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Gabe's HouseCalls

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Credit score benefits decrease as score rises

The maximum FICO credit score is 850, but only 18 percent of FICO's 200 million consumers were rated 800 or higher in 2011. People with a score of 780 may search for ways to get a higher number. It's the new status symbol.

If you have a credit score between 620 and 690, there are big benefits in doing all you can to increase it, such as paying bills on time and reducing debt to keep your ratio of debt-to-credit limit

at 30 percent or less. Anything under 30 percent is a very good debt-to-limit ratio.

With each 10 points your FICO score increases between 620 and 690, you get better loan and mortgage interest rates. When your credit score reaches 750 to 760, there are fewer benefits to making it any higher, because you are assumed to be a good credit risk. The national median credit score is 711.

Add love of home to the picture ...

Bargain prices, low FHA down payments fueling home sales

Few ideas tug at the heart strings like the thought of having a home of your own. For many, the days of longing may be coming to a close. The goal is in sight.

Not only is the home you want now within your price range, but it will take less cash than ever before. Think FHA.

If demands for huge down payments have kept you from moving forward, a Federal Housing Administration loan will remove that obstacle. It requires only 3.5 percent down.

Interest rates are the lowest they've been in more than fifty years. Some FHA loans charge only 4 percent interest on a 30-year loan and 3.33 percent on a 15-year mortgage.

A \$100,000 30-year loan at 4 percent would have payments of just \$477 a



month. For \$150,000 the mortgage payment would be about \$617 per month, and a \$200,000 mortgage payment would be \$954. The cost of mortgage insurance would be added when you make a low down payment.

If you have a dream home in mind, you'll be pleased to know that the FHA

can now guarantee mortgage loans as large as \$729,750 from private lenders in the most expensive regions of the United States. That's up from \$625,500. For the limit in any city, visit www.fha.gov and click on "conforming loan limits" and "high cost areas."

Just being able to afford a home is the least-important reason for buying one. The freedom of it, added to the living space you need, the conveniences and beauty are the primary rewards.

The jurist and poet Oliver Wendell Holmes said, "Where we love is home, home that our feet may leave, but not our hearts."

Could that describe the home you have in mind, one that the hearts of your children will always return to?



Ask the Expert



We really do need a larger home, but while our mortgage is current, the balance is more than we could sell for. Will the government's foreclosure pact offer us any help?

Maybe. What you will be looking for is a principal reduction. To qualify for one, however, borrowers have to be behind on their payments or at "imminent risk" of default, which you might be.

Most principle reductions are expected to go to borrowers whose loans are owned by one of the five big banks, which are Ally Financial, GMAC Mortgage, Bank of America, JP Morgan Chase and Wells Fargo (but the government hopes to make a similar deal with nine other banks).

Some borrowers whose loans were packaged into securities may qualify.

The settlement calls for principal reductions on both first and second mortgages but doesn't cover loans owned or backed by government-backed Fannie Mae or Freddie Mac.

Borrowers will get letters from their mortgage companies to advise them if they qualify for

Six Ways To Be A Good Neighbor

Developing relationships with your neighbors can make your life easier and your community safer—and maybe even result in lasting friendships. The good news is that it's easy to extend acts of courtesy to those who live close by.



1. Welcome new people to the neighborhood by stopping by and introducing yourself. Baking cookies is a traditional way to extend a warm welcome, but you can also bring them recommendations for local services, such as babysitters or landscapers; a children's activity kit filled with coloring books, crayons and games; or a list of important local phone numbers.

2. Little gestures can go a long way. Offer to collect your neighbor's mail, water their plants or feed their pet while they're on vacation. If that's too much of a commitment, you might offer to keep an eye out on their house while they're away.

3. Keep up your house and yard. This will help maintain property values while keeping the neighborhood as a whole looking its best. Mow your grass regularly, trim your shrubs as needed and make facade repairs in a timely manner.

4. If you live in a condo or townhouse, think twice before plugging in noisy appliances near your neighbor's walls. A television, a hair dryer or even the beep of a microwave might be a little

white noise for you but an annoyance for your neighbors.

5. Whether or not you're head of your community watch program, there are always chances to help out. Keep your neighbors informed of relevant news, such as upcoming construction or recent crime. Extra eyes and ears are always welcomed.

6. If a neighbor lends you something, whether it's a tool or their time, return the gesture quickly. It's easy to move along with your project and forget they've done you a favor, so be sure to show your appreciation in a timely manner—your gratitude won't be overlooked.

help. But government officials are encouraging borrowers to contact their mortgage company to see if they qualify.

There is also a national clearinghouse site with more information: nationalmortgagesettlement.com.

Refinance program

If you decide to refinance your present home, the refinance program applies only to loans owned by the referenced banks. Borrowers have to be current on their loan payments and owe more than their home is worth. The interest rate can be reduced to as low as 5.25 percent.

In your case, the resulting loan payment could be low enough that you could rent out your present home and go on to buy a larger one.

Foreclosures

This does not apply to you, but those foreclosed on between 2008 and 2011 are eligible for a cash payment of between \$1,500 and \$2,000. They will receive a form in the mail. They don't have to prove they shouldn't have been foreclosed.



"You may experience irritability and pain in the hands and wrist...and that's just from trying to get the cap off."

Vacation homes become popular as bargains abound

There have been big bargains on second homes in recent years. One in 10 homes sold in 2010 was a vacation home.

The median age of buyers was 49, and they had a family income of \$99,500. The properties were an average of 375 miles from the buyer's primary residence, and 34 percent of buyers planned to use the property as their primary home in the future.

The typical buyer spends only 39 days a year in the vacation home.

One caution: Vacation home owners report they suddenly have lots of friends who want to visit or use the space when it is vacant. Set boundaries.

Which home repairs come first?

When you're ready to sell your home, inspectors quoted in CNN Money say you have decisions to make on repairs. They recommended these priorities:

1. Electrical system. Wiring problems can cause fires or electrocution. Call an electrician to open your main panel box, tighten loose connections and look for trouble spots. He can also check switches, outlets and light fixtures. To lengthen the life of circuit breakers, flip every one off and back on once a year to prevent corrosion.

2. Basement. Have a home inspector check the building foundation, especially if beams have bowed or posts are rotting

3. Roof. A water stained ceiling means roof problems, as do missing or broken shingles.

4. Gutters. When it's raining, check for clogs and overflows. Get gutters cleaned one to three times a year, depending on how many trees you have. Always clear deep snow from gutters.



The Pacific Garbage Patch: A modern creation

Deep in the Pacific great ocean currents meet and begin to swirl into gyres. From the surface, this seldom-traveled section of the ocean does not seem unusual. But just below the surface, a vastly different and profoundly modern ocean has formed.

The ocean gyres have become garbage patches. Filled with debris carried along ocean currents, the gyre waters, just below the surface, have become a thick soup of multi-colored plastic particles. The plastic never fully degrades; it just breaks up, becoming smaller, sharper, and more numerous -- a galaxy of plastic bits floating in the ocean currents.

According to the National Oceanic and Atmospheric Administration, there is no scientific measurement of the size of this plastic garbage patch. Some say it is as large as Texas or France, more than 260,000 square miles. Until recent decades, scientists did not worry about human pollution of the ocean. The extreme enormity of The Pacific alone -- 96 million square miles (or 15 times the entire continental U.S.) was thought to be large enough to absorb anything.

But plastics, which are showing up on every coast in the world and floating in every body of water, are now causing concern. In the belly of whales, plastic trash accumulates over a lifetime. Sea fish and birds eat it and die. And there are new questions about the toxicity of plastics.

Most everyone agrees the plastics do not belong in the ocean and removing existing debris is probably impossible for now, but prevention is possible. About 80 percent of the ocean's garbage comes from the land. Deliberate dumping, accidents, violent weather and seemingly benign behaviors account for the accumulation.

A plastic bottle thrown into an open manhole, goes from the sewer to a stream, from a stream to a river and on to the ocean. A bottle left on the beach eventually gets caught in currents and ends up in the garbage patch.

While the problem is enormous, individuals can actually make a difference: Don't throw trash in any sort of water; clean up beaches and campgrounds. Don't dump from your boats. Avoid using plastics. It will help.

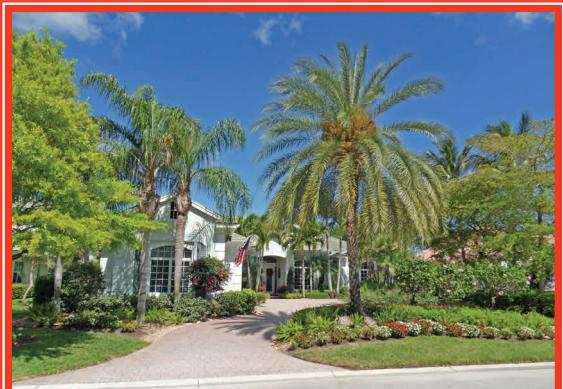




New Listings

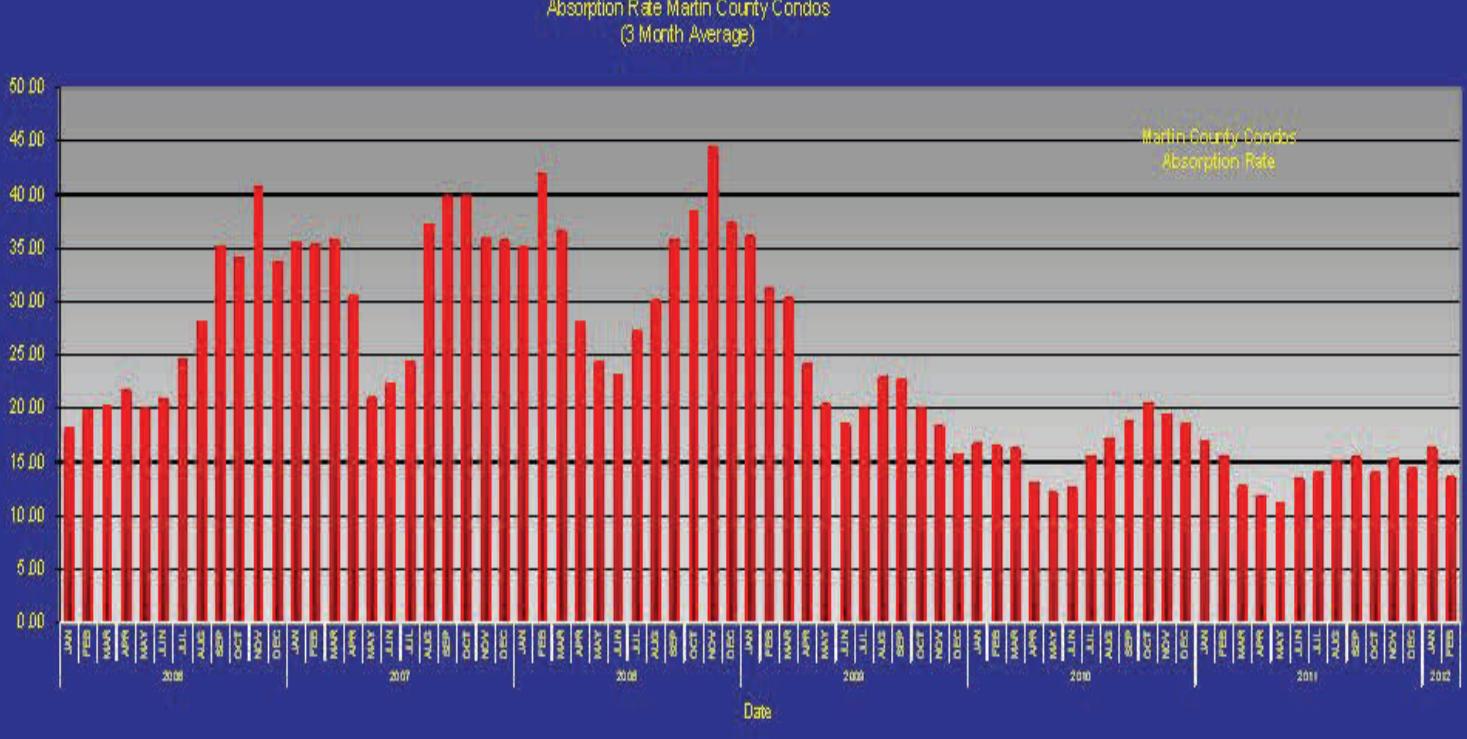
Enjoy living in this custom built 3 possible 4 bedroom 4 bath home loaded with top of the line upgrades in prestigious Willoughby Golf Club. Arthur Lee designed golf course. The kitchen is equipped with top of the line appliances including dual temperature controlled wine cooler, gas cook top, custom cabinets featuring pull out corner cabinets, spice tray, pantry drawer, granite counter tops, sliding pocket doors that open up the lanai. The patio area of this home overlooks a scenic lake and features a heated pool/spa, fully equipped summer kitchen with covered bar, great for entertaining. Family room has built-in entertainment center with Bose Surround Sound. Living room has a wet bar and gas fireplace. Home also has generator and accordian shutters.

\$699,000



A rare offering in Rocky Point, on a quiet dead end street just seconds from your very own deeded boat ramp and fishing pier through the Horseshoe Point Pioneer Club (voluntary membership at a very reasonable annual fee). This open plan boasts four bedrooms, three full bathrooms, living, dining family rooms with a spacious kitchen and breakfast bar all overlooking your gas heated in-ground pool on a large private backyard with fruit trees and room to play. There covered boat storage on the side of the home that is suitable for multiple boats and comes with an electric gate. Shed for additional storage. Recent upgrades include a new roof in 2005, pool resurfaces in 2010, new water heater in 2011. Please call for more information.

\$325,000



View the complete set of Martin County graphs at: www.TreasureCoastFLHomes.com



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