



OMG on the Flip Side...

As we prepare to ring in the New Year, OMG reflects on a great 2006. OMG expanded physically with the addition of a Truckee, CA office.

Molly Coin, Client Services Coordinator, joined the team in Truckee to facilitate customer service from beginning to end. Molly brings with her a background in Real Estate and Research and Development. Shawna Hale, Mortgage Consultant, joined OMG this year as well. She hopes to develop trusting, lifelong relationships with her clients, realtor partners and team members



while providing the guidance and structure to make the purchase or refinance of every home a smooth one.

Two Mortgage Consultants

Co-Originators Janet Wees and Ephraim Schwartz

formed a team this year. Ephraim Schwartz and Janet Wees joined forces this year as Co-Originators. Making themselves even more available to their clients 7 days per week, the new team works together making clients financial dreams come true.

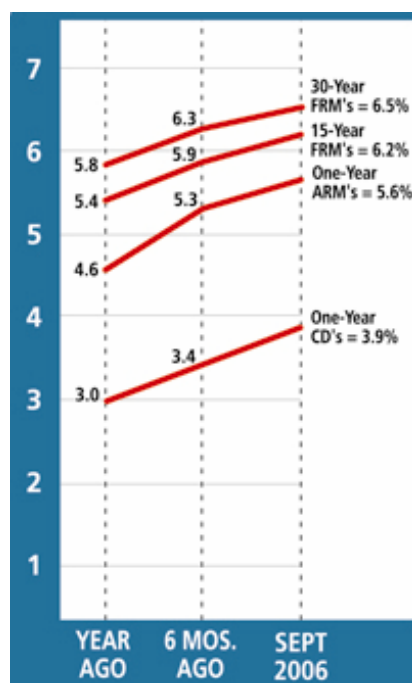
The OMG "Baby Boom" continues at it's usual pace. Client Services Coordinator, Claudine Kratz is expecting her 2nd child in April. Last month, Teresa O'Dette's partner, Julie Thew gave birth to their second child, Ethan ... more on the way....

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Key Interest Rates At A Glance

Rate trends over the past year as of Sept. 2006



FRM = Fixed Rate Mortgage
ARM = Adjustable Rate Mortgage

"Nothing endures but change."

—Heraclitus

Taxes, Savings and W-4s



Income tax refunds are used in a variety of ways including paying down credit card debt, helping to pay for college tuition or just to purchase something. But, they do not help savings.

Refunds result when taxpayers have more money withheld from their paychecks than they actually need to pay their federal income taxes. It amounts to lending their money to the Government interest-free.

In today's complex tax laws, so many factors change how much tax

is owed that taxpayers often don't know they have over-withheld until it's too late.

It is increasingly difficult to get the W-4 right. In order to come close to the "correct" amount of withholding, employees need to fill out new W-4s almost every year.

Financial planners advise people who want to save money to reduce withholding and set aside the extra money in a separate account.

Here's how to save without getting a big income tax refund:

- Fill out a new W-4 form for your employer every year.
- Use the IRS W-4 calculator to decide how many allowances to claim. Go to www.irs.gov and click on "IRS Withholding Calculator".
- Direct your reduced withholding into a separate account and save it or pay down credit card debt.

Air Quality Inside

ACH (Air Changes per Hour) is the measure of how much air is flowing into and out of a home. Generally, the volume of air in a house should be replaced every two or three hours. That translates to between .33 and .50 ACH (when the house is not being ventilated). Higher rates mean that cracks, holes and other openings are letting too much airflow in and out.

Lower rates could mean the house is too tight and could contribute to indoor air pollution. In the latter case "controlled ventilation" such as opening windows will allow a higher rate of air change. A professional contractor can measure the air change rate and look for "uncontrolled ventilation" such as poorly sealed windows and leaky ducts.

Thinking and Speaking

We all know the phrase "get to the point". Now there is research that supports brevity. We think at a rate of 600-800 words a minute, but we speak at a rate of 100 to 200 words a minute.

Since we think faster than we speak, there is time for our minds to wander when we listen to someone else talk. So, in order to get and keep someone's attention, practice this thinking... "Get to the point".

Kids and Money

Jonathan Clements, writer for the *Wall Street Journal*, suggests that one of the best ways to teach



children about money is by storytelling. Tell the family stories by choosing the stories carefully and enlist the grandparents. Use family album photos to tell the "financial stories" that go with them and set a good example. Carrie Schwab-Pomerantz, author of the book *It Pays to Talk*, says, "Kids may still roll their eyes at their parents but when they grow up, they'll be telling those same stories to their kids."

Playing is Healthy



According to Professor Gordon Burghardt, of the University of Tennessee, play serves more than 30 developmental functions... from motor skills to cognitive skills to self-esteem. Professor Burghardt is author of *The Genesis of Animal Play: Testing the Limits*.

Research shows that a kindergartner laughs 300 times a day and an adult laughs only 17 times a day. But, play is not only for children. Play is a fundamental need like air, water and food. It brings people together and it's never too late to add play back to healthy daily diets.

Food Shopping

Marion Nestle, is professor of Nutrition and Food Studies at New York University and author of *What to Eat: An Aisle-by-Aisle Guide to Savvy Food Choices and Good Eating*. Among her tips on grocery shopping: stick to the periphery of most stores as that is where you will find the necessities to eat well; choose local produce for freshness; and, for more healthful packaged foods, look for packages with short ingredient lists. For the latest nutritional tips, visit the US Department of Health and Human Services website at www.nutrition.gov.



Home "Nose" Appeal

The top two influences that affect people when shopping for a home are sight and smell.



The way a home smells can have a direct impact on a prospective buyer's overall perception of a house even before they have viewed the entire home.

A pleasant fragrance makes a home warm and inviting to prospective buyers.

Among the offensive smells are pet, smoking and lingering cooking odors. When selling a home, knowledge is key and being prepared is a must. Using fragrances to neutralize bad odors and leave a fresh clean smell is essential.

Energy and Tax Savings

Congress passed an energy bill last year that includes several tax credits for home improvements that are energy-saving. The credits are limited to eligible improvements made between December 31, 2005 and January 1, 2008. One of the credits is for 10% of the cost of eligible improvements up to a cap of \$500.

The credits are limited to improvements to your primary home. Tax credits are more valuable than deductions because credits represent a dollar-for-dollar reduction in your tax bill.

Education as Investment

According to the College Board, four years worth of tuition, fees, books and supplies at a public university costs about \$20,000 and a private university costs about \$80,000. Room, board, transportation and other costs raises the total cost to about \$50,000 for public universities and \$110,000 for private. However, when viewed as an investment for the future, the lifetime gain can be substantial. Although it varies based on the field of study, the gain can be several times the above costs over a lifetime.

Review Your Mortgage

Nearly 280,000 Americans lost their homes through foreclosure last year. However, half of them never even talked to their lenders.

While the number of homeowners with past-due loans is still low by historical standards at 4.4%, it's expected to rise this year and next because almost 5 million American families will see their adjustable-rate mortgages reset to higher interest rates.

Now is the time to dig out mortgage documents and figure out when, by how much, and how often payments can rise before any potential problem arises.

Closet Spacing

Julie Morgenstern, author of *Organizing from the Inside Out*, suggests the following low cost ways to have a well-organized closet:

- Empty your closet – toss or donate anything you don't need.
- Put clothes back first – hang short items on one side and long on the other, leaving room for a shoe rack or in-closet dresser.
- Hook an extra rod.
- Use dividers for sweaters and t-shirts.
- Hang a tie organizer on the door.

What is RESPA?

RESPA is short for Real Estate Settlement Procedures Act – A federal law requiring mortgage lenders to provide home mortgage borrowers with information on known or estimated settlement costs. It also establishes guidelines for escrow account balances and the disclosure of settlement costs.

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