

# Your Luxury Movers Team Homeowner News™

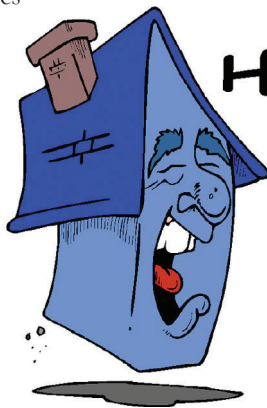
Jennifer Lange, Jason Kogok and Sharon Cooper ✉ [www.luxurymovers.com](http://www.luxurymovers.com)

## How to Know Your Home is in Distress

Homes have their own way of letting you know that they are in trouble. They do not use Morse code or messages in a bottle, but still the signals they send are often loud and clear. Ignore them too long, and both your home and your wallet could suffer. Here are some of the most common ones and what you can do about them.

### Damp crawlspace or basement

This is usually the sign of poor drainage, one of the most common problems that home inspectors report. If the ground around your home slopes toward the home, the water will flow towards the foundation. No matter how well built the foundation is, the water will eventually start seeping into the home. The milder side effect is that the home will become uncomfortable due to dampness; the more troublesome side effect could be the development of mold. On the most severe end of the trouble scale, structural damage could occur due to water weakening the foundation. To remedy this problem, you should have a licensed inspector check the drain lines around the foundation, and have any required repairs made as soon as possible. It also may be necessary to correct the slope of the ground around your house so that the water flows away from it. Finally, check your gutters - if they are clogged, damaged or missing, they could be contributing to the problem too.



# Help!

### Spike in energy bills

It is amazing just how much energy inefficient windows can waste. In the summer they make your air conditioner work overtime; in the winter they do the same to your furnace. The result is hundreds of dollars of your hard-earned money going up in smoke. Upgrading to Energy Star windows can solve this problem. The Federal Government has been offering a tax credit of up to \$500 for eligible window and door improvements until last year. If the tax credit gets extended for 2015, that could make the switch more affordable this year too.

### Mysterious water stains and odd smells

There are no obvious leaks anywhere, but you see water damage on walls and ceilings? There are musty smells too? These could be signs of an over-sealed home. Yes, sealing the home properly is important to save energy, but it should not be done at the expense of ventilation. Without proper circulation of air, the humidity in the home increases, and with it the moisture appears where you do not want it. One of the most common over-sealed places is the attic - too often there is no ventilation there at all! Sure those metal boxy-looking vents are not pretty, but they will decrease the humidity and heat in your attic and thus prolong the life of your roof. They help reduce the moisture of your ceilings and walls as well.

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For us the most rewarding part of our job is being able to help people through one of the most important financial decisions they will ever make. Our top priority is always our clients' satisfaction. Our job: making sure that every transaction is handled with the utmost care and professionalism. As our client you will feel like you are our only client, and our goal is that you are not merely satisfied with our service, but that you become an enthusiastic fan. We look forward to helping you with your next real estate transaction - contact us whenever you are ready!

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# What are Adjustable Rate Mortgages?

What's the harm in an ARM? Adjustable rate mortgages have been in the news a lot lately because many borrowers entered into them without understanding what they entailed. ARMs are just what they sound like...loans whose interest rates vary throughout the life of the loan; they can be and are adjusted over time, up or down, depending on certain factors. But there's a lot more that borrowers should know about these animals, so here's the short 'n' sweet four-one-one. ARMs can be analyzed by considering the following components:

## Fixed Period

Adjustable rate mortgages have a period of time at the beginning when their interest rates remain fixed. The fixed period varies from loan to loan and can range anywhere from one month to ten years. The fixed rate period becomes important depending on how long you plan to live in the home and how well you can handle such variability in rates.



creditworthy customers) is the index to which the loan is tied, and the "2" is the margin, or the number added to the index to arrive at the rate on your loan. To compare the current interest rates on two or more ARMs, look up the current rate of the index and add the margin. That's the rate you would be charged today if you had that particular ARM and the fixed period had expired.

## Caps

Thankfully, even ARMs have limits. These limits are called caps and restrict how much the rates on ARMs can change. Caps have two component numbers and are typically expressed with a slash between them. The first number represents how much the rate can change from one period to the next. The second number tells you how much the rate can change over the life of the loan. For example: If your current rate is 3%, and you have an ARM with caps of 1/5, then your interest rate at the change point could not be more than 4% or rise beyond 8% at any time during the life of the loan.

Now you can go forth, armed with all the knowledge you need to analyze any ARMs that come your way.

## Index

ARMs are pegged to specific indexes. Depending on the historical stability of the particular index to which an ARM is pegged, borrowers can see substantial changes in interest rates over time. Some indexes are relatively stable. That is, they don't vary much over time. Examples of stable indexes are the 1-year constant maturity treasury index, and the London Interbank Offering Rate (LIBOR). Some less stable indexes are the Cost of Savings Index (COSI) and the Cost of Deposits Index (CODI). Unfortunately, many borrowers don't pay enough attention to the index of the ARM they are considering.

## Margin

You've heard the term "prime plus 2" (or whichever number)? The Prime Rate (the interest rate banks charge their most

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## Lots of sneezing at home

Do you have allergy-like symptoms when indoors? If so, then you might have an increased level of dust and the accompanying dust mites in your residence. The most common culprit is the dirty air filter in your heating and air conditioning, followed by dirty or damaged ducts. Not only does this create an unhealthy living environment, but it also costs you money through the reduced efficiency of your furnace and air conditioner. The solution is simple - replace the air filter regularly (experts advise to check it every month), and get your ducts inspected and cleaned. And do not forget to air out your home often by opening your windows!

## Sandy mounds below down spouts

Uh-oh, it could be that your roof is approaching the end of its useful life. Asphalt shingles are made of paper saturated with asphalt for waterproofing, and topped with sand-like ceramic particles. When the roof starts to age, the adhesive properties of asphalt degrade, and the ceramic "sand" starts falling off. The rain carries it to the gutters, then down the spouts, creating the little sandy mounds you see. Check your roof - do you see bare blotches on the shingles? If so, the roof might need to be replaced very soon.

## Free Special Report Available

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

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## Kitchen Magic: The Indoor Herb Garden

Absolutely nothing tastes better than a delicious home-cooked meal prepared with herbs harvested from your very own indoor kitchen garden. You don't have to have a green thumb or an acre of land. All you need are a few carefully prepared containers, a sunny window and the following helpful tips:

### Selecting Herbs

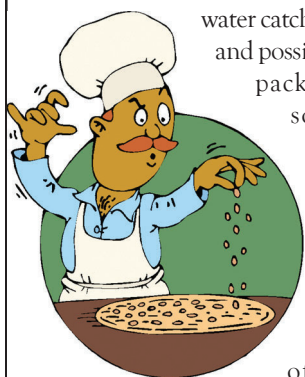
Variety is the spice of life, especially when it comes to choosing which herbs to plant. Start by selecting those you use most when cooking. Parsley, sage, rosemary and thyme are always among the top ten. Oregano, marjoram, chives, lavender and mint love the indoors. Unfortunately, old favorites like basil and fennel fare better outside. Make a list of the store-bought herbs you have in the kitchen and then drop by your local garden center where you will find those herbs available in four-inch pots and as seed packets. Always pick out the healthiest-looking (not always the largest) plants. If you opt to start your garden from seed, make sure the packets are not out of date.

### Containers and Soil

Once you've made your selections, the friendly garden center staff will be able to recommend the proper containers and the kind of soil you'll need. Herbs thrive best when allowed to dry out between waterings. This means containers must

have good drainage, with a water catch-all underneath and possibly a little gravel packed below the soil line.

Choosing just the right soil mix is very important. An overly rich mixture produces lots of foliage, but



very little flavor. Two parts potting soil to one part coarse sand or perlite is the magic formula for maximizing each herb's zest.

### Planting

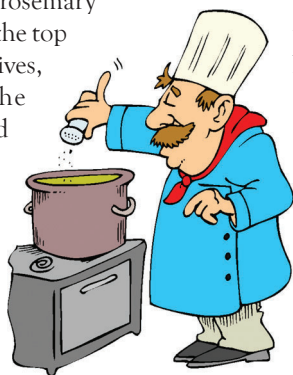
Be sure you plant your annuals and perennials in different containers and don't forget to separate those aggressive, fast-growing plants from the ones that grow slower and require more time to develop.

### Caring for Your Garden

Your indoor herb garden will thrive in any south or west-facing window which receives at least of six hours of sunlight each day. Lack of sunlight can be supplemented with Gro-lights, if necessary. Herbs require regular watering (usually weekly, sometimes bi-weekly), but don't overdo it. An inexpensive water meter will eliminate the guesswork. To develop and flourish, your garden will also need to be fertilized on a regular basis. Slow-release pellets or fertilizer sticks are an excellent choice. Keep annual herbs indoors all year 'round. Perennials thrive best if you take them outside during the summer. Just be sure their outdoor surroundings are similar to their in-house environment.

### Harvesting

When it comes to harvesting your herbs, you can enjoy them fresh from the plants or you can dry and store them. To encourage new growth, be sure to cut off whole stems, not just leaves, but never remove more than one-third of an entire plant at one time. To dry your herbs, hang them upside down so the oils will flow back from the stems into the leaves. Drying time takes from two to four weeks, depending on weather conditions. Once dry, store them in containers in a cool, dark place. By following these easy tips, you will be able to grow and maintain a bounty of tasty, tantalizing kitchen herbs that will be ready 365 days a year. Bon appetit!



**Q: Is it possible to get a mortgage without proving income?**

**A:** Yes, it is possible, although not necessarily easy. Stated income loans (as they are known) all but disappeared during the housing bust, but now a few banks are offering them again. Rather than showing W-2s and tax returns, the borrower provides the lender with an alternate proof of income, like bank statements. The lenders also like to see the proof of enough cash to pay 6-12 months worth of mortgage payments and an excellent credit. The borrower is typically required to make a higher down payment and pay a higher interest rate than with a conventional loan. Who uses stated income loans? They are used by the self-employed, investors and people who have difficulty proving how much money they make (get paid in cash, do freelance work, new to the country, etc.). Different names for these loans are "alternative documentation loans," "portfolio programs," "alternative-income verification loans" and "asset-based loans."

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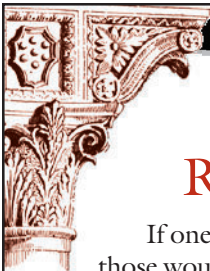
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## ARCHITECTURE CORNER

# RENAISSANCE REVIVAL

If one was to describe the Renaissance Revival style in two words, those would be – opulence and sophistication. Drawing its inspiration from the Italian Renaissance (think Michelangelo and da Vinci), this revival style was characterized by elaborate ornamentation and the large size of the buildings. It first appeared in the U.S. in the 1840's, and saw its heyday between 1900 and 1915. Only the very rich could afford to build homes in this style, but the not-so-rich also got to enjoy some of it – the Renaissance Revival was popular for public buildings too.



Structures built in this style have an imposing look about them, partially because of their gargantuan size (almost always multiple stories) and partially because of their castle-like appearance. Their main characteristics include symmetrical façade, smooth stone walls, horizontal stone bands separating the floors, and quoins – large stones that reinforce the corners. Windows have elaborately carved trims, and one unique thing about them – they are built in different styles on each floor, with the windows on the top floor almost always being smaller in size. Roof is typically low-pitched and is often topped with a balustrade.

The interior of Renaissance Revival buildings is characterized by smooth stone or stucco walls, with either stone or tile floors. There is often a central hall with a formal staircase, and columns are sometimes present too. The more elaborate examples of this style have arched doorways and niches carved into the walls.

The Breakers (pictured) in Newport, Rhode Island is perhaps the best known example of Renaissance Revival in the U.S. The style can be seen throughout the country though, but mostly in public buildings. The private residences built in this style belong only to the mega-rich, and are unfortunately most often hidden from view.