



## Planning Ahead

There is no substitute for long-term planning when it comes to financing children's education, buying a new home and retiring someday comfortably.

Financial experts suggest asking these basic questions: How much money is being spent every month? Where does that money go? Is there enough saving and investing? Is there enough life and disability insurance? How much money is needed to achieve a comfortable retirement?

Even small changes in the way we handle money can make a huge difference in results.

Pay yourself first...before paying bills, set aside a certain amount from every paycheck automatically by payroll deduction.

Contribute the maximum into a retirement plan and seek professional guidance as to what is best for you.

Buy life and disability insurance policies (outside of your work) to cover potential income coverage loss.

Minimize credit cards and other debt other than your home mortgage and possibly car financing.

Create an emergency fund that is equal to three to six months of total household expenses ...funds that can be easily obtained through writing checks.

The ability to save and invest varies but everyone needs to start as early as possible and save as much as possible.

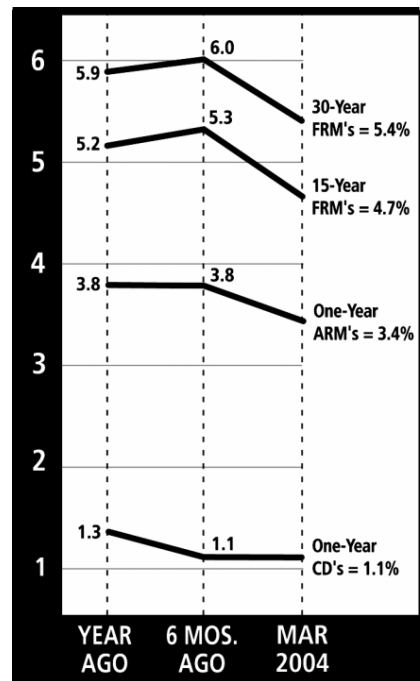
**—David R. Bergmann**  
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## Key Interest Rates At A Glance

Rate trends over the past year.



FRM = Fixed Rate Mortgage  
ARM = Adjustable Rate Mortgage

*“Hope inspires  
the good to  
reveal itself.”*

— Emily Dickinson



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## Home Property Taxes

According to the National Taxpayers Union, approximately 60% of taxable property is over assessed, but only one out of every 50 taxpayers appeal. The 50% of homeowners who do appeal the assessments win partial victories. Your chances are good if you find errors in your property record, which is available at your assessor's office. You can locate your assessor at the National Association of Counties at [www.naco.org](http://www.naco.org).

Another possibility in an appeal is if the assessment is higher than recent sale prices of similar neighborhood prices on similar properties. For general information go to the National Taxpayer's website: [www.ntu.org](http://www.ntu.org). They have a booklet "How to fight property taxes".

## Home Improvements



According to Harvard University's Joint Center for Housing Studies, over \$200 Billion a year was spent on home remodeling in recent years. If you are considering a remodeling project, be sure to get estimates from several contractors.

Pay close attention to details within the contract including your right to cancel. Consider having your lawyer review the contract before signing.

## Homeowners and Associations



Approximately 75% of homes built over the past five years are a part of a homeowners association (HOA). There are bylaws with covenants, conditions and restrictions that set forth the homeowner's responsibilities and dues.

Three major areas that are key to a healthy HOA are the Delinquency Rate of Homeowners, the Reserve Fund for Special Emergency Maintenance or Repair Needs and the Owner/Occupancy Level that shows the percentage of residents who are homeowners. The Community Associations Institute (CAI) has information for homeowners, board members and managers at: [www.caionline.org](http://www.caionline.org).

## Home Appliance "Authorized" Help

If you have a home appliance that needs repair and is still under warranty, you can go to the manufacturer's website or call the 800 number to find an authorized repairman.

If you don't have those readily available the Association of Home Appliance Manufacturers lists the 800 numbers at: [www.aham.org](http://www.aham.org).

## Travel Notes

When traveling by air, put all undeveloped film (and cameras with film) in your carry-on baggage. The new screening technology used on checked bags will damage your film.... For those who plan to fly across several time zones there is an eating plan that purports to prevent or reduce jet lag. The plan starts three days before your flight. It was developed by Argonne National Laboratory ([www.antijetlagdiet.com](http://www.antijetlagdiet.com)). Also, with reduced food services, take along some nourishing snacks.

## Health Resources for Home

There is a growing number of sources for Health-related information on home pesticides at the following websites:

- Center For Disease Control (CDC) Prevention has the latest information on the West Nile virus, go to [www.cdc.gov/ncidod/dvbid/westnile/index.htm](http://www.cdc.gov/ncidod/dvbid/westnile/index.htm).
- National Pesticide Information Center has information and links to other helpful sites at [www.npic.orst.edu/wnv](http://www.npic.orst.edu/wnv)
- U.S. Environmental Protection Agency has information on the insect repellents containing DEET including tips on their safe use at [www.epa.gov/pesticides/factsheets/chemicals/deet.htm](http://www.epa.gov/pesticides/factsheets/chemicals/deet.htm).

## Kids and Money



One common mistake many parents make about money management is assuming that someone else will teach their kids about personal financial responsibility. It may

be included in a course of economics or social studies but often these classes are electives thus missing many kids.

Helping kids to become financially responsible starts by teaching them the basics of budgeting and spending before they are transitioning from high school to college. For help on this: The money instructor at [www.moneyinstructor.com](http://www.moneyinstructor.com) is for teachers and parents who want to teach personal finance skills to their kids.

Also, there are two books by author Neale S. Goodfrey: *Money Doesn't Grow on Trees: A Parent's Guide to Raising Financially Responsible Children* and *Ultimate Kids Money Book*.

## Home and Taxes

The IRS has a tax rule regarding the sale of your home and capital gains that is retroactive. It is regarding the capital gains exclusion on the sale of your home.

Married homeowners can shelter up to \$500,000.00 in capital gains (Single taxpayers can shelter up to \$250,000.00) if you have owned and lived in the home for at least two out of the five years before the sale.

But for those who sell their homes in less than two years, for reasons such as health, job change, divorce etc. may be eligible for a partial tax break and the tax rule is retroactive. Consult with your tax specialist for possibly filing an amended return.

## Cars—Safety, Taxes and Fuel Economy

**SAFETY:** If you have wondered how your car rates in crash tests, these two agencies may be helpful for now and in your future purchase of a new car:

- Insurance Institute for Highway Safety—click on vehicle ratings at [www.iihs.org](http://www.iihs.org)
- National Highway Traffic Safety Administration—click on your type of vehicle at [www.safercar.gov](http://www.safercar.gov).

**TAXES:** There is a one-time tax deduction for those who buy a clean-burning fuel “hybrid” car (gasoline/electric). If purchased in 2004, the deduction is \$1,500. The deduction decreases by \$500 each year until year 2006. For more information go to [www.fueleconomy.gov](http://www.fueleconomy.gov) or call the Internal Revenue Service at (800) 829-1040.



**FUEL ECONOMY:** As to the higher prices of gasoline, there are two websites that can help you find the cheapest gas stations at [www.gasbuddy.com](http://www.gasbuddy.com) and [www.gaspricewatch.com](http://www.gaspricewatch.com).

## Consumer's Action Handbook

The Federal Citizen Information Center has comprehensive guides with consumer tips and an extensive directory of federal, state and local consumer protection agencies, corporations and national organizations. You can order a free copy by calling (888) 878-3256 or go to [www.pueblo.gsa.gov](http://www.pueblo.gsa.gov).

## Home and Office

According to the National Association of Professional Organizers (NAPO), disorganization can create an environment of lost information and missed opportunities. Here are quick tips for bringing order to your home or office desk:

- Toss – old memos and notes;
- Label – file folders for all that remains;
- Store – stapler, paper clip holder, pens, etc. in a drawer;
- Post – frequently called phone and fax numbers next to your telephone;



After the clean-up create a file for anything pending and refer to it on a daily, or at least weekly schedule. Finally, develop the habit of going through new material that's “landing” on your desk.

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## Home-Sell Planning

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The resale value of a home affects most homeowners because most homeowners will sell their house someday. Most homeowners know what determines a home's marketability - curb appeal, location, design of the house, interior style, size, price, etc. and that the price is determined by recent sales of comparable properties.

When building a new home, it is important to keep in mind a sense of proportion to the neighborhood. The new home shouldn't stand out in a drastic way in terms of the square footage, the size of the lot, or design. In other words, the appearance and features of surrounding homes should be considered when building a new

home or remodeling an existing home. It is not a matter of being identical to other homes in the area; it is simply to be part of a complementary blend of homes in the neighborhood.

As to building in improvements to an existing or new home some features such as a swimming pool should be seen as enjoyment for the current owner and not necessarily a cost that will be recovered when selling the home whereas adding an additional bathroom or updating/up-grading a kitchen may be recoverable costs and certainly add appeal to future buyers. These considerations can determine how marketable the new house will be when the time comes to sell.

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## Keeping Home Safe

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When you are away, there are proven ways to project that your house is occupied whether you are on vacation or just out for the day:

- Set your radio on a talk show or news format to project the sound that someone is at home.
- Set two or more timers that are programmed to different times to project visually that someone is home.

When traveling, ask a friend to pick up your mail and newspapers and have a mailbox large enough to hold a day's mail from view.

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