

# YOUR HOME

FEBRUARY  
2012

TIPS AND TRENDS FOR HOMEOWNERS, BUYERS AND SELLERS

## NEIGHBORHOOD WATCH

The hardest part about moving may be selecting a neighborhood that best suits your lifestyle. Start by thinking about what is most important to you and your family. For example, do you prefer a quiet residential area or do you want to be near busy nightlife? According to *Movers.com*, buyers should consider several key factors when searching for the right neighborhood.

- **Safety** — For most households, safety is the most important factor, so check out crime rates of potential neighborhoods via local government websites and the U.S. Census Bureau website, [www.census.gov](http://www.census.gov).
- **Amenities** — Determine the location of doctors' offices, hospitals, schools, banks and grocery stores. It may be helpful to walk around the neighborhood to become familiar with local businesses and their proximity to your potential home.
- **Education** — If you have school-aged children, visit websites of individual school districts to see what services they offer, or contact members of the school board or principal for more information.
- **Commuting/Public Transit** — How far are you willing to commute to work or school? A home close to friends and family might mean a longer commute to work. If you rely on public transportation, find out where bus stops and train stations are located in your desired neighborhood. Review bus and train schedules to determine if they meet your travel needs.
- **Property Values** — Research current housing values in the area, local foreclosure data, and future development plans. These could affect home values in the future.
- **Cost of Living** — Compare the cost of living of your desired neighborhood with your current location. Cost-of-living calculators, such as the one provided on [Bankrate.com](http://Bankrate.com), can help determine if a neighborhood meets your financial needs.



## THE DEBT PAY-DOWN



If your New Year's resolution was to reduce debt, several strategies can help accomplish that goal. But before implementing any strategy, understand the terms of various debt agreements, including any penalties for prepayment, and consult with a tax or accounting professional, say experts with the American Institute of Certified Public Accountants.

*Make minimum payments.* Credit card companies require borrowers to pay the minimum balance. Paying less than the minimum can result in penalties, increased interest rates and default.

*Make additional mortgage payments.* To pay down the principal amount faster and reduce total interest paid, consider making additional payments. By paying one-half of the regular monthly mortgage payment every two weeks, for example, you will make the equivalent of 13 monthly payments for the calendar year and reduce the total interest on the loan.

*Pay off higher-interest-rate debts first.* After making the required minimum payments for each debt, allocate any extra dollars to the debt with the highest interest rate. Or:

*Pay off the lowest debt amount first.* According to financial expert Dave Ramsey, paying down the lowest balances first, regardless of interest rate, gives borrowers a sense of accomplishment. As each small debt is paid off, it becomes easier to stay motivated to pay down larger debts.

*Consolidate loans.* It may be possible to pay off multiple high-interest debts by getting a debt consolidation loan, which is often offered at a lower interest rate.

Finally, avoid tapping into a 401K, emergency fund or equity line of credit to pay down debt. Once debts are paid off, put away credit cards, and pay cash for what you need most. With patience, vigilance and a sound action plan, cash-strapped borrowers can learn to live debt-free.

## fast fact >> >> >> >> >> >> >> >>

51 percent of U.S. adults over age 18 are married, compared to 72 percent of adults who were married in 1960.

Source: Pew Research Center, U.S. Census Bureau



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# VOTING FOR HOMEOWNERSHIP



American voters feel strongly about homeownership and would oppose most policies that would make it more difficult to own a home, according to a recent survey conducted on behalf of the National Association of Home Builders by Republican and Democratic polling firms of Public Opinion Strategies in Alexandria, Va., and Lake Research Partners in Washington, D.C.

Three-fourths of voters, both owners and renters, believe it is reasonable and appropriate for the federal government to provide tax incentives to promote homeownership. That sentiment cuts across party lines, with 84 percent of Democrats, 71 percent of Republicans and 71 percent of Independents agreeing with this statement. Two-thirds of respondents believe the federal government should assist homebuyers so they can afford a long-term or 30-year fixed-rate mortgage.

Further, 73 percent of voters oppose eliminating the mortgage interest deduction, a sentiment shared across party lines — 77 percent Republicans, 71 percent Democrats and 71 percent Independents. More than two-thirds of voters (68 percent) say they would be less likely to vote for a congressional candidate who favored abolishing the deduction.

The survey also finds that a majority of voters oppose several other proposals affecting homeownership including: reducing the mortgage interest deduction; eliminating the deduction for interest paid for a second home; limiting the deduction for those earning more than \$250,000 per year; reducing the deduction for homeowners with mortgages higher than \$500,000; and eliminating the deduction for interest paid on home-equity loans.

## Say Yes to CRS

Buying a home is one of the biggest and most emotional decisions you will ever make. So it's important to work with someone who can provide sound advice and a steady, guiding hand when you need it. That's why a CRS agent is the best person for the job.

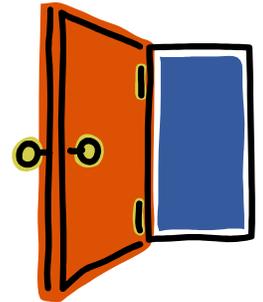
A Certified Residential Specialist (CRS) is among the top 4 percent of all agents in the country. CRS agents have achieved a high volume of transactions and advanced training in areas such as business planning, real estate investing, marketing and technology. They must also maintain membership in the NATIONAL ASSOCIATION OF REALTORS® and abide by its Code of Ethics. Why work with anyone else when you can work with a CRS agent?



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## DID YOU KNOW?

To silence squeaky doors, apply a dab of olive oil to a cloth, then wipe the top of the hinges so the oil runs down the sides.



Source: *Real Simple* magazine



**Do you know someone who is thinking about buying or selling a home? Please mention my name.**

This newsletter is for informational purposes only and should not be substituted for legal or financial advice. If you are currently working with another real estate agent or broker, it is not a solicitation for business.