

HOME-VIEWS

Monthly Newsletter for Today's Homeowner

April 2007



Pros and cons of two of the most popular mortgage financing plans

According to the Federal Home Loan Mortgage Corporation (Freddie Mac), mortgage rates dropped slightly at the beginning of March. The 30-year fixed-rate mortgage averaged 6.18%, whereas last year at this time, it averaged 6.24%. The 15-year fixed-rate mortgage averaged 5.92%; last year at this time, it averaged 5.89%. The stability of low interest rates is that fixed-rate mortgages have become more popular than adjustable-rate mortgages.

The most popular residential mortgage is the **30-year fixed-rate** loan.

Pros – Because the borrower pays more interest than principal for the first 23 years of the loan, the tax deduction is substantial during that time period. The 30-year fixed-rate loan offers lower monthly payments than the 20-year, 15-year, or 10-year fixed-rate loan, and lower monthly payments enable homeowners to use their available funds to make other purchases



and investments.

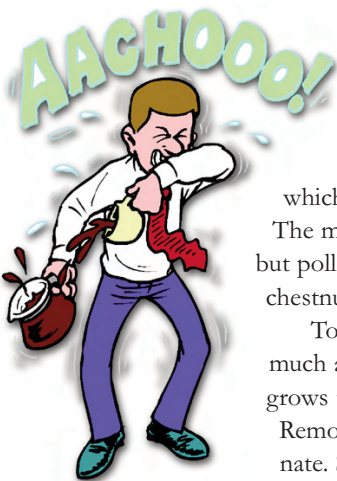
Cons – The borrower builds equity at a very slow pace because payments on the principal are relatively small. If the borrower chooses to make a low down payment, mortgage insurance may be required and that is an added monthly expense.

An increasingly popular residential mortgage is the **15-year fixed-rate** loan.

Pros – The 15-year fixed-rate loan often has a lower interest rate than the 30-year fixed-rate loan and offers much better

savings over the life of the loan. Principal balance is reduced relatively rapidly. The 15-year fixed-rate loan permits people to pay less than half the total interest cost of a 30-year fixed-rate loan, and equity builds up faster because a larger portion of the monthly payment is used to pay down the principal. This makes the 15-year fixed-rate loan advantageous for people who are approaching retirement or who are interested in owning their home relatively quickly. Because of the faster buildup of equity, borrowers can more easily obtain a second mortgage or various types of credit loans that can be used for other purposes.

Cons – Monthly payments on the 15-year fixed-rate loan are approximately 20-25% higher than they are on the 30-year fixed-rate loan when interest rates are the same for both loans. Also, the 15-year loan might be more difficult to qualify for.



How to reduce the exposure to allergens in your home

The most common allergy is hay fever (allergic rhinitis), which affects about 35 million people in the United States. The most common causes of hay fever are grass and weed pollens, but pollens from trees such as alder, hazel, birch, beech, cypress, pine, chestnut, and poplar can also trigger or aggravate the condition.

To reduce allergens in your home, keep your windows closed as much as possible during pollen season. Mow your lawn before it grows tall so that the grass doesn't produce seed heads and pollen.

Remove weeds from your yard before they have a chance to pollinate. Stay in an air-conditioned home and workplace as much as possible. Install HEPA air filters in your air conditioning system.

And be aware that pets often carry pollens into your home.

According to the American College of Allergy, Asthma and Immunology, about 10% of the U.S. population is allergic to some kind of animal. If you are allergic to your pet, there are some things you can do to reduce your allergies: vacuum frequently, wash your pet as often as possible, and keep your pet out of your bedroom.

Food for Thought



**"EVERYTHING
SHOULD BE MADE
AS SIMPLE AS POSSIBLE,
BUT NOT SIMPLER."**

-- ALBERT EINSTEIN --

Covering the trends in residential floor products

Homeowners are becoming increasingly aware of the numerous flooring products and options that are available for them to choose from. Soft-surface products (i.e., carpets and rugs) account for over 60% of flooring sales in the United States, but there is a steadily increasing demand for hard-surface products (i.e., wood and ceramic or synthetic tile). The three most popular types of residential floor coverings are:

Carpets and Rugs

Pros – There are hundreds of styles to choose from. Carpeting provides additional warmth in cold weather, absorbs sound, is very comfortable to walk on, and provides a nonskid surface.

Cons – Carpeting fades in direct sunlight, shows wear and tear, absorbs odors, collects dust, and shows water stains. Carpeting requires regular vacuuming and periodic steam cleaning. It has a comparatively shorter life span and needs replacing periodically.

Hardwood Flooring

Pros – Because wood has a relatively long life span and natural beauty, it increases home value and can be a strong selling point. Wood has high durability when sealed properly, can be refinished, and is easy to clean.

Cons – Unsealed wood flooring can stain, and even sealed wood flooring is susceptible to water stains due to prolonged leakage from roofs, broken pipes, and other sources of leaks. Wood floors can become slippery when wet.

Ceramic and Synthetic Tiles

Pros – Tiles are available in a wide range of designs, shapes, and sizes. They are very durable, have a long life span, and are fireproof.

Cons – Tiles can become slippery when wet.



Helpful information about home inspections

Even though home inspections are mostly not required when purchasing a home, obtaining a quality home inspection is a good idea. The Board of Registration of Home Inspectors recommends that buyers be present during the inspection in order to observe the inspector, ask questions, and obtain a better understanding of the condition of the home.

A home inspection is a visual inspection and should not be confused with an appraisal, a building code inspection, a guarantee of any kind, or an insurance policy on the condition of the house and property. The inspector should review the condition of *the roof, attic and visible insulation, walls, ceilings, floors, windows, doors, basement, foundation, heating and air conditioning systems, kitchen, bathrooms, and interior plumbing and electrical systems*. Some subjects that are not necessarily



included in a home inspection are lead paint, water quality, termites, air quality, radon gas levels, fungus, mold and allergens, and urea formaldehyde insulation. It is a good idea to be prepared by making a list of your concerns and questions prior to the inspection.

While home inspections seem like a must for home buyers only, the service can also be quite useful for the existing homeowner. Knowing what's going on inside your home will allow you to anticipate problems. If you're thinking of selling your home, settling these issues before putting your house on the market will make the entire process less difficult.

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