

Colleen's Home News

News To Help You Save Time And Money

January 2010

An Exercise For Everyone

Here is a miracle exercise recommended by a doctor. You can do this standing or sitting down. Do it in front of a mirror, or better still, with someone. Here's how:

1. Raise the corners of your mouth an inch, take a deep breath and hold it for 10 seconds.
2. You are now smiling. If people are watching you, they'll probably start smiling, too.
3. Now release your breath in short exhalations. You are now laughing. Unless those with you are curmudgeons, they'll undoubtedly start laughing, too.



This simple muscular action of inhaling, raising the corners of the mouth, then exhaling in rhythmic, short bursts causes the diaphragm to bounce up and down, pats the liver on the back, and pleasantly vibrates the stomach. The heart, which rests above the diaphragm, begins to pump at a slightly faster rate, sending blood coursing throughout the body.

Happy New Years!

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The effect is a general feeling of well-being. More important than this, however, is the effect on others who observe you going through this exercise. They feel better, too. This triggers happy emotions within you, and sets the stage for any number of pleasant personal and business relationships.

All this from one simple little exercise!

Let's start the New Year by resolving to perform this exercise regularly!

Colleen M. Olson

Shop And Save

After the holidays, many retailers slash their prices on gift wrapping paper, making January the best time of year to stock up. Consumer experts recommend choosing solid colors or patterns that can be used year-round.

Help Your Babysitter Be Responsible

If you hire an in-house babysitter, you'll want to help her (or him) do the best job possible. You want her to be able to protect herself and your children to her utmost. Here are a few tips to help her do so:

- Place a paper and pencil by the phone. If there's an emergency and she calls for help, she doesn't have to look for writing supplies if she needs to write something down. Have a separate piece of paper by the phone with your home address, home telephone number, and cell phone number(s) in case she needs to give that information over the phone to the police.
- Show her how to operate door and window locks, then let her try to do it on her own.
- Always leave at least one outside light on. This will allow her to see if anyone is approaching and also lets possible intruders know someone is home.
- Show her where fire extinguishers, emergency exits, and smoke alarms are located.
- Provide a first-aid kit. Show your babysitter where it's located and what its contents are.
- Remind your babysitter to never open the door for strangers. Also, not to mention that she's the babysitter to anyone who comes to the door.
- Remind your babysitter not to go outside to investigate anything suspicious. She should turn on all outside lights, call the police, and make sure all doors and windows are locked.
- Remind her not to tell a caller she's alone with your children. She should tell the person on the phone that she's visiting and you can't come to the phone. And to hang up if the person gets persistent.

Client Comment

"Colleen was very thoughtful and sensitive throughout the process. She checked in and reminded us to stay grounded during an unpredictable and stressful time. We were very happy and satisfied it worked out well."

- *Elvio Piccolino and Ruth Nicolas*

Three Skills For Better Negotiation

Negotiating is a make-or-break skill, whether you're a CEO in charge of a merger or a parent trying to sort out a sibling squabble. Follow these tips to negotiate agreements productively:

Keep an open mind. Brainstorm ideas. Listen to outlandish proposals. Entertain

unusual possibilities. This will expand opportunities for agreement.

Treat people fairly. When people feel you're being fair with them, they're more likely to make real commitments. If they think you're trying to mislead them, they'll walk away in a huff. You won't get commitment unless the other party feels you're sincerely trying to do what's right.

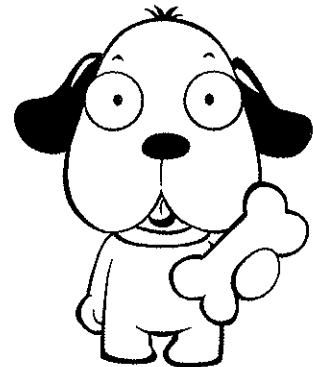
Listen actively. Don't plan what you're going to say while the other side is talking. Pay attention to what they're saying so you know where they're coming from and what they really want. When your response makes it clear that you've really been listening, they'll be more willing to listen to your suggestions.

Top Five New Year's Resolutions For Dogs

5. I will not suddenly stand straight up when I'm lying under the coffee table.
4. I will no longer be beholden to the sound of the can opener.
3. I resolve to get a bite in on that guy who gives me a shot every year.
2. I will break into the pantry and decide for *myself* how much food is "too" much.

And the #1 New Year's resolution made by dogs...

1. I will not chase the stick until I see it leave the hand!



How To Make Progress, Not Excuses

Is getting more exercise one of your 2010 goals? We all know we should exercise, but many of us have what seem like pretty good reasons to avoid it. Here are some of the most common, along with some common-sense responses:

“I don’t have any spare time.” The truth is that we make time for what’s important to us. Schedule exercise into your day like any other appointment.

“Exercise is boring.” The key is finding something you like. Look for team sports, group activities, or interesting surroundings to keep your mind as well as your body occupied.

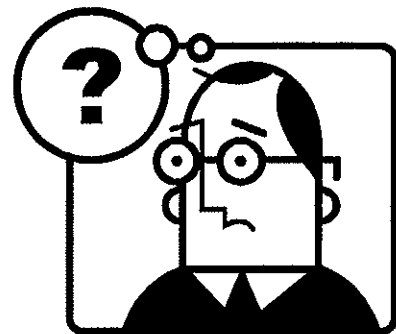
“I’m too out of shape.” Just don’t overdo it at first. Check with your doctor for suggestions, and start with low-impact activities such as swimming or bike riding.

“I’m not fat.” Good! But exercise is about more than losing weight. You want to maintain your health, and also control cholesterol and prevent heart disease – both benefits of regular exercise.

“I don’t like going to gyms.” If the gym scene isn’t for you – or it’s too expensive – look for an exercise routine that doesn’t call for a lot of equipment, like running or lifting a few weights at home. A brisk walk helps, too.

Critical Questions

Successful relationships are built on a foundation of honest, thoughtful communication. Whether you’re contemplating a business partnership or marriage, here are some questions to ask before entering into a long-term commitment with another person:



- What makes him/her angry? How does the person deal with anger?
- How does the person react in a crisis?
- How does he or she handle money?
- What does the other person expect from you? What happens if those expectations aren’t met?
- What are the other person’s goals? What are three things he/she would like to accomplish in the immediate future, and in the long term?



Colleen's Corner

Are You Facing a Setback? Setbacks are a part of life. The next time you're facing a setback, here are a few stories about people who used a setback as a *set-up* for a comeback:

Lucille Ball: She began studying to become an actress in 1927 and was told by the head instructor of the John Murray Anderson Drama School, "Try any other pro-fession. *Any* other profession."

Clint Eastwood and Burt Reynolds: In 1959, a Universal Pictures executive dismissed them at the same meeting with the following statements. To Burt Reynolds: "You have no talent." To Clint Eastwood: "You have a chip on your tooth, your Adam's apple sticks out too far, and you talk too slow."

Alexander Graham Bell: When he invented the tele-phone in 1876, it didn't ring off the hook with calls from potential backers. After making a demonstra-tion call, President Rutherford Hayes said, "That's an amazing invention, but who would ever want to use one of them?"

Chester Carlson: In the 1940s, this young inventor took his idea to 20 corporations, including some of the biggest in the country. They all turned him down. In 1947 – after seven long years of rejections – he finally got a tiny company in Rochester, NY, the Haloid Company, to purchase the rights to his electrostatic paper-copying process. Haloid became Xerox corpora-tion, and both it and Carlson became very rich.

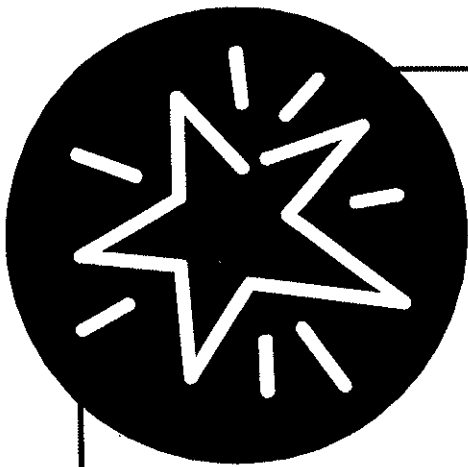
Abraham Lincoln: He entered the Blackhawk War (1831-1832) as a captain. By the end of the war, he had been demot-ed to the rank of private.

J.K. Rowling: Author of the *Harry Potter* series, Joanne was an aspiring writer and single mother living on welfare with her young daughter in an unheated, mice-infested flat. Her first book was rejected by 12 publishers before the world met Harry Potter in 1997.

And then there was the young man who submitted a paper to his Yale University management professor, and got this response: "The concept is interesting and well-formed, but in order to earn better than a 'C,' the idea must be feasible." The young man was Fred Smith, his paper proposed reliable overnight delivery service, and Fred went on to found FedEx Corp.

Failure is not *falling* down, but *staying* down!

Colleen M. Olson



A SPECIAL THANK YOU

Just wanted to extend a special thank you
to my 2009 clients for their business

Linda Allen

Zach Altman

Robert and Rachel Broyles

Steve and Heather Champine

Thomas and Sharon Costello

Dana Crocco

Richard and Tina Evans

Eric and Dawn Feldman

Jeffrey and Marty Feters

Jim and Patty Griffiths

Steve and Karen Hardin

Brent Irvine

Phillip and Carman La Place

James and Dixie Montgomery

Elvio Piccolino and Ruth Nicolas

Bryan and Rachelle Shaver

Mr. and Mrs. Roger White

Hope you have a Happy New Year!

Colleen M. Olson



ROTH ON REAL ESTATE December 8, 2009, 4:01PM EST

If You Don't Buy a House Now, You're Stupid or Broke

Interest rates are at historic lows but cyclical trends suggest they will soon rise. Home buyers may never see such a chance again, writes Marc Roth

By Marc Roth

Well, you may not be stupid or broke. Maybe you already have a house and you don't want to move. Or maybe you're a Trappist monk and have forsworn all earthly possessions. Or whatever. But if you want to buy a house, now is the time, and if you don't act soon, you will regret it. Here's why: historically low interest rates.

As of today, the average 30-year fixed-rate loan with no points or fees is around 5%. That, as the graph above—which you can find on Mortgage-X.com—shows, is the lowest the rate has been in nearly 40 years.

In fact, rates are so well below historic averages that it should make all current and prospective homeowners take notice of this once-in-a-lifetime opportunity.

And it is exactly that, based on what the graph shows us. Let's look at the point on the far left.

In 1970 the rate was approximately 7.25%. After hovering there for a couple of years, it began a trend upward, landing near 10% in late 1973. It settled at 8.5% to 9% from 1974 to the end of 1976. After the rise to 10%, that probably seemed O.K. to most home buyers.

But they weren't happy soon thereafter. From 1977 to 1981, a period of only 60 months, the 30-year fixed rate climbed to 18%. As I mentioned in one of my [previous articles](#), my dad was one of those unluckily stuck needing a loan at that time.

INTEREST RATE LESSONS

And when rates started to decline after that, they took a long time to recede to previous levels. They hit 9% for a brief time in 1986 and bounced around 10% to 11% until 1990. For the next 11 years through 2001, the rates slowly ebbed and flowed downward, ranging from 7% to 9%. We've since spent the last nine years, until very recently, at 6% to 7%. So you can see why 5% is so remarkable.

So, what can we learn from the historical trends and numbers?

First, rates have far further to move upward than downward; for more than 30 years, 7% was the low and 18% the high. The norm was 9% in the 1970s, 10% in the mid-1980s through the early 1990s, 7% to 8% for much of the 1990s, and 6% only over the last handful of years.

Second, the last time the long-term trends reversed from low to high, it took more than 20 years (1970 to 1992) for the rate to get back to where it was, and 30 years to actually start trending below the 1970 low.

Finally, the most important lesson is to understand the actual financial impact the rate has on the cost of purchasing and paying off a home.

Every quarter-point change in interest rates is equivalent to approximately \$6,000 for every \$100,000 borrowed over the course of a 30-year fixed. While different in each region, for the sake of simplicity, let's assume that the average person is putting \$40,000 down and borrowing \$200,000 to pay the price of a typical home nationwide. Thus, over the course of the life of the loan, each quarter-point move up in interest rates will cost that buyer \$12,000.

LOAN COSTS

Stay with me now. We are at 5%. As you can see by the graph above, as the economy stabilizes, it is reasonable for us to see 30-year fixed rates climb to 6% within the foreseeable future and probably to a range of 7% to 8% when the economy is humming again. If every quarter of a point is worth \$12,000 per \$200,000 borrowed, then each point is worth almost \$50,000.

Let's put that into perspective. You have a good stable job (yes, unemployment is at 10%, but another way of looking at that figure is that most of us have good stable jobs). You would like to own a \$240,000 home. However, even though home prices have steadied, you may be thinking you can get another \$5,000 or \$10,000 discount if you wait (never mind the \$8,500 or \$6,500 tax credit due to run out next spring). Or you may be waiting for the news to tell you the economy is "more stable" and it's safe to get back in the pool. In exchange for what you may think is prudence, you will risk paying \$50,000 more per point in interest rate changes between now and the time you decide you are ready to buy. And you are ignoring the fact that according to the Case-Shiller index, home prices in most regions have been trending back up for the last several months.

If you are someone who is looking to buy or upgrade in the \$350,000-to-\$800,000 home price range, and many people out there are, then you're borrowing \$300,000 to \$600,000. At 7%, the \$300,000 loan will cost just under \$150,000 more over the lifetime, and the \$600,000 loan an additional \$300,000, if rates move up just 2% before you pull the trigger.

What I'm trying to impress upon everyone is that if you are planning on being a homeowner now and/or in the foreseeable future, or if you are looking to move your family into a bigger home, then pay more attention to the interest rates than the price of the home. If you have a steady job, good credit, and the down payment, then you really are being offered the gift of a lifetime.

Marc Roth is the founder and president of Home Warranty of America, which touches just about every part of the real estate industry since it sells through builders, real estate agents, title companies, mortgage companies, and directly to consumers.