

LETTER FROM DEAN



Listen to the news, and you would think the sky is falling. Trust me, the United States has seen worse upheavals in the credit and real estate markets. Just recently, I came across an old newspaper article from 1980 that was

printed the same day that John Lennon was assassinated. It reads, "Prime poised to break 20% record." The low that year was a 10.75% prime rate. In fact, interest rates were so high in 1980 that the banks quit issuing 30-year mortgages. Can you imagine?

Today, interest rates are at record lows. Prime is set at 1%. A 30-year fixed mortgage can be obtained with a 6% percent interest rate. Want a 15-year fixed mortgage? Rates are as low as 5.88%. Then if you are looking for an Adjustable Rate Mortgage (ARM), rates hover around 5.71% as of the time of this writing. This is compared to a 16.875% rate in 1980 for RRM's, which were the predecessor to the modern-day ARM.

What's my point? The nation might be facing difficult hurdles, but the outlook is not nearly as grim as the media makes it out to be. The real estate market is experiencing historically low interest rates that make it one of the best times in the modern-era to buy a home. Yes, you will need good credit, so take stock of the tips offered in News You Can Use, but, in short, I can assure you that I've never seen a better time to buy investment property, a new home, or, daresay, to upgrade your current abode. Even better, there are a number of new incentives, such as the Real Estate 'Tax Credit' that are aimed to stimulate the market. Don't miss out on your opportunity!

- Dean Porter

Winter Advisory Tip: Don't use cruise control while driving in wet or icy conditions. Should you hydroplane, the cruise control actually accelerates the car, which could lead to a serious accident. Stay warm and drive safe!

LAST LAUGH

Bob and Steve noticed no one else was wearing a collar. Suddenly, they realized they were in a stray bar.



STATE OF THE REAL ESTATE NATION

With more than 1.6 million people expected to take advantage of the \$7,500 Real Estate 'Tax Credit,' which is essentially an interest-free loan from the government. It's fair to say that expectations are high for the Housing and Economic Recovery Act of 2008. The Credit targets first-time home buyers, which accounted for 20 percent of home sales in 2007, and those who have not owned a home for more than three years. Here is how it works.

First, the Tax Credit is only for those who purchase a home after April 9, 2008 and before July 1, 2009. Second, your gross income cannot exceed \$75,000 if you are single and \$150,000 if you are married and filing jointly. A partial credit is also available for those with individual incomes up to \$95,000 or a joint married income of \$170,000. Third, the credit is limited to first-time home buyers or those who have not owned or partially owned

a primary residence for three years. For the latter group, a credit of 10 percent of the home's sale price, up to \$7,500, whichever is smaller, can be applied to a new home purchase. While this credit is intended to jump start home sales, it is not free money.

Unlike the 1975 \$2,000 credit for home buyers, the 2008 tax credit must be repaid at a rate of no more than \$500 annually over 15 years. This is where you need to ask questions. Should you resell the house for a profit before repaying the loan, the remaining debt is due that tax year. If the residence changes from a primary home to another function, full repayment might be due. If the house sells for a loss, some debt forgiveness may be considered. To fully understand the terms of the 2008 Tax Credit benefit, consult a tax professional, accountant or your real estate agent.

NEWS YOU CAN USE

Important Letters.

An estimated \$45 trillion will pass from estates to beneficiaries during the next 50 years. And while many of us have prepared the necessary legal documents, how many of us will write our family Instructions about what to do when the unexpected arrives? Preparing instructions for your family provides an opportunity for you to make personal requests about your estate. Be sure to inform your family about the letter and its location. Your Instructions should include the following information:

- Location of will and other important legal documents
- Insurance coverage details
- Bank accounts and financial paperwork
- A list of people to notify about your death
- Important log ins and passwords
- Employment benefit information
- A list of creditors and location of bills

Today's FICO-Score-Based Credit.

For the best mortgage loan, you now need a FICO score of 750 or higher. This is up more than 30 points. Here's what counts.

Credit history totals 35 percent of your FICO score. Long credit histories and on-time payments are good, but the last 24 months are the most scrutinized. Anything 30 days past due is a concern, but 90 days late is a red flag. Also, your debt load matters; use less than 10% of your monthly available credit – and watch your credit limits to make sure they are not cut, thereby making your debt load appear larger. Keep a credit mix; your credit history should not be just on credit cards, but also a mortgage, car or student loan. Stabilize your credit by eliminating department store cards, retaining old credit and not applying for new credit. Plan ahead to improve your FICO score.

IN THE DOG HOUSE

In times like these, it helps to hear a waggin' good tale. Recently, the *St. Louis Post-Dispatch* brought us Odin's story.

Odin is a 22-month-old boxer mix recently reunited with his owner, 25-year-old Air Force Staff Sgt. Tony Benefield.

When Tony was deployed to South Korea for 13 months, his wife Heather was forced to move in with her parents to help care for their newborn and 5-year-old daughters. Sadly, all this change was not good for Odin who developed behavioral issues that were just too much. Heather searched for a temporary home for Odin, knowing he was very special to Tony, but to no avail.

Odin was born to Tony and Heather's older dog in December 2006 and reminded Tony of his father's dog. But times were tough, so Heather found a no-kill shelter and wished for a better home for Odin.

Occasionally, she would check up on the beloved pooch, who continued to be stressed by Tony's departure. After a second failed adoption attempt, the shelter informed Heather that Odin was back. This was just five days after her husband's return home. A reunion was happily arranged, resulting in one very happy and well-behaved Odin. The entire family recently moved to Las Vegas where Odin now enjoys a spacious back yard.

"Odin, you're one lucky dog!"



READY FOR A CHANGE? KEEP MOVING WITH DEAN PORTER.

These are the homes Dean has sold in 2008!

2215 Cuggiono Court
5723 Kingsbury Pl.
4119 McDonald Ave.
5027 Westminster Pl.
5089 Waterman Blvd.
4251 Chouteau Ave.
507 N. 13th St.
4608 S. Grand Blvd.
4629 Maryland Ave.
5723 Kingsbury Pl.
480 Edgewood Dr.
640 Lewiston Dr.
3923 Burgen Ave.
7020 Radom St.

4150 Flad Ave.
5102 Westminster Pl.
434 Greeley Ave.
4436 McPherson Ave.
4711 Westminster Pl.
1251 Cold Spring Dr.
6610 Waterman Blvd.
20 Taylor Pl.
4100 Laclede Ave. #104
8926 Lawn Ave.
8055 Teasdale Ave.
7600 Stanford Ave.
7579 Amherst Ave.
4732 Westminster Pl.

4440 Lindell Blvd. #1103
1908 Forest Ave.
5205 Parker Ave.
11567 Tawny Ash Court
4619 McPherson Ave.*
9719-G Crayford Drive*
1955 Wyoming St.
814 Old Bonhomme Rd.
735 N. Forest Ave.
4716 Westminster Place
2616 S. 59th St.
4445 Olive St.
4501 Lindell Blvd. #8C
2867 Missouri Ave. **Sale Pending*

An experienced, industry professional, Dean has personal and strategic real estate skills honed over 16 years as a full-time agent. His acquired knowledge and training ensure a seamless experience when purchasing a home.

Top Agents, St. Louis Magazine, 2006 - 2008

Ranked top .05% of all St. Louis Realtors, since 1997

RE/MAX Lifetime Achievement Award, 2006

RE/MAX Platinum Club, since 1998

RE/MAX Hall of Fame, since 2001

THANK YOU for all of your business this year!
And remember, I am **NEVER** too busy for **YOUR** referrals.
I appreciate your support.

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"Selling the city before it was fashionable."

Dean | Porter
owner | agent

NEWSY NOTES
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