

6D REAL ESTATE

Options for mortgage rate

It is not always a clear choice between an adjustable rate and a fix rate mortgage in a rising interest rate market, like the one we are in now.

As interest rates rise so does consumer's consideration of the Adjustable Rate Mortgage as a viable financing option. There are several adjustable rate options currently available to homebuyers. Lower initial home loan payments tend to be particularly attractive to first time homebuyers with limited incomes and buyers who believe they will only own the property for a short period of time.

You can choose from a traditional 1-year adjustable up to a tempting 10-year adjustable rate program. Between a 1-year and a 10 year term loan you can consider attractive 3-, 5- or 7-year adjustable rate mortgage alternatives.

Some lenders will try to entice buyers into considering ARM, with an eye on refinancing with a fix rate at a later time. A problem may occur with refinancing an ARM later, if interest rates continue to rise and this option is no longer a practical one.

Buyers must also be careful to avoid adjustable rate mortgage programs that contain the potential for negative amortization. All mortgages have amortization schedules. The timetable for re-payment of a mortgage loan principal and interest is called an amortization schedule.

Negative amortization is when a gradual increase in a mortgage debt occurs. This increase occurs when the monthly payment is not sufficient to cover both the principal and interest due.

It is prudent to avoid ARM products that contain the potential for negative amortization. This somewhat outlaw mortgage program could occur by obtaining an incredibly low initial interest rate. As loan interest rates rises, the loan payment remains the same for a certain time period. At the end of the specified time period the difference is added back in on top of the current principal due. This is called negative amortization because your principal balance actually increases instead of decreases.

This explains why you should avoid all loans that expose you to potential negative amortization. A loan like this could create huge problems for an impulsive purchaser.

As interest rate rise it is wise to shop for the best interest rate program that meets your family needs and budget. Remember, lenders are more competitive for the home buying business in a rising interest rate market.

As the consumer refinancing demand diminishes during rising interest rates environments, lenders are more apt the pay more attention to their home purchasing applicants.

Although we have been spoiled by the availability of incredibly low interest rate options over the past year, now is still a great time to purchase a home.

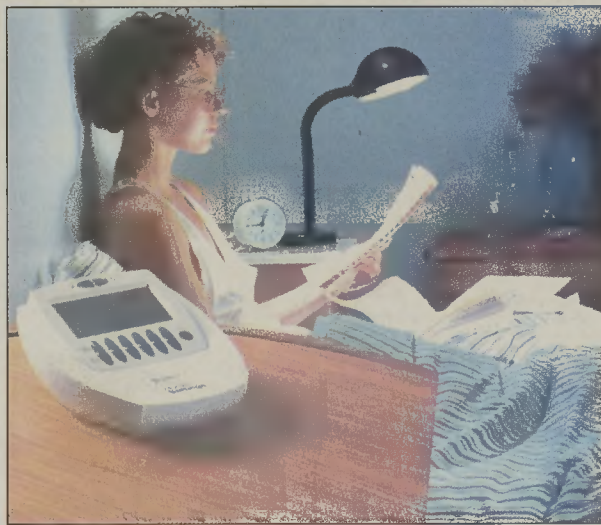
It is still a buyer's market and with many deals left to be made. Homebuyers must beware however, when considering adjustable rate mortgage programs with interest rates that appear too good to be true.

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ROLAND HAWKINS

Sensible burglary prevention measures start with basics



PHOTO/AFRA CONTENT

Handy devices can help deter break-ins 24 hours a day.

ARTICLE RESOURCE ASSOCIATION

Summer is busy season for burglars. According to FBI statistics, the greatest numbers of home burglaries occur in July, with August a close second.

In 2004, for instance, burglars entered a house, apartment or condominium every 14.7 seconds, making off with valuables worth an average of \$1,607 each time.

Art Noparstak, marketing manager for Intermatic, Inc and spokesperson for the national Burglary Prevention Council, an organization dedicated to the prevention of residential burglaries, states, "Sixty-two percent of all burglaries occur in daylight

hours, and almost a third are made without forced entry. Homeowners make the burglar's job too easy."

To prevent burglaries, Noparstak offers the following advice:

- Keep all doors, windows and garage doors closed and securely fastened. Doors should have deadbolt locks with at least a 1-inch throw and reinforced strike plate with 3-inch screws. All windows should have window locks.

- Cut up cartons for TVs, computers, stereos, etc. Tie the pieces together so a burglar going through the garbage does not

see any of your highly valuable household items.

- Do not leave ladders or tools lying around outside.

- Install a wide-angle door viewer (peephole) in your front door so you can see who is at the door.

- Don't put your name and residential address on your key ring. If you happen to lose it, a dishonest person could gain entry to your home.

- Use timers on lights, radios and TVs. Set light timers to turn on and off and random times of the day and night, making your residence appear occupied.

- Keep shrubbery trimmed away from entrances and walkways.

- When service or delivery people come to your door, ask for ID. If you're still not sure, call the police first and report the stranger. Next, call the company to confirm.

- Make a home inventory list, complete with photos or video. Engrave items with your ID to help the police identify your belongings. Store this list in a safety deposit box.

- Post signs in conspicuous locations that clearly indicate that the premises are protected by a burglar alarm.

"Consumers should also consider installing a burglar alarm around their home," says Noparstak. "It is a myth that burglar alarms need to be high-tech and cost thousands of dollars. There are many affordable options available, including window, door and table top alarms."

For more tips on safeguarding a home or apartment, visit www.burglaryprevention.org. To receive a free "Safe and Secure" booklet send a self-addressed, stamped envelope plus \$1 for postage and handling to BPC Literature Fulfillment, Intermatic Inc., Intermatic Plaza, Spring Grove, IL 60681.

Topics include evaluating your home's current safety measures, assessing your home's entry points, understanding what attracts burglars, and implementing a cost-effective security program in your home.

Room Redesign:



PHOTO/AFRA CONTENT

Teens can do it themselves

ARTICLE RESOURCE ASSOCIATION

In some ways, decorating a baby's room couldn't be easier. The room's primary occupant really doesn't have much to say about the d(v)cor. Enter the teen years. Now, she hates the pink carpet and floral curtains you thought were precious beyond words. He's into Japanese anime, and your clever pirate theme makes him want to walk the plank.

If your teen's room is overdue for a makeover, there is some good news: Your child is probably old enough now to do a lot of the work him or herself.

"Teenagers are all about independence, control and being cool," says Lisa Jerlstrom, parent of a teenager, and a trend-watcher and art buyer for Environmental Graphics Inc. "Allowing your child to

redesign his or her room not only lets them express their independence and look cool in their own space, it can be a great way to teach important budgeting and home improvement skills."

Here are five simple steps to help your teen tackle his, or her, own room makeover project:

Step 1. Set a budget. You can be generous, and give your teen some money to spend in the room. Or you can really drive home the financial lesson by making her create a budget based on her own sources of income - from allowances and part-time jobs to gifts from grandparents. Either way, make sure she understands she must accomplish her redesign with the money she has, just like in the adult world where going over budget would have serious consequences.

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