that overflowing water is directed back into the tub. Kaesch.net

New tile floor gives a dated bathroom a modern look

The bathroom is the most-used room in the house. With high traffic and high moisture, the floor begins to show its age after ten or 15 years.

One good thing about replacing it is that the room is small. That means you can choose high-quality materials and not have a huge amount of money or a great deal of time invested.

Here's some advice from Lowe's, the home improvement store:

Tile comes in ceramic, porcelain, stone, and mosaic. Any of these choices will give you a great range of possibilities for color, style, and pattern.

Ceramic comes in many colors and shapes that make it easy to create patterns and features, such as a border or center medallion.

Porcelain is a denser tile and offers superior resistance to mold and stains. Stone-look porcelain looks very much like real stone.

Natural Stone is available in marble, granite, limestone and slate. It's more expensive but has an outstanding appearance and comes in many colors.

When considering tile, leaf through design books and home magazines. Your personal preferences will narrow your choices.

You might decide to take the project a step farther with a new tub surround or elegant tile wainscoted.

If you have the time and skill, you could install the new floor yourself. First remove the old floor down to the sub flooring. Then screw down sheets of cement-fiber tile backer to create a solid underpayment.

Lay out tiles along the room's center lines, and cut the tiles to fit up to the walls. Then spread adhesive with a notched trowel and press the tile into place. The next day, mix grout and spread it into the gaps.

Too much work and worry? Professional installation costs more but could produce a more perfect job.

There are only two lasting bequests we can hope to give our children. One of these is roots. The other, wings.

Hodding Carter

You are the only problem you will ever have. And you are the only solution.

Bob Procter

A well-developed sense of humor is the pole that adds balance to your steps as you walk the tightrope of life.

William A. Ward

Class is an aura of confidence that is being sure without being cocky. Class has nothing to do with money. Class never runs scared. It is self-discipline and self-knowledge. It's the sure-footedness that comes with having proved you can meet life.

Ann Landers

In order to do what really matters to you, you have to, first of all, know what really matters to you.

Dr. Ed Hallowell

I gain strength, courage and confidence by every experience in which I must stop and look fear in the face. I say to myself, I've lived through this and can take the next thing that comes along.

Eleanor Roosevelt

Often God has to shut a door in our face so that He can subsequently open the door through which He wants us to go.

Catherine Marshall

Values are like fingerprints. Nobody's are the same, but you leave 'em all over everything you do.

Elvis Presley

Making wise decisions when buying auto insurance

Whether you are buying insurance for a new car or for an older second car, there are many choices to make.

Collision insurance: When a vehicle is financed, the lender requires collision insurance. It pays for damage to your vehicle in an auto accident when you are at fault. In a total loss, it pays the fair market value of your car or truck.

Comprehensive insurance: It's similar to collision but also covers damage to your vehicle by an unknown party or "act of God." Vandalism, flood, hurricane, theft and fire are usually covered, but check the policy for the details.

Liability insurance: If you are at fault in an accident, you could be held liable for medical and repair costs for everyone involved. Liability coverage won't pay for your vehicle, but it can shield you from cost of damage to others.

Some owners of older vehicles choose liability coverage only. Adding comprehensive insurance for a vehicle valued at \$3,000 more or less costs little, and could be very helpful if you have to replace the car.

Bodily injury insurance: If people are injured in an accident that is your fault, this insurance will pay for medical expenses, loss of income, funeral expenses, legal defense fees and more. Consider purchasing the highest limit you can afford.

Property damage liability insurance: It pays for structural damage to homes, storefronts, stationary objects, vehicle repair or replacement costs when the accident was your fault. It can protect assets in the event of a lawsuit resulting from a covered accident. Consider buying the highest limit you can afford.

Insurance agents usually present a comprehensive or collision policy with the addition of bodily injury, liability, and other features insurance listed separately on the bill. The coverage's may be limited, but you can raise them.

Gap insurance: When you buy a new car, its fair market value is reduced significantly in the first months you own it. And some long-term finance plans result in the loan being larger than the market value of the vehicle for two or more years. To fill these shortages in coverage, gap insurance can help.

To save on insurance costs, increase the deductible amount. There is a 20 percent savings when the deductible is raised from \$200 to \$500 and greater savings if it is raised to \$1,000

Staying Well

Physical activity reduces cancer risk

For men: Studies at UCLA and elsewhere show that physically active men have a lower risk of prostate cancer. Physical activity on a job that included walking and light labor was best.

For women: Those who are physically active over their lifetimes are at lower breast cancer risk. Researchers found that in women who were the most active, cancer risk decreased by 26 percent compared to those who were the least active.

Everyone: Many studies show exercise helps prevent cancers of the colon.

Eye health and AMD

Almost everyone has seen grids published in magazines. They look like the outline of a checkerboard. If you first close one eye, then the other to look at it, you might have discovered that with one or both eyes, the lines were a little wavy in the center of the grid.

The bad news is that you may have a very early case of macular degeneration or AMD. The good news is that eye-health supplements could make those lines look straight again.

Doctors at Tufts University say a combination of vitamins C and E, zinc, copper, lutein, zeaxanthin and astaxanthin increase central-retinal function in patients with early AMD. Most of these are included in a multivitamin. The last three are not.

According to University of Michigan economist Mark J. Perry the retail price of gas in 1929 was about 20 cents a gallon from 1929 to 1946. Disposable income in the 1930s was about \$400 to \$500 per year, equaling about \$6,000 in today's dollars. That means 1,000 gallons of gas cost as much as almost 49 percent of disposable income in 1933. To reach those levels today, gas would have to sell for between \$14 and \$17 per gallon, .

The Internal Revenue Service has announced that it raised the standard mileage rate that taxpayers can use to deduct the cost of business miles on their income tax returns.

Beginning July 1 through the end of this year, the new rate is 58.5 cents a mile, an increase of 8 cents.

The higher rate allows self-employed workers to deduct a larger amount on their 2008 tax returns.

It will also benefit workers whose employers reimburse them for the use of their vehicles.

July 1 is also the date for an increase in the mileage rate for deductible moving and medical expenses. Those rates will rise to 27 cents a mile, up from 19 cents in the first half of this year.

Left unchanged is the rate taxpayers can deduct for use of their vehicles for charitable activities. It stands at 14 cents a mile. Self-employed taxpayers can deduct their actual expenses, or they can take the allowance on miles driven

Cats Are Good For you

Yes, it appears to be true. Owning a cat reduces your risk of having a heart attack. Researchers for the National Health and Nutrition Examination Study II found that people who don't own cats have a 40 percent greater risk of dying from a heart attack than cat owners do.

Researchers at the Minnesota Stroke Institute suggest that cats help reduce their owners' stress and anxiety. They found cat owners to be at a lower risk of dying from all cardiovascular diseases, but the difference was significant only for heart attack.

LIVING WILL

Last night my wife and I were sitting in the living room and I said to her, "I never want to live in a vegetative state, depend on some machine and fluids from a bottle. If that ever happens, just pull the plug.

Being a dutiful wife, she got up, unplugged the TV and then threw out my beer.

You have much

If only the people who worry about their liabilities would think about the riches they do possess, they would stop worrying. Would you sell both your eyes for a million dollars, or your legs, or your hands, or your hearing? Add up what you do have, and you'll find that you won't sell them for all the gold in the world. The best things in life are yours, if you can appreciate yourself.

Dale Carnegie

Eager beavers

The kind of people I look for to fill top management spots are the eager beavers, the mavericks. These are the ones who try to do more than they're expected to do. They always reach.

Lee Iacocca

The right neighborhood can offer good value

About six million Americans are expected to buy a house this year. Some are first-time buyers, others are at mid-career, and still others are downsizing for retirement.

They all have one thing in common. They are contemplating what may be the most significant purchase of their lives at a time when future home pricing is uncertain.

In cities such as Seattle, Austin, Texas, and Wichita, Kansas, home prices are still rising. But even in hard-hit cities, prices in certain neighborhoods are holding up better than others.

One factor in pricing stability is well-known: schools. Even if you don't have children, homes in high-ranked school districts are a good choice and will probably hold their value very well.

National Association of Realtors statistics show that housing prices in 2007 experienced their first year-over-year decline in about 40 years.

The NAR, however, also says that home buying is always a street-by-street exercise, and that is particularly true in areas where the market is weak.

In a hot market, homes in less-than-desirable locations sell quickly. Now, homes in better neighborhoods are better choices. (While it's true that every location is just right for someone, finding that person can be difficult.)

Generation Yers go shopping

Twenty somethings in the Generation Y group have not been known as home buyers before. In this market, however, many can buy a home of their own, possibly at a bargain price.

They have more spending power than previous generations had at the same age, are better educated and see advantages of home ownership. In times past, they might have been able to rent a very nice home for less expense than owning one. That is no longer true.

The Yers have other advantages: They don't have a home to sell, usually have good credit ratings and many have savings to cover a down payment.

The time is right.

"A visitor to a certain college paused to admire the new Hemingway Hall that had been built on campus.

"It's a pleasure to see a building named for Ernest Hemingway," he said.

"Actually," said his guide, "it's named for Joshua Hemingway. No relation."

The visitor was astonished. "Was Joshua Hemingway a writer, also?"

"Yes, indeed," said his guide. "He wrote a check."

A Rabbi said to a precocious six-year-old boy, 'So your mother says your prayers for you each night? That's very commendable. What does she say?'

The little boy replied, 'Thank God he's in bed!'

September 2008

Hispanic Heritage Month

- Traditional birthstone: sapphire
- Mystical birthstone: agate
- Ayurvedic birthstone: moonstone
- Flower: purple aster
- Chinese Floral Emblem: mallow
- Sun Signs: Virgo / Libra

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 Labor Day	2 Begin Ramadan	3	4	5 TVA & I Fair Begins Through September 14	6
7 Grandparents Day	8 Star Trek First Episode 1966	9	10 Hot Dog Day	11 Patriot Day	12	13 Bald Is Beautiful Day
14 National Cream-filled Donut Day	15 Harvest Moon	16 Katrina Day	17 Citizenship Day Constitution Day,	18 National Chocolate Day	19 POW/MIA Day	20 Big Whopper Liar Day
21 World Alzheimer's Day	22 First Day of Autumn	23	24 National Women's Health and Fitness Day	25 National One Hit Wonder Day	26 Greek Fest	27 R.E.A.D. In America Day
28 Gold Star Mothers Day	29 Rosh Hashanah	30				

September is the month for changes and remembering.

September 11 should hold a special place of Remembrance for all of us.

It was the day that shook our country to its core. From out of nowhere, and for no reason other than an unfounded hatred, evil raised its ugly head and took the lives of thousands of innocent people. People, who if the attackers had an opportunity to know, would probably have liked most of them. Why would they have liked them? Because they were just ordinary folks going about their lives, making a living, caring for their families and loved ones, and trying to make the best out of what is often an extremely challenging life. How could you hate someone for that?

As a very wise person once said to me, " I never told you that evil doesn't exist." It does exist, in many forms, and is watching and waiting for an opportunity to strike at the good.

I am afraid that far too many of us have moved on and that day is only a distant memory in our minds. Thomas Jefferson said over two hundred years ago that, "The price of freedom is eternal vigilance." We must remind ourselves, those that represent us in the government, and those that watch out for, and protect, us that eternal vigilance is still, and always will be needed.

September is a time of change. Across the country most school systems have started back to their job. The hurricanes come through creating change. The weather in general begins to change toward the cooler side of the thermometer. Football in Tennessee hits full stride. The leaves begin to give up their attachment to the trees. Fall is warming up in the bullpen getting ready to bring us all of its glory and wonder.

With all of the change we need to remember that change is not necessarily always bad. It is part of the inevitable process of growing and living. We need to be flexible in dealing with it. If it is something that has a negative impact on us, then look for opportunities to find good in it. An easy thing to say. A harder thing to do. But, more often than we might expect, a very real opportunity with a positive outcome can be found. Look for it. You might be surprised!

September: A time to Remember and expect change.

