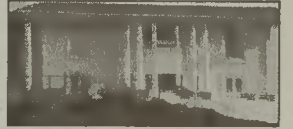


5C

REAL ESTATE

ROLAND
HAWKINS

Changes for the new year

Another new year is here.

This time of the year, most of us start reflecting on the past year's accomplishments and growth.

Many of us will make New Year's resolutions to either improve our physical condition or location.

Speaking of changing location, a record number of individuals became first-time homeowners in 2003.

Obviously, interest rates had a lot to do with the enormous home purchasing upsurge. The home ownership party isn't over yet, but it is starting to wind down. Although interest rates are predicted to rise in 2004, most trade and industry forecasters foresee a stronger economy in 2004 according to current financial indicators.

Many lenders have recently raised their minimum credit score requirements on some home mortgages. Some economists and mortgage experts have expressed concerns that consumer credit has become too easy to obtain and are applauding these changes.

There is a good chance that a renewed real estate market will greet potential homebuyers in 2004. Just like the world we live in today, tomorrow (the new year) has a strong possibility of changing without much warning. For instant interest rates that have quietly been climbing upwardly may not be so subtle by the middle of the year. Do not be surprised by a higher frequency of interest rate hikes in 2004.

Substantial higher interest rates and tighter underwriting guidelines will decrease the home purchasing power for many. People with marginal credit will have a more difficult time qualifying for mortgages.

A tighter mortgage rate market will mean tougher home purchasing requirements. These changes will also dramatically affect some of the mortgage programs that were designed to help marginal credit applicants. The changes so far are relatively modest and are unlikely to affect most consumers who have better than average credit and cash reserves.

For those that have less than a satisfactory credit history and want to be in position to purchase a home in the future, get prepared. As part of your home buying preparation, the first and foremost thing to do is to understand your credit rating.

Your credit rating and scores will play a vital role in your financial purchasing capabilities. A credit-scoring grid estimates an individual's credit worthiness based on the information in their credit report.

If you have never seen your credit report, you may be entitled to a free copy. Information on credit reports is not always accurate. That is why you should periodically check your credit statement for discrepancies. Don't wait until you need to test your purchasing power to find out that you have to address a challenge.

Some people have car payments that are higher than their potential mortgage payment. Before purchasing that new car, first consider purchasing a home. It's a good idea to buy a home with a garage before purchasing that car. It may also be easier to qualify for a home mortgage without a huge car payment.

Do not miss out on today's home ownership opportunity because you do not have a good handle on your credit rating.

Purchasing a home may be one

Please see **CHANGES/6C**

Warm home with taste of the tropics



PHOTO/ARA CONTENT

JAIMA
BROWN

Tropical decorative motifs, such as palm trees, monkeys, pomegranates, and the pineapple that symbolizes "welcome," endure for

many reasons. Not only are they intrinsically graceful in their own right, but they are also evocative of a relaxed, comfortable, leisurely way of life. Their reflection of ease and warmth has made these motifs popular for generations, and they are enjoying another home fashion renaissance now. They coincide beautifully with the trend toward such nature-friendly materials as bamboo, wicker and rattan. They also relate to increased interest in exotic places,

such as Key West and Bali.

Pineapples and pomegranates add an international flavor to the traditional basket of decorative fruits. Monkeys represent a gender-neutral motif, easy to decorate with and especially appropriate for shared spaces, such as the master bedroom, where men may raise objections to an abundant use of florals. While tropical themes are ideal for decorating a vacation home in a southern climate, they can also carry their

luxurious sense of comfort to the harsh winters of the north.

Patterns in the Ellison Bay collection from Maxwell's Piper Designs division offer an example. The collection takes its name from a beautiful inlet on the Wisconsin side of Lake Michigan — an idyllic summer resort that is snowbound for much of the winter. While pineapples, interspersed with tropical flowers are in perfect sync with the surroundings in summer, they bring the welcome glow of summer to winter's short, dark days.

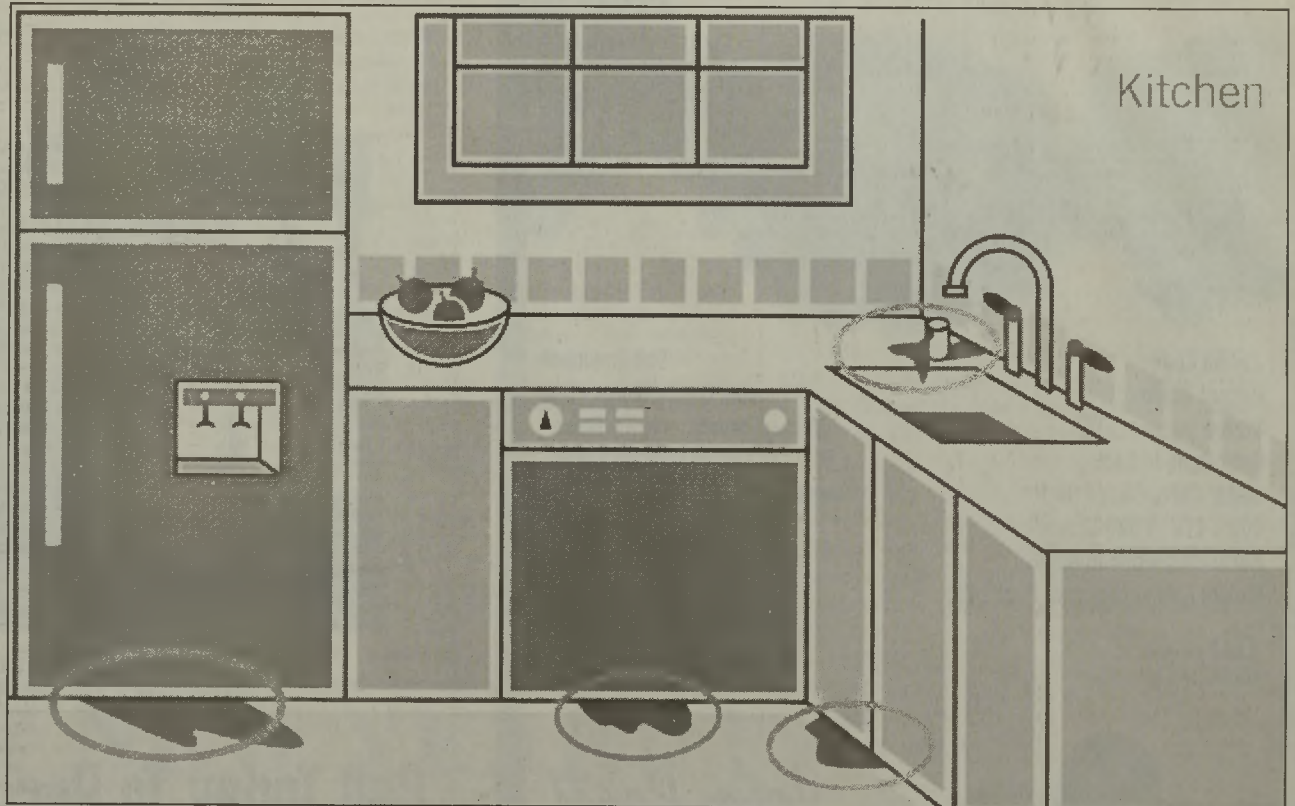
For added winter warmth, we used this pattern in red in an entryway. It is installed above a white molding at chair-rail height, and topped with its even more densely floral coordinating border. A harlequin pattern in matching red runs from the chair rail to the floor.

Classic ring-tail monkeys meander along tropical branches in a design in Maxwell's Vintage Colonial collection, which also contains matching borders and a coordinating cheetah print. All three help unify a master bedroom and adjoining dressing area, while also making each space distinctive. To produce a "positive/negative, reverse" visual effect, we combined the monkey wallpaper with a white background and a border of the same design on a black background. This stunning pair of patterns extends along one wall into the dressing area that is otherwise wallpapered completely in the cheetah pattern.

Because Maxwell collections use color families to make coordination easy and mixing and matching foolproof, this cheetah's spots are perfectly color-matched to the monkey's fur. Such coordination also makes it easy to add true decorator distinction. For example, we covered the two shades on the sconce at the entry to the dressing area with the cheetah wallpaper print. Details like this bear the mark of professional interior design and become a signature of your great taste of the tropics.

The most dramatic of all

Please see **WARM/6C**



PHOTO/ARA CONTENT

Small leaks can become a big drain on wallet

ARTICLE RESOURCE ASSOCIATION

While most homeowners have nightmares about natural disasters such as tornados, hurricanes and hail damaging their house, it tends to be the more mundane occurrences like undetected leaks and burst pipes that are the most common cause of water damage to personal property.

"On average, almost three-fourths of our home water-loss claims each year are caused by an appliance people use every day, such as a washing machine, water heater or refrigerator," says Georgie Anderson, Safeco claims adjuster. "I vividly remember a recent incident where the homeowner put a load of laundry in

her new front-loading washing machine and then left for a soccer tournament. When she returned hours later, she discovered that although the door had popped open mid-cycle, the washing machine had continued to run all day, spouting untold gallons of water into the laundry room and surrounding area."

The good news is that taking a few easy steps now can prevent a lot of trouble and expense later. Anderson points out that many common water problems are easily avoidable with simple maintenance.

"Spending just \$10 on a new hose for the washing machine can prevent thousands of dollars in property damage."

Homeowners who experience water damage might be surprised to find out how expensive ignoring routine maintenance can be. Some find their insurance doesn't cover the damage and they're left with the bill.

"Most policies don't cover damage caused by poor maintenance or neglect," says Jim Arciere, vice president of Safeco Claims.

Even with a covered loss, the homeowner still needs to pay the policy's deductible and deal with the hassle of cleanup and repair. To help homeowners pinpoint possible problem areas in their homes, Safeco is launching an

Please see **SMALL/6C**