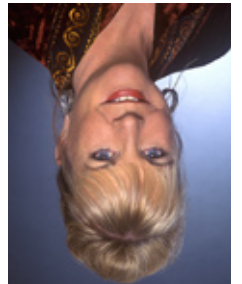




## An architectural work of art

Private and secluded 4800 square foot residence is perfect in every way. Each detail was architecturally designed and meticulously handcrafted by architect/owners. Carefully sited on 5.5 acres in the Las Campanas area; this home captures incredible Southwest mountain views. Features beautiful contemporary and pueblo styling, focused on bringing the outdoors in with lush landscaping, two waterfalls and nine patio areas. \$1,385,000

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Please visit my website  
[www.lindamurphy.com](http://www.lindamurphy.com)  
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## Should You Pay Points?

When evaluating mortgage loan options, among the costs you need to take into account are discount points. Discount points are typically paid to change the interest rate over the life of the loan. The more points paid, the lower the interest rate. Whether it makes sense to pay points depends in large part on how long you plan to hold the property.

What is a point? One point equals one percent of the loan amount. On a \$300,000 loan, one point would equal \$3,000. Typically, each discount point paid on a 30-year loan lowers the interest rate by 0.125 percent. For example, a 5.5 percent rate would be lowered to 5.375 percent if you purchase one point.

The longer you anticipate owning the property, the more advantageous it can be to pay points up front to lower your interest rate. But first, you need to do the math.

1. Determine the amount of your monthly payment at the interest rate you will be charged if you do not pay points.
2. Calculate the amount of your monthly payment at the lower rate if you do pay points.
3. Deduct the lower payment from the higher payment to find the amount saved each month.
4. Divide the amount charged for points at closing by the monthly amount saved. The result is the number of months you must keep the loan to break even on paying points.

## Buy What You Like

Are you hesitating to buy a new home, worrying about the possibility of a real estate bubble popping? If there's one thing life has taught us, it's that the future is always uncertain. Waiting for the ideal moment to buy or sell, may mean missing an opportunity to buy the right property now. Which brings us to some of the most important words of real estate advice – buy what you like.

When you buy something that you want to keep and want to live in, it doesn't matter much if it goes up or down in price over the near term. What matters is whether or not it produces enough pleasure. Do you

enjoy living there and welcome the opportunity to come home? Would you want to pass the house on to your children?

If it's a rental property, will it produce enough earnings to make it worthwhile? Do you find your own-



ership a source of pride, rather than a burden? Long term, do you feel the area has potential that outweighs any potential short term setback in value?

*continued on page 2*

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# Interest Rates Continue at Very Attractive Levels

Based on media coverage of the Federal Reserve's increases in the Fed Funds rate, you might think that mortgage interest rates have increased as well. After all, over the last 12 months the Federal Reserve rate has increased from 1.5% to 3.75%.

Mortgage rates, however, have stayed relatively flat as the chart below shows. In part, the stable rates reflect expectations that inflation pressures for the long term are not going to be increasing and that the Federal Reserve will be able to keep consumer prices in check. 🏠

	SEPT. 2005	AUG. 2005	JUNE 2005	MARCH 2005	SEPT. 2004
15-Year Mortgage	4.91	4.96	4.81	5.09	4.74
30-Year Mortgage	5.35	5.35	5.19	5.52	5.33
1-Year ARM	3.93	3.84	3.62	3.80	3.21
Federal Reserve Target Rate	3.75	3.50	3.00	2.50	1.50

MORTGAGE RATES provided by [Bankrate.com](http://Bankrate.com)

## Should You Pay Points?

### \$200,000 Loan - 30 Year Term

- 5.5% Interest, no points = \$1,703.37 monthly payment
- Buying 1 point for \$3,000 for 5.375% Interest = \$1,680.85 monthly payment
- Monthly Savings = \$22.15
- \$3000 / \$22.15 = 135 months

In this example, it will take a little more than 11 years to recover the cost of buying the discount point. Over the 30-year life of the loan, however, the lower interest rate will reduce your payments by \$7,974, a savings of \$4,974.

Another consideration in deciding whether or not to pay points may be the need to increase the maximum amount you can borrow, while staying within your lender's loan ratios. For example, many lenders require that mortgage payments not exceed 25 to 33% of the buyers' monthly income. Buying down the interest rate by paying points upfront may allow you to fit within their standards.

*continued from page 1*

## Other Costs to Consider

In addition to points, you need to take a careful look at transaction costs to purchase your new home. These include fees for the loan, escrow and title insurance, inspection fees, attorney fees, commissions, and additional fees that lenders and escrow agencies tend to charge. Before you accept these costs as just a part of buying a home, compare costs and be prepared negotiate who pays what before you commit to a loan or pay an application fee.

Total closing costs as a buyer should usually be between 2% and 3% of the value of the property. When you shop for a loan, get more than one quote and ask for a Good Faith Estimate (GFE) from each lender. Make sure taxes and impact fees are calculated correctly. Ask the seller to pay specific costs. Your lender may also be willing to pick up certain costs if competitors are doing so. Minimizing closing costs can add up to considerable savings. 🏠

## Buy What You Like

*continued from page 1*

The best real estate buys are always properties that you really like. Since no two properties are really alike, you may not have the same opportunity to buy the home or investment you really like next month or next year. Nor is there any guarantee that you will still be able to afford the property when it next comes on the market.

To buy what you like, give me a call and we'll start looking for a property that gives you the long-term pleasure that makes it all worthwhile. 🏠

## Outdoor Living Spaces Increase Home Appeal

Today's buyers are increasingly looking for homes that open up to the outdoors, through decks, courtyards, outdoor kitchens, patios and even disappearing walls that open rooms to the outside. Pocket doors that slide into walls, paneled glass doors and even retractable ceiling panels are blending interior and exterior spaces.

One impact of opening homes up to outside areas is an increase in "flexible living space." Smaller rooms take on two personalities, a cozy enclosed spaces or airy expanses that accommodate larger gatherings. The square footage of the house, no longer determines the amount of living space a family has.

Outdoor spaces can also become "retreats" tucked away from the main activity of the house yet enclosed for privacy. Outside kitchens, complete with built-in, year-around refrigerators transform dining experiences. 🏠

# Reduce Trauma of Moving for Pets



Moving a pet to your new home? A little advance planning could make the move go a lot smoother for you and your pet.

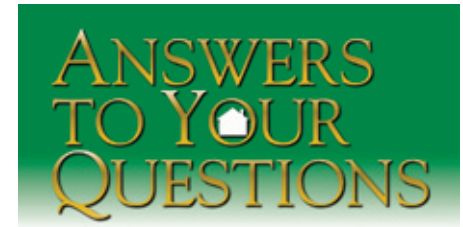
- 1) If you are moving to a new geographic area, find out what the current immunization requirements and recommendations are for your pet and make certain your pet complies. For example, some areas of the U.S. are more prone to heartworm or West Nile Virus. After your pet contacts the disease or parasite, it can be too late to do anything.
- 2) If you are flying, talk to your travel agent or airlines representative to make certain your pet meets their immunization requirements and that you have a pet transporter which meets airline regulations.
- 3) Pets often associate packing with being left behind. It is also disturbing for them to have familiar surroundings changed. Separate your pets from the packing up by keeping them in the back yard, a closed room or even boarding them at a kennel.
- 4) If you will be driving your pet to your new home, make certain you have food and water for the trip and some means to confine your pet should you need to stay at hotels or other overnight accommodations. Never leave your pet alone in hotel rooms or the homes of friends and family without confining them in a kennel or safe area where there is

nothing that your pet can harm or can harm your pet.

- 5) If you have a chance, introduce your pet to your new home in advance. Let him explore the area without other people around or the confusion of moving.
- 6) Do not let your pet run free during the move regardless of the circumstances. Moving can be very stressful for an animal and you cannot predict what they might do under this uncertainty. I remember all too well a friend's Golden Retriever who darted onto an interstate during their move and was quickly killed in front of the family.
- 7) Most pets are best transported in a secure carrier. Confinement can help them settle down and is safer for the driver, passengers and pets. Remove loose items, such as water and food bowls from the carrier to prevent them from spilling or hitting your pet with turns or sudden braking.
- 8) If your move permits, unpack before bringing your pet into the new home. Having familiar furnishings around will make the new home seem more welcoming, less stressful. Introduce your pet to the house room by room and make certain there are places for a cat or timid pet to hide. Give your pet plenty of time to acclimate to his new surroundings and stick with pre-existing daily routines as much as possible. Put out familiar toys and blankets. Don't introduce new people or pets until your own pet has had a chance to feel at home.
- 9) Avoid leaving your pet alone for long periods in the new home unless he is securely confined. The stress of moving combined with your disappearance can leave a pet feeling abandoned.

The natural instinct is to return to their prior home, which can result in very lost pets.

And, of course, give your pet plenty of love and contact during the move and in your new home so he knows his place is still secure and that he is safe with you. 🏠



**Q** Is there a way to avoid having my name on the title of real estate I own?

**A** Assuming you want to hold title to the real estate and not sign it over to someone else, such as a spouse, there are few options. Some people use a corporation or limited liability company to hold title to their real estate. Directors and officers of a corporation are public record, however, so a corporation will not hide your ownership.

Another option is to transfer your property into a "land trust," where title to the property is held in the name of a trustee, who is forbidden to reveal the beneficial owner. Transferring property into a land trust will not usually trigger the "due on sale" mortgage clause. Because a land trust is considered a revocable "grantor" trust under the Internal Revenue Code, it does not require a separate tax identification number or income tax return. You continue report the property for income tax purposes as though you still own it.

If this is a direction of interest, talk to your legal advisor and work with that individual to make certain your land trust complies with the laws of your state. 🏠