

OMG

O'DETTE MORTGAGE GROUP

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Financial Goals— Setting Dates

What are your tangible goals that require money and planning to achieve?

Gain financial independence? Send children to college? Send yourself to college? Buy a second home? Move to another state? Buy a luxury item? Start a scholarship or establish a charity? Take a year off to live in another country? Retire? Create a travel fund so your kids or friends can see the world with you?

No doubt you have some great ideas about how to use your money to create comfort or adventure for yourself and others in the future. This is a good start. Now, to really bring the goals to life, you need to set specific dates for their achievement. If you want to retire, for example, you need to ask yourself, When, exactly, do I want to be able to stop working? You could decide that you wanted to stop working when you reached age sixty-five, so you can easily determine exactly when, including the day. You're looking for an answer like December 12, 2030.

It's interesting that even someone who hasn't thought about this before often has no trouble coming up with a precise answer. As they think about this question, most people have the same reaction: They quickly come up with a significant date, such as a birthday, anniversary, or the first of the year. Choose dates that mean something to you.

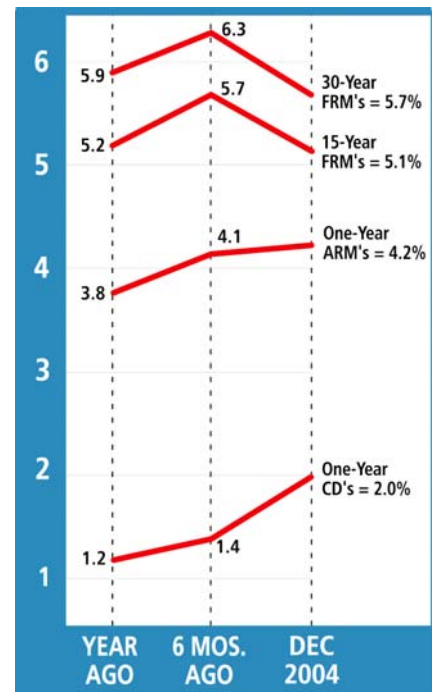
—Bill Bachrach, author of *Values-Based Financial Planning*.

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Key Interest Rates At A Glance

Rate trends over the past year as of Dec. 2004.



FRM = Fixed Rate Mortgage
ARM = Adjustable Rate Mortgage

OMG on the Flip Side

The fourth quarter of 2004 brought new additions to the OMG family! Something is in the water at OMG, as Janet Wees, OMG Mortgage Consultant, and husband Todd, are expecting their first child, a girl, this August. Mortgage Consultant, Kim Borgna and husband Dante are expecting their second child this October. And finally, new OMG Mortgage Consultant, Andrew Kojane, and wife Renee are expecting their first child, a boy, March 28th!

Congratulations were handed out to Amy Hauptert, OMG Production Partner, and husband Billy for completing the Birkebeiner Ski Race in Wisconsin this year. The race is the largest Cross Country Ski marathon in North America (see picture on page 4).

In a continuing effort to give back to the community, Teresa O'Dette was recently elected to the North Tahoe Fire Protection Board of Directors. The North Tahoe Fire Protection District provides emergency services to nearly 18,000 people in a 31 square mile area.

Free Credit Reports



Along with passing the Fair and Accurate Credit Transactions Act, Congress required the creation of the AnnualCreditReport.com whereby consumers can obtain a free copy of their credit reports annually from the three national credit bureaus (Equifax, Experian, and TransUnion) at one centralized location online.

You do not have to order all three reports at the same time. (Eligibility for free annual credit reports are being phased in on a schedule that started in the western region and moves toward the east coast over several months).

Online Security

The Federal Government has free information about staying safe while surfing the internet. There are ways that others can track every move you make on the computer.

That means you need updated antivirus protection and a firewall to stay safe. For a free copy of "online security and safety tips" call (888) 878-3256 dept. 80, or go to www.pueblo.gsa.gov.

As to website security, you can tell if a website is secure by looking for small closed-lock icons like  and  at the bottom of your browser window when you're asked



to enter your personal information on a secure order form.

Adjustable vs. Fixed-Rate Mortgages

Adjustable Mortgages

The popularity of adjustable-rate mortgages (ARM) has created a dictionary of terms that savvy buyers need to understand before financing their homes with an adjustable rate loan.



THE INDEX. This is the basis in which the interest rate will adjust. Some move more slowly because they're averages, such as the 11th District Cost of Funds and these are preferable in a market when interest rates are climbing. Others move more quickly, such as the six-month CD rate or one-year Treasury Bill and are more attractive when interest rates are falling.

THE MARGIN. This is the lender's profit, tacked onto the index to create the total interest rate charged.

THE CAP RATE. There are two to be concerned about: The life cap is the maximum amount the interest rate will ever be for the loan. The annual cap is the highest the interest rate can climb each year.

THE POINTS. One point equals one percent of the loan amount. This is charged by the lender as a loan-origination fee. Usually, as this goes up, the margin goes down and vice versa.

When shopping for an ARM, become familiar with the index used, the margin, maximum annual payment and interest increases, lifetime "cap" maximum interest rate and see if the ARM is assumable, by a future buyer of your home.

Fixed-Rate Mortgages

If you plan to stay in your home less than seven years, an adjustable-rate mortgage (ARM) can save you interest. If you plan to keep your home over seven years, a fixed-rate mortgage is usually the safest. Should interest rates plummet, you can refinance. If interest rates rise, a fixed-rate mortgage protects you because your payment cannot increase.

Protection From Phone Offers



Follow these guidelines to protect yourself:

- Check all unsolicited offers with your Better Business Bureau.
- Don't assume a friendly voice belongs to a friend.
- Never give your credit card, checking account or social security number to an unknown caller.

For additional information, go to www.consumer.gov/knowfraud

Taxes and Charities



For tax purposes, be sure that a group is a charity. For your gift to be tax deductible, the non-profit entity has to be registered as a 501(c)(3) with the IRS. If there is any doubt, ask the charity for a copy of their letter of determination from the IRS or find the charity at www.irs.gov ... Click on "Charities and Non-Profits"; click on "Search for Charities"; then click on "Search Now".

As proof of your contribution, canceled checks or credit card receipts are best.

Identity Theft and SSN

According to the Federal Trade Commission, "identity theft" is the most frequent consumer complaint. Two actions you can take are: 1) to always say no to anyone who calls (even your bank or credit card company) and asks for your social security number and 2) contact the three main credit bureaus and request that your reports not include the first five digits of your social security number.

The web sites for the three credit bureaus are Equifax www.equifax.com, Experian www.experian.com and TransUnion www.transunion.com.

Traveling With Documents

When traveling abroad, there are the essentials we all know to carry with us such as Passport, driver's license, printouts of hotel/car reservations and e-ticket itineraries. But there are other important papers regarding living wills, organ-donor cards and medical information

that you might want to consider taking with you.



Mortgage Loan Limits Rise

The Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) are allowed to adjust their loan caps once a year depending on how much home prices have risen. The new loan limit is \$359,650 up from the previous \$333,700 limit. In late 2004, the average U.S. home cost \$264,540... an increase of 8.5% over October, 2003.

Home Projects That Pay

The prime home improvement projects that increase home resale value are updating your kitchen and bathrooms. A new bathroom can increase the resale value of your home



up to 130% of its cost and a renovated kitchen can add up to 95% of its cost to the value of your home at resale. If possible, why wait until you want to sell when these upgrades can improve the quality of your life today?

Home Ventilation and Insulation

Here are warning signs to be aware of in terms of potential ventilation and insulation problems existing in your home!

- Water stains on the walls or ceilings near the exterior walls;
- Mold growth under the roof deck or a musty smell in the attic;
- Rust on nails or rust spots on insulation.

If necessary, have a qualified contractor check these signs and determine any action that may be needed.

Amy Hauptert at the Birkebeiner



North Lake Tahoe & Truckee Sales Data

Guest Column by: Neil Morse, Coldwell Banker North Tahoe Region
www.northtahoeproperty.com

“What a year”

- Total single family dollar volume increased by 33% over last year to \$1.2 billion
- Over 214 Homes were sold for over \$1 million—up 48%
- Tahoe City area single family median rose 24% from \$475,000 to \$589,000
- Truckee area single family median rose 24% to \$539,000
- The median price of a condo sold in the basin rose 27% to \$352,688

Out of a total 2,329 transactions, 659 involved Coldwell Banker or 28% of the market share. Prudential captured 20%. Around the lake Coldwell had 32% of market share followed by Prudential with 22%.

Current Market Conditions: “Think low inventory”

- Single family residence for sale around north lake: 93 Condos: 16 (active listings)
- Single family residences for sale around Truckee: 123 Condos: 34 (active listings)
- Current Median Single Family: \$1,095,000 (Tahoe City to Emerald Bay)* (93 Listings)
- Current Median Single Family Truckee: \$899,000 *(123 Listings)

***These numbers will change due to inventory but remarkable at this time**