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A NEWSLETTER FOR CONSUMERS

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Home Business And Taxes

The Internal Revenue Service (IRS) divides business activity into three separate categories. You should align your business tax planning and documentation into three areas as well:

Income

All money deposited into your bank accounts will be considered income unless clearly identified and provable as non-income. In addition, the IRS conducts cash flow analysis on individuals (income vs. expenses) to look for additional income that may not have been deposited or reported.

Expenses

Individual bills, invoices, receipts, time sheets, usage logs, and credit card slips are needed to support business expenses.

Proof of Payment

Method of payment on all expenses listed above is needed to prove payment of business expenses to be deductible.

By following the path of the IRS, you can structure your accounting and record keeping to accommodate an audit. This will save you time and money spent in preparing for an audit "after-the-fact."

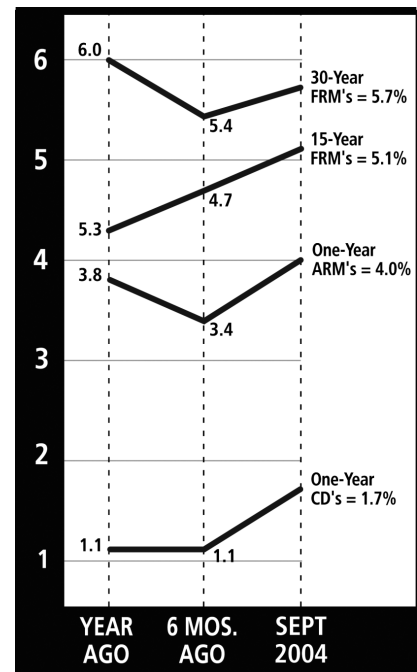
- Rodney R. Watkins & Associates Certified Public Accountant

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Key Interest Rates At A Glance

Rate trends over the past year.



FRM = Fixed Rate Mortgage
ARM = Adjustable Rate Mortgage

OMG on the Flip Side

OMG would like to introduce the newest member of our team, Janet Wees. She will be working side by side with Teresa and is available to answer questions regarding interest rates, loan programs, or future financing needs.

Our mission has always been to provide the best possible service in our industry. To reinforce that vision, OMG recently completed a 3 day seminar in Palm Desert designed with an eye toward customer service. The conference was also an excellent refresher course on the basic principles of mortgage origination. Palm Desert was followed by a one day seminar in Las Vegas featuring 3 of the nations top originators. While in Vegas, we had the opportunity to see the musical Mamma Mia. It was an amazing show, a 'must see' for ABBA lovers!

Home Security



Whether by a storm, fire or other power problem, an electrical outage can occur when you least expect it. Here are basic steps to take now to be prepared in case the power goes off:

- Put in place an emergency plan.
- Learn how to open and close electric garage doors/security gates manually.
- Have an emergency supply kit that includes: a phone that doesn't require electricity; emergency phone number; cash on hand; a first aid kit; bottled water and juices; packaged snacks and fruits; a manual can opener; and, if any family member depends on medical life support equipment, have a generator on hand.

For additional information go to the Federal Emergency Management Agency's website www.fema.gov/areyouready and they have a children's website www.fema.gov/kids/index.htm.

The Federal Government's Department of Homeland Security provides information on what to set aside in case of an emergency on their website www.ready.gov.

It's easy to forget about your emergency plan once it's in place. But you should periodically replace items that expire.

Unopened battery packs can last for seven to 10 years. Special "code red" batteries, available in D size only, have a 20-year shelf life if unused.

Food, water and medications also will have to be updated. Check the expiration dates. Food supplies in some emergency kits have a five-year shelf life.

Create A Message Center At Home

With everyone around you as busy, or busier than you are, establishing a "communications center" is a simple, yet important vehicle for communicating.

Pick an area in the house that is central to everyone living there and establish a message center everyone can (and hopefully will) use. Some things to keep in mind for your message center:

* The center must have a telephone so everyone can take messages and pin them to the board.

* Use a large monthly calendar for everyone to write appointments, dinner plans, birthdays for family and friends, and other special events.

* If you use a chalkboard for your messages, have lots of chalk available. Or, if you use a corkboard, have lots of pens, paper and tacks available. Make it someone's responsibility to check for supplies every week.

* Put a piece of paper on the board each week for people to list grocery or other purchased needs. That way, someone isn't having to run to the grocery store or pharmacy every other day.

You do not have to put a lot of money into a message center for it to be attractive and useful. Buying a simple corkboard and covering it with wrapping paper makes it more attractive and is easy to change when the covering gets torn or worn. You can even paint the frame of the board or cover it with ribbon. Making your message center attractive will hopefully encourage use of it.



Take Inventory

By taking a household inventory, you will have a record of the contents of your home in case of fire or theft. Photographs and/or a videotape of the contents of your home along with a list on paper and receipts, invoices or canceled checks will help you determine what's missing or destroyed.

Be sure to date the photos and videotapes—take pictures of each room from several angles and several close-ups to capture details.

Equally important is to make two copies... one to keep at your house and one to store away from your home such as a safe deposit box.



Protect Your Ideas

If you have an idea or an invention that you wish to act on or promote be sure to protect your brainstorm by obtaining a patent or trademark. For information, call the U.S. patent and trademark office at 800-PTO-9199.

For those who have a home-based business or are contemplating such a plan there is a website that offers on-line articles on marketing technology, new products and the benefits of starting your own home-based business at: www.gohome.com.

Home Buying Tips

If you (or someone you know) is looking to buy a home, here are the three important things to know:

Get Credit in Shape

A clean credit report helps you get a better loan rate. Also, make sure there are no mistakes on your report. Get rid of cards you're not using and don't make purchases that would require inquiries.

Establish a Budget

And, see your lender first. Determine what you can afford by getting a mortgage "preapproval" that allows you to house hunt like a "cash" buyer.

Find Your New Home

Remember that most real estate agents are paid by the house seller and their job is to get the highest price possible. Consider a buyer's agent who works for you.

Leasing A Car

The lease payment on a car is based on the difference between a car's selling price and the expected value (as a used car) when the lease is up. Your monthly payment will be lower when the lessor is willing to guarantee a high future value. At the end of the lease, you are ahead when the car's then "used-car" value is less than the "expected" value that was guaranteed in the lease.

There is a guide to leasing at www.LeaseGuide.com that explains the benefits of leasing compared to buying a new car.



Home Selling Tips

Martha Webb, author of *Dress Your House For Success*, offers the following important advice on preparing your home for sale:



"Bear in mind that buyers are looking for a house that meets their physical and psychological needs... the first four steps of uncluttering, cleaning, preparing and neutralizing speak to their physical needs."

However, to succeed at selling your house quickly and profitably, you'll need to evoke feelings that help a buyer see beyond 'what is' to 'what can be.' Neutral staging helps them find their dream house in yours." For more information, go to: www.bcwvideo.com.

To Your Health

In the journal of the American Dietetic Association the St. Louis University School of Public Health has noted that there are fruits and vegetables that contain the most nutrients and antioxidants.

As a comparison to other popular foods, dark salad greens and spinach provide more nutrients than iceberg lettuce; cantaloupe and squash contain more nutrition than corn; tomatoes and strawberries are better than apples; this is not to say you shouldn't enjoy all of the above—just that some foods are more nutritious than others.

Travel And Lost Luggage

There is luggage that is lost during travel and never "found." Actually the owner/traveler is never found. Unclaimed luggage usually ends up at the Unclaimed Baggage Center in Alabama. This store buys unclaimed baggage and sells the contents. The contents for sale are largely clothing but they also include cameras and jewelry. The pricing is considerably below retail prices. The store has a website at www.unclaimedbaggage.com.



Free Credit Reports

Under the U.S. Fair and Accurate Credit Transactions Act, you are entitled to a free credit report once a year from all three major credit reporting agencies... Equifax, Experian and TransUnion. The new act will be implemented over a period of time to prevent the credit reporting agencies from being overwhelmed with requests all at once. The agencies can be reached at the following: Equifax: 800-685-1111; Experian: 888-397-3742; TransUnion: 800-888-4213.

Home Energy Savings

In the winter, your heating system is probably your biggest energy user. The best temperature for your heater's thermostat is 68° Fahrenheit or below. Before bedtime, turn it down to 55°F or lower (or even off) for more savings. And, if you don't want to wake up to a cold house, let a setback thermostat turn the heat up an hour before you plan to wake up.

Vents are adjustable and you can control where heat goes. Try closing off a few of the rooms you don't use, along with their heating vents. But, don't close off too many rooms, or your furnace won't operate as efficiently. Also, remember to leave the vent open nearest the thermostat to ensure a proper temperature reading.

If you're in the market for a furnace, consider a high-efficiency

gas furnace. It's less expensive to operate. If you currently have an electric furnace, consider buying a heat pump.

Keep doors and windows closed on chilly nights. Weatherstrip and caulk your doors and windows. And, when you're not using your fireplace, close the damper.

Close blinds and drapes at night. It'll help to keep the cold out. And, be sure to open them in the morning so the warmth of the sun can help warm your home.

Insulate Your Home Properly

Up to 20% of your heating can be lost through your ceiling. That means you're paying for something you're not keeping. Proper insulation will keep your home warm in the winter and

cool in the summer. The higher the "R value," the greater the insulating power. Your attic must also be adequately ventilated to prevent heat build-up in the summer and moisture build-up in the winter. Good insulation also helps prevent this build-up. You can install insulation yourself or have a licensed insulation or roofing contractor assist you.

Keep Your Furnace Filter Clean

A furnace with a dirty filter has to work harder to heat air for your home. Check filters at least twice during the heating season and either vacuum or replace them. Also, check to see that heating vents are unobstructed so your system does not overwork itself getting heat into your home. Plus, it's a good idea to have your entire system checked yearly by a qualified heating contractor.