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The mortgage and real estate industry in 2008, look beyond the headlines



By Pamela Vroman Strum, Branch Manager
Global Mortgage Solutions.

Despite the hot topics about the mortgage and real estate industry on the evening news, there are some very good reasons why now is a better time than ever to purchase or refinance a home.

Competing offers are not common in this market. With less competition to buy you can truly get that home of your dreams or second home you have been thinking about. Sellers are anxious to sell and will be more likely to negotiate to your terms and conditions. The same can be said for most builders. Most will agree to give concessions to cover your total closing costs and then some.

Interest rates have dropped to the lows of 2003. Although the sub-prime market has dissolved, FHA is very good option for those with less than perfect credit and have much better interest rates than were offered by sub-prime lenders. Lower interest rates mean lower monthly payments allowing you to afford more house for your money.

Real estate over time is always a good investment and buying while mortgages are literally on sale will allow you to get the most out of your investment. Call me today to discuss your mortgage planning goals!

Pamela Strum is the Branch Manager of Global Mortgage Solutions. Questions can be directed to her at: (877) 327-6250 ext. 205.

Understanding Credit Scoring & Credit Repair



By Jessica Jones, Marketing Executive
Primary Residential Mortgage, Inc.

BALTIMORE, MD – Credit remediation is a subject consumers often face with fear and trepidation, and for good reason. With the exception of recognizing that the best score wins, the average home shopper knows very little about the whole credit scoring process. Sub-prime borrowers who are eager to move into A-Paper territory often find themselves at a loss when trying to find ways to upgrade their credit



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history. The good news is there are ways to improve less-than-perfect credit scores *and* obtain a loan for the home you *really* want.

The first step in the process is making sure that you have a current copy of your credit report. Congress recently amended the Fair Credit Reporting Act so that consumers may now receive one free credit report annually. There are three major credit bureaus: Equifax, Experian, and Transunion. Since entries can vary across bureaus, you'll want to request a free report from each of the three companies. (Go to www.annualcreditreport.com)

It's also important to know just what a good credit score is. Most A-Paper scores generally begin around 680, although this number may differ slightly among lenders. Don't despair if you come up shy, there is always room for improvement. Increasing your score just 5 points can save a significant amount of money. For example, if your score is 698 and you increase it to 703, then you could save yourself thousands of dollars over time as a result of a slight improvement to your loan's interest rate.

While credit repair is necessary for some, it's not the only way to increase your credit score. Even if you have stellar credit, you can enhance your score through these steps:

➔ Evenly distribute your credit card debt to change the ratio of debt to available credit. Let's say you have a credit score of 665. If you have debt on only one card, and four additional credit cards with zero balances, evenly distributing the debt of

the first card could move you closer, and possibly into, that ideal bracket.

➔ Keep your existing accounts open and active. The average consumer is usually anxious to close credit card accounts that have zero balances, but doing this can cause them to lose the benefits of a long-term credit history and increase their ratio of debt-to-available credit. The bottom line is don't close those old accounts!

➔ Keep credit inquiries to a minimum. Each inquiry into your credit history can impact your score anywhere from 2-50 points. When it comes to mortgage and auto loans, even though you're only looking for one loan, multiple lenders may request your credit report. To compensate for this, the score counts multiple auto or mortgage inquiries in any 14-day period as just one inquiry, so try and stay within that time frame.

Remember, credit scores don't change overnight. Improving them requires time and diligent effort on your part, so it's a good idea to get the ball rolling at least three to six months prior to submitting your application for home financing.

If credit repair is what you need, you can either begin the process yourself or seek out a repair service. If you decide to make your own improvements, visit as many websites as possible to get information regarding credit laws and consumer rights. Diligently search through them and educate yourself to ensure that you don't sustain any self-inflicted wounds. A good place to start would be the Federal Trade Commission's website, which contains a wealth of helpful literature.

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If you're facing severe or complicated credit issues, then you'll probably want to enlist the assistance of a professional credit repair company. Before you do, be sure to familiarize yourself with the FTC's regulations on credit repair. With over 1100 credit repair companies to choose from, it's important to be certain you are dealing with a reputable firm. Examine the FTC's information on fraudulent practices to avoid falling prey to credit repair scams.

Addressing credit issues can be uncomfortable to say the least. But by taking these steps now, you'll be that much closer to obtaining the home of your dreams.

Additional Resources:

To order your free credit report, go to:
www.annualcreditreport.com

To read the Fair Credit Reporting Act, go to: www.ftc.gov/os/statutes/frca.htm

For the Federal Trade Commission's information on consumer credit, go to: www.ftc.gov/bcp/online/edcams/credit/index.html

Seek a Qualified Mortgage Consultant to Ensure the Best Results

Jessica Jones is affiliated with Primary Residential Mortgage, Inc. If you would like to obtain a free mortgage consultation, please contact Jessica Jones at (443) 273-9014.

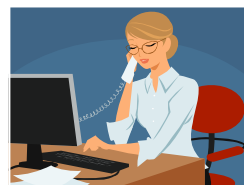
Mortgage Rate Corner

Rate provided as a courtesy of Pamela Strum and Global Mortgage

Conforming Under \$417,000	Term	RATE	PTS	APR
	30y fx	5.375	1	5.95
	15y fx	4.75	1	5.25
	7/1 arm	4.875	1	5.65
	5/1 arm	4.875	1	5.5
Jumbo Over \$417,000				
	30y fx	6.25	1	6.50
	15y fx	5.625	1	6.25
	10/1 arm	5.875	1	6.50
	7/1 arm	5.50	1	6.125
	5/1 arm	5.25	1	5.95

Rates are subject to change without notice
Rates are for February 4, 2008

Tips to consider for Year-end tax Planning



Consider using these tax strategies to help you reduce your taxes in 2007:
→ **Make charitable contributions so you can claim them on your 2007 return.** Contributions to qualified organizations can be claimed only if you itemize deductions. Also, keep in mind that under the 2006 law change, cash contributions require a written receipt from the charity regardless of the amount, so checks are a better substitution for smaller contributions.



→ **Gifts to children.** The first \$12,000 of gifts during 2007 to each child is not subject to gift tax each year. Also, spouses who consent to split their gifts may transfer a total of \$24,000 per child in 2007 free of gift and generation-skipping transfer tax.

→ **To avoid 2007 tax penalties check out your W4.** To avoid estimated tax penalties it's a good rule of thumb to make sure your withholdings are 100% of the previous year's tax liability, which is the total tax you paid into your 2006 Federal tax return. However, if the adjusted gross income (AGI) shown on your 2006 return exceeded \$150,000 (\$75,000 for married filing separate returns); you'll want to make sure that 110% of your previous year's tax is paid. Check your pay stub, your W4 and talk to your tax advisor.

→ **Make energy home improvements now.** Special tax credits for investments in energy-efficient products installed in your home, such as exterior doors and windows and Insulation expire at the end of 2007. This can reduce your tax liability by as much as \$500.

→ **Take steps to help protect your Identity.** Don't share private information from your tax returns, especially Social Security numbers, with anybody who does not need it. Keep past tax records in a secure place to help prevent the risk of identity theft.

→ **Consult your advisor.** A meeting with your tax advisor or attorney is important to review your key tax planning strategies and prepare for your 2007 return. Your Ameriprise financial advisor can help you assess how your decisions related to tax matters will impact your overall financial plan. If you don't have a financial advisor, contact Bonny Davis at (301) 313-9099

Neither Ameriprise Financial, nor its advisors or representatives, offer tax or legal advice. Consult with your tax advisor or attorney regarding your specific situation.

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Advice for hiring contractors



Make sure you hire a licensed contractor. Get multiple opinions before hiring a professional. Practice shows that homeowners getting multiple bids, typically enjoy more than 10% money saving. I always recommend to check contractor references. When you interview contractors for your home projects make sure they:

- Have the necessary knowledge to successfully manage the construction project.
- Have the time required to manage the project.
- Will provide a contract with work to be performed, materials to be used and price before the work starts.
- Carry Worker's Compensation Insurance to cover his employees in case of injury.
- Carry a bond to protect you.



→ Know about necessary permits and inspections, preventing unnecessary delays once the project is underway

My Hiring Contractor Checklist:

- Get referrals
- Evaluate the referrals
- Check their licensing and general standing
- Interview the contractor
- Know what you want done
- Narrow your list of contractors to two
- Request a bid
- Gather all of your information
- Make your choice

Relax, you just hired a professional who will make your project an enjoyable and rewarding experience

- 3/4 cup unsweetened cocoa
- 2 teaspoons baking soda
- 1 teaspoon baking powder
- 1/2 teaspoon salt
- 2 eggs
- 1 cup cold brewed coffee
- 1 cup milk
- 1/2 cup vegetable oil
- 2 teaspoons vinegar

DIRECTIONS

Preheat oven to 350 degrees F (175 degrees C). Grease and flour a 9x13 inch pan.

In a large bowl, combine the flour, sugar, cocoa, baking soda, baking powder and salt. Make a well in the center and pour in the eggs, coffee, milk, oil and vinegar. Mix until smooth, batter will be thin. Pour into prepared pan.

Bake in the preheated oven for 35 to 40 minutes, or until a toothpick inserted into the center of the cake comes out clean.

Allow to cool.

Source: www.allrecipes.com

Dark Chocolate Cake II



PREP TIME **10 Min**
 COOK TIME **35 Min**
 READY IN **45 Min**

Original recipe yield: 1 - 9x13 inch pan

INGREDIENTS

- 2 cups all-purpose flour
- 2 cups white sugar

Questions and Comments:

If you have a question that you would like to have addressed in a future edition of this newsletter, then please email them to harry@hearn1stclassrealty.com . Please put "Newsletter Suggestion" in the subject line. I will find an authority in the field and have them respond in a future edition.

I would like to give special thanks to Bonny Davis, Jessica Jones, and Pamela Strum who contributed to this newsletter.