

Your Luxury Movers Team **Homeowner News™**

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How to Pay Off Those Holiday Purchases

A huge amount of personal debt can cause a person a lot of headaches and stress. And while every year millions of Americans make debt reduction one of their New Year's resolutions, like other resolutions this one usually goes unfulfilled. Perhaps what's needed is a solid plan that's easy to follow? Here is one such plan.

Save or Pay Down Debt?

The first step towards freedom from debt is to – save some money. \$1,000 would be a good start, and the sole purpose of this is to establish an emergency fund. Why save money first instead of paying down the debt immediately? Well, it is a little counter-intuitive on a first thought, but many financial experts advise taking this step first. Their reasoning is that a person without an emergency fund will have nothing to fall back on in case of an emergency, and will then be forced to use credit cards again if something happens. This would obviously throw your debt-elimination efforts off track, thus a safety cushion is necessary. Eventually (after the debts have been eliminated), the emergency fund should grow to about three-months-worth of your monthly expenses.

Elimination by Snowball

After the initial emergency fund has been established, it's time to attack the debt with gusto. The common advice is to start paying down those debts with the highest interest rate. However, many financial

experts recommend starting with the debts with lower balances instead. The reason? The "snowball effect." Let us explain...

First, list all your debts, their minimum payments and balances. Then decide what's the highest monthly payment you can afford for all of them. Pay minimum payments on all debts except for the one with the lowest balance – on that one make the highest payment you can. Once you pay it off completely, add that payment to the next lowest debt, and so on. By doing this, the monthly payment for the "target" debt will snowball as you go along, while your total monthly payments remain the same.

Let's use an example. Suppose you have 4 debts with minimum monthly payment of \$100 each. And let's say you can afford \$500 in total payments. Pay minimum payment (\$100) a month on each of the three debts with the higher balances, and throw the remaining \$200 a month on the debt with the lowest balance. Once that balance is completely paid off, add that \$200 to the minimum payment (\$100) of the next-lowest balance. Just like a snowball, your payment has increased – to \$300 a month. Repeat until all balances are zero.

The advantage of this approach is obvious. You'll start raking up victories sooner. And each time you pay off a balance, you increase the payment on the
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At the beginning of a new year, every real estate agent wishes for successful and busy times ahead. We are no different, but with this one caveat: that we are never too busy to get to know you personally and provide the level of service that you expect. Whether you are buying or selling, we make it a point to spend the time needed serving as your guides and making sure that you are confident with every step taken. Because, in the end, we measure success by the happiness of our clients, not by the number of homes sold.

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What Worried Buyers Want to Know Now

There have been mixed signals in the news about the real estate market lately. One month the media reports an increase in sales of homes, the next month a decrease. This paints a confusing picture about the real estate market, and leaves many buyers with more questions than answers. So let's put an end to the confusion, and let's go over some of the most important questions today's buyers have.

Is it still possible to qualify for a loan?

Absolutely. Listening to the news, you could easily get the impression that lenders aren't lending anymore. But they are. Even though it may have gotten a bit more difficult to qualify for a loan, it's still not too hard to do. If you have good credit, a stable income and are not overextended on credit or loans, you should easily qualify. Even if you have some dings on your credit, don't lose hope. There are still options.

How much will I need for a down payment, and what will my monthly payments be? The way to get the fastest and surest answers to these questions is to get pre-qualified for a loan. Pre-qualification involves answering only a few basic financial questions and has the added benefit of telling you the loan amount for which you can qualify. The added sense of confidence this information can give you as you look for a home is well worth the effort.

What if I overpay for a home? You won't. First, once you start looking for a home in a particular location, you'll get a sense fairly quickly about market prices there. Second, your real estate agent will let you know what prices comparable homes have sold for recently in that area. Finally, your lender won't let you. The lender will order a professional appraisal before approving your loan, and will not approve a loan for more than the appraised value.

What if there are problems with the home I buy? Home buyers have several protections against the possibility of discovering problems after closing. First, sellers must disclose known defects as part of a contract. They can be liable for damages should they fail to do this. Second, you will have the opportunity to get the home inspected by a licensed home inspector who will provide you with a list of problems that should be fixed before closing. Finally, you can purchase (or ask the seller to provide) a home warranty to protect you should repairs be needed after closing.



Is the paperwork involved in buying a home complicated?

Yes it is. But don't worry. There are professionals at every step who are trained and ready to guide you through the thickets. The individual who will be most involved is your buyer's agent. Remember that having your own agent won't cost you anything, since his or her commission is paid by the seller. A buyer's agent will steer you all the way through, from helping you find the right home, preparing an offer and negotiating on your behalf, to handling all the paperwork and being with you at the closing.

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next debt and speed up its elimination! Of course, it takes time to completely erase all debt – after all you did not incur it overnight, so you can't get rid of it overnight either. But this plan does work and the effort will be well worth it.

Playing Defense

Just like in sports, one must play good offense and defense in order to win. Both are equally important. Attacking the debt is the offense. Not incurring new debts is the defense. To help you play better defense, start by using credit cards less. Or better yet, don't use them at all. Leave credit cards at home. Cut them up. Freeze them. Start carrying cash. Many financial advisors suggest withdrawing a set amount from your bank account, and using cash to pay everyday expenses. It's been noted that when a person pays with the good old greenbacks, he or she spends less than when paying with plastic. When you really have to pay with a card (for example, when shopping online), use a debit card. Also, don't take out new loans needlessly. Yes, a new car would be nice, but wouldn't financial freedom be nicer? The most basic rule of personal finance says that a person should spend less than he or she earns. Trying to stick to that rule may sometimes be hard, but it's the only way towards a debt-free life.

Free
Special
Report
Available

The Seven Expensive Mistakes Buyers Frequently Make is a four-page special report that no buyer should be without. If you are thinking of buying your home soon, arm yourself with the knowledge that can help you avoid expensive mistakes too many people have made. Order this report today – there is no cost or obligation.

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How Your Money Runs Away Through Ducts

In the colder months we count on our furnaces to keep our homes warm. But the furnace is only one half of the heating system. The other half is the often-neglected ductwork. And it is an important part of your home – its efficiency (or inefficiency) can have an impact on your pocketbook, comfort, and even health. Here is what to keep an eye on:

Filters

While not officially part of the duct system, you might as well start with the filter. Its purpose is to guard against dust and small particles that might otherwise contaminate the furnace. A dirty filter can decrease the airflow to and from the furnace, thus making it less efficient. It can also negatively impact the air quality inside your home. It is advisable to change the filter several times during the cold weather season. Because they typically cost only a few dollars a piece, frequently replacing filters is an inexpensive way to make your heating system more efficient.



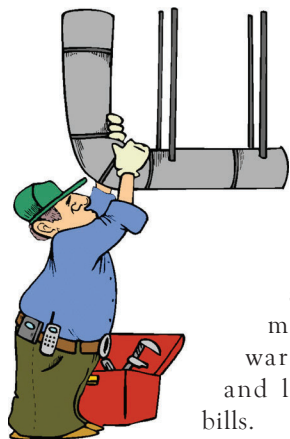
Damaged, Disconnected Ducts

To prevent the warm air from escaping through cracks and seams, it is important that your ducts are properly connected to each other, and that they have no holes in them. First, check for any damage that may have been caused by the people who have done work around your ducts over the years. Second, check the areas where the ducts connect to each other. If the connections are loose, the air may be seeping through them. Third, check for any blind-alley ducts. Those are the ones that lead nowhere either due to an installation error or because they broke off from the heat register that they were attached to. Blind-alley ducts not only waste a huge amount of



heat, but also may be responsible for that one cold room in the house. Ironically, duct tape is not a good choice for taping ducts. The joints between the duct sections should be sealed with a silicone caulking or special tape available from heating contractors.

Proper maintenance of your duct system can help save you money, keep you warm, and ensure that the air you breathe is clean. But other than filter replacement, don't try to make repairs yourself – hire a professional. Improperly done repairs can alter the way air flows through your house and increase indoor air pollution.



Much heat can be lost through the walls of an uninsulated duct system – as much as 25%-40% the experts say. This is especially true if your ducts run through the attic, crawl space or garage. Make sure that your ducts are properly insulated so that you may have a warmer home and lower utility bills.



Q: How do I decide how much to offer for a home?

A: Our answer is going to sound self-serving, but given our current market it is the most accurate one we can give: ask your agent. Due to the presence of short sales and foreclosed properties, the difference between the asking price and the final sales price can vary quite a bit between different parts of town. Only someone very active in the local market can know what is going on currently in the area that interests you. Fortunately for you, services of a buyer's agent are free to buyers, so the advice costs you nothing while helping you save money. So feel free to call or email us, and we will be happy to help - no pressure and no obligation.

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Have a tough real estate question you need answered? Just give us a call or send us an e-mail! Your questions will be answered confidentially at no cost or obligation.



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ARCHITECTURE CORNER

GEORGIAN ARCHITECTURE

The Georgian style first appeared in England in the early 18th century and became widely popular in that country until mid-19th century. It was named after four British kings named George who reigned during the same period. The style quickly spread to the Colonies via architectural pattern books. The affluent colonials of the time looked to England for fashion tips, and having a home in the fashionable English style was a must for those wishing to show off their wealth and sophistication.

Georgian homes are easily identified by their imposing, symmetrical, two-story façades, usually made of brick or wood. Double-hung windows are arranged in rows of five (sometimes three) and are also symmetrical. The front door is commonly decorated with pediment and pilasters. There is very little roof overhang, and the cornice at the roof is most often dressed up with dentils. The interior of a Georgian home is also designed to look formal and imposing. The grand hallway leads to each room on the main level, and the central staircase leads to the second floor. There are either two or four fireplaces present, depending on the size of the home. Walls are decorated with molding, and classical details are present throughout the home.

In America, the Georgian style fell out of favor after the American Revolution for the same reason it became popular – its association with England. However, the style was revived at the beginning on the 20th century due to a renewed interest in colonial past. This new period of Georgian architecture is commonly referred to as Colonial Revival.

