Pro's job is to watch your back

Continued from page 3D

after the affairs of his or her clients with the same proficiency as he or she would look after their own.

When you are ready to buy a home, start by hiring a real estate professional. The purchasing of your dream home should be a pleasurable experience. Hiring the right people will keep everything simple and rewarding for you.

ROLAND K. HAWKINS is a Real Estate Agent with Coldwell Banker United Realtors. He can be reached at (704) 840-5762 or www.rolandhawkins.com

From wine to Wedgewood, insure your collectibles

Continued from page 3D

coverage for valuables and collectibles.

• Misconception 1: "I insured all my collectibles five years ago so I'll be covered if anything happens."

Reality Check: If your collectible appreciates in value, in most cases it will be covered for its last appraised value, not for its appreciated value.

Tip: Conduct Periodic Appraisals. Although a few insurers, including Fireman's Fund, will pay replacement costs of up to 150 percent of the insured value if the value of the collection has escalated, it is still best to conduct periodic appraisals to ensure full coverage. Have all your valuables and collectibles appraised at least every three years. An appraisal should include the artist, date, media and title of the work, dimensions, notation of condition, summary of provenance, and photographs (front and back). When getting an appraisal, request a second copy to keep in a safe deposit box or a copy that can be stored digitally off-site from your home. As your artwork appreciates, be sure that your insurance limits reflect that increased value.

• Misconception 2: "My grandmother's Tiffany lamp is insured for its market value, but its sentimental value is worth so much more to me. Clearly insurance would never consider the sentimental value."

Reality Check: Insuring an object can help mitigate the sentimental loss if a piece is damaged.

Tip: If a beloved piece is damaged, a knowledgeable insurer can work with you to have it restored by a qualified art conservator. If a piece of fine art is stolen, the best insurers can also coordinate with law enforcement and art investigators to retrieve pieces that have been stolen. Recently, when a valuable stolen painting was put up for auction, Fireman's Fund Insurance was part of the recovery action that helped return the piece to its rightful owner years after it had been stolen.

• Misconception 3: "I bought a precious vase while vacationing in Europe, but damaged it before I was able to add it to my current insurance policy, so I'm out of luck."

Reality Check: Some insurance policies automatically cover valuable items as soon as they are purchased, if you already insure similar items. This automatic coverage may extend for weeks or months.

Tip: Before you travel, it's always a good idea to check your insurance policy to see what is covered, especially if you're planning on visiting art galleries or adding to your collection.

Whether your collection has been handed down for generations, or is just beginning to take shape, seek an insurer with an established record of catering to the specialized needs of collectors.

Their policies usually contain coverages over and above those for standard valuables, and their on-staff experts will help you protect your passion by providing specific advice, access to professionals and expertise in handling damaged items.

Make your house a hot property

Continued from page 3D

ly building the Hot Property brand," says Walters. "We believe that Hot Property will continue to grow and stand for excellence in real estate and this sitcom is another opportunity for gaining wide-spread brand awareness.

Log on to www.hotproperty-online.com to find out more about this innovative real estate company; visit www.abc.com to learn more about the sitcom Hot Properties.

Confused by all the mortgage options

Continued from page 3D

Adjustable rate loans

Many people who choose adjustable rate mortgages also qualify for fixed rate loans. However, the lower initial interest rate of adjustable rate mortgages and the opportunity to take advantage of lower monthly principal and interest payments have made home ownership more accessible to more people. With most adjustable rate mortgages, your interest rate is fixed for a set period of time and then begins to adjust for the rest of the loan's term.

Getting the right loan

Mortgage professionals suggest you keep a few key tips in mind when navigating the various mortgage product choices.

First things first. People looking for a home tend to focus on finding a home before they think about what kind of mortgage they'll get. That could be a mistake, says Tony Meola, executive vice president of home loans production for Washington Mutual. "Many people look at the mortgage as secondary in the home buying process, when that's really where they should start," he says. "A mortgage professional can tell homebuyers how much home they can afford before they start shopping." That, says Meola, can save both time and heartache by making sure homebuyers don't fall in love with a house they can't really afford.

The low-down on down payments. Meola says that the amount of money a buyer needs to put down on a home in order to buy it is one of the most misunderstood concepts in home buying. "Some people think they need to make a down payment of 50 percent of the home's price," he says. "But most loans are based on a 20 percent down payment."

Check the amortization schedule. How long will it take to own the home? Home buyers can discover a lot about a loan by reviewing its amortization schedule, which tells you exactly how much of each mortgage payment is going towards interest and how much is going towards principal.

Affordability. Be sure to keep in mind both your mortgage payment amount immediately after buying the home and what it might be in the future. Of course, if you choose a fixed rate loan, the principal and interest payment never changes. But if you choose an adjustable rate loan, you need to ask yourself if you will be able to afford the payments in the future.

Understand negative amortization. Some home loans offer attractive monthly mortgage payments but at times those low payments don't cover the interest portion of the loan. When that happens, part of the principal amount is deducted, resulting in what lenders call "negative amortization." Simply put, it means you are losing equity in your home.

Get expert help. With so many options, the lending process can mystify anyone. Lending professionals, such as qualified lenders or mortgage brokers can help you review your options so that you can select the right mortgage product based on your financial situation and long-term goals.

When debt mounts, take action to prevent home foreclosure

Continued from page 3D

executive director of the Homeownership Preservation Foundation, too many American homeowners live on the financial edge. "They're just one crisis away from financial disaster," Fricke says, who notes that job loss, a health issue or divorce are among the most typical life events encountered by the Foundation's counselors in working with homeowners.

If you're a homeowner whose debt is continuing to grow and you're finding that you're having more and more difficulty paying your bills, the Homeownership Preservation Foundation recommends that you consider taking the following action:

1. Take a close look at your bills - unopened envelopes or a steadily growing pile of bills from utility companies, your mortgage company, etc., are the most immediate sign you have a problem.

2. Open letters from your mortgage company and other creditors. Don't ignore these letters.

3. Admit you have a problem and dedicate yourself to getting help. If you don't get help and avoid your mortgage company and other creditors, you will damage your credit and, more importantly, you may lose your home.

4. Don't take it on yourself. Call for help. Call your mortgage company to understand what your options are.

5. If you don't feel comfortable calling your mortgage company, call the Homeownership Preservation Foundation at (888) 995-HOPE to receive free advice from counselors who work for HUD-certified nonprofit agencies.

6. Beware of phony counseling agencies (deal only with HUD-certified agencies), as well as offers in the mail or by phone that seem too good to be true.

7. Create an action plan to first determine how to pay for essentials for you and your family (food, healthcare, clothing, essential utilities, transportation, and shelter).

8. DO NOT sign any papers you don't understand.

9. Determine if you have the cash flow to continue paying a mortgage, to refinance your current mortgage, or to determine if you should sell your home and find less expensive housing.

10. Set a long-term goal of getting and staying out of debt and ensuring steady cash flow.

The Homeownership Preservation Foundation (www.hpfonline.org) is a Minneapolis-based nonprofit organization dedicated to helping homeowners facing financial difficulties retain their homeownership.

OWNING YOUR FUTURE

Homeownership is a national priority. HUD is the nation's housing agency committed to increasing homeownership and dedicated to helping first-time buyers and minority families become homeowners. Each year, HUD programs and services help tens of thousands of families accomplish the dream of a lifetime: owning a home.

Most likely, you'll need to borrow money to buy a house. Getting a fair deal will help you to keep your home and boost your home equity wealth. Home equity is the part of the value of your home that belongs to you—the value of your house minus what you owe on the mortgage. Your goal is to get a loan that doesn't include high fees or a high interest rate. With low fees and a low interest rate, you can pay down your debt more quickly and own more of your house.

Watch You Wealth

The wealth you accumulate in a house is no different than money in a checking or savings account. Be as careful and attentive to your home equity as you would be to your bank account. Be cautious about refinancing or borrowing against your home equity. Remember, refinancing isn't always a good idea. Don't let someone sell you a loan you don't need or can't afford. Be wary of pitches like "NO CREDIT, NO PROBLEM" or random mail promising favorable mortgage rates. If it sounds too good to be true, it probably is.

For more information, call 1 (800) 569-4287 or go to www.owningyourfuture.gov and select "Buying a Home."