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STAYING WELL

MORE PRAISE FOR OATMEAL

A new study shows that antioxidants in oatmeal help keep plaque from forming in arteries. The Jean Mayer USDA Human Nutrition Research Center of Aging at Tufts University made the discovery.

Soluble fiber in oats helps lower bad cholesterol, reduces heart disease risk and helps to control blood sugar.

GET WATER IN A NEW BOTTLE

When you refill an empty plastic water or juice bottle, you could be serving up some dangerous bacteria for yourself. It is easy for bottles to become contaminated. And since most bottles never fully dry out, every time you refill the bottle you recontaminate the new water inside.

A study by Case Western Reserve University also shows that the more often you refill a plastic bottle, the more likely it is that toxic chemicals from within the plastic will leach out into the water.

COATED ASPIRIN LESS EFFECTIVE

Many people take a daily aspirin to reduce their risk for heart disease. But some are not getting the benefit. It could be because they are taking coated aspirin, which is absorbed at a lower rate, says Dublin's Royal College of Surgeons. ❖



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PLEASE
PLACE
STAMP
HERE

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The Ron Report

TRI-Coldwell Banker

It's a Good Time To Decide

Right now, the popular refrain, "It's a good time to buy," resonates with a more resolute ring of truth. But before you rush out the door in a frenzied attempt to stay one step ahead of the bottom feeders, remember that a "good time to buy" for you may not be the same "good time to buy" for someone else.

**Professional service
is always in season!**

Ron Abta

Personal considerations trump the generalities.

Instead of making the home-buying decision based solely on market conditions, consider it in a more holistic context.

It is only a good time for you to buy a home, typically, when owning is cheaper than renting and a home purchase is a natural fit for your financial needs, goals, obligations and lifestyle.

Consider market conditions—it is wise to buy low and sell high—but also examine your complete financial picture, other goals in life and plans for your family.

The current market offers a big carrot.

With the real estate market slowing in many parts of the country, all the market fundamentals show that buyers are now in the driver's seat. Consider the facts: prices are competitive, rates are low, the selection of homes is high in all price ranges and sellers are ready to bargain.

Right now, however, if you take the plunge but can not tread water until the market again surges with waves of home price appreciation, you could sink.

On the other hand, if you do not take the plunge and home price appreciation swells, well, you could be priced out of the market—grounded.

First-time home buyers who choose to "play it safe" and keep renting are essentially postponing the opportunity to build household wealth. Currently, with rental vacancy rates tightening, they can probably expect to see an increase in the rent they pay. No one can accurately predict the peaks and valleys of the housing market. If you try waiting for the absolute best deal, you could end up literally waiting for years, missing out on the opportunity to become a homeowner while prices are moderating.

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It is a real Catch-22.

Over the long haul, real estate prices and values rise, historically, by an average of about 5 to 6 percent annually. At that rate, the value of homes doubles every 13 years. The Bay Area has done even better.

Will it pay to buy and hold now or stick to your current investment and savings plans now and buy in the future? As you wait to buy, will your financial planning generate the same rate of return or more than you could expect from a home investment? How will you compare the value of the tangible asset that comes with owning a home? It is not just an investment, but also your own roof over your head.

You do not have to make the decision alone, you probably should not, but you should make the decision. Get professional financial planning help, expert tax advice and some experienced real estate and investment insight.

Maybe it's a good time for you to buy a home. Maybe it's not. But current market conditions do indicate it's a good time to decide. ❖

Choosing the Right Loan

As many of you may have experienced, mortgage loans frequently offer a list of combinations of rates and points. The lower the desired rate, the more it will cost in points at closing. Those tradeoffs are nothing new. However, it might be helpful to clarify the fundamental choices and offer some rule-of-thumb guidelines.

Here are three basic choices, with many in between:

1. **The Par choice:** 0 points but with the other closing costs such as: Appraisal, Title, Escrow, Underwriting, Processing, Recording, etc. These are called NRCC (Non-Recurring Closing Costs), as they occur only once, at closing. Additionally, there are the Recurring Costs, such as prepaid interest, insurance, and property taxes.
When to use: This is the preferred choice if you are not sure of the market direction, or your plans, and you wish to hedge your bets as much as possible.
2. **The No-Points, No-Fees choice:** This is a combination of a higher rate than in (1), but with negative points (rebate from the lender) that pays for some or all of the NRCC. However, the Recurring Costs still apply as lenders don't offer a choice of enough rebate points to cover those costs as well.
When to use: Best to choose such a plan when either you expect rates to fall, or you doubt you will keep the property for more than two years. If rates fall, you can refinance at the lower rate without losing any closing costs. The underlying assumption is of course that there is no pre-payment penalty, as is the case in over 95% of the loans I have placed over the years.
3. **The 'Lowest Rate' choice:** In exchange for paying a number of points in addition to all the other closing costs, a significantly lower rate is usually offered.
When to use: This is best suited if you plan to keep the property for a long term, and when you also don't expect rates to drop significantly. This would also be a case where if better terms are available in exchange for some pre-payment penalty for the first 3 years, it might be worth considering.

Depending on the loan term (30 yr fixed, 10 yrs, 5 yrs etc.), the tradeoff is in the range of 2 – 6 years for breaking even between the lower rate and lower points. The longer the loan term the more years it also usually takes to break even.

The list of rate-points combinations is at times quite extensive. It is thus important to check those tradeoffs before locking a loan. Some lenders would let the final choice be made even after the loan is locked, and just before drawing the documents as long as it uses the exact same list of choices available at locking time. However, I would avoid such last minute changes as it may involve a

new debt-to-income ratio and/or reserves requiring an underwriting re-approval.

**One good wish
changes nothing.
One good decision
changes everything.**

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Please note that your particular tax situation may play a role as well in determining the best rate / point combination. Questions such as whether the property is your principal residence, whether you're purchasing or refinancing, and the specific purpose of any cash-out refinancing may affect the deductibility of points in the year they are paid. You can find more details in IRS publication 936, or online, at: <http://www.irs.gov/publications/p936/ar02.html#d0e1049> Please check all tax issues with your tax advisor. On all other questions please feel free to call me anytime.

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REAL ESTATE Q & A

Q: Our neighbor has just obtained a reverse mortgage. How does that affect her heirs?

A: When a senior citizen obtains a reverse mortgage, the lender receives a first mortgage lien on the residence. As the years go on, the reverse mortgage balance grows as the homeowner receives payments. No monthly payments to the lenders are required during the homeowner's lifetime.

When the homeowner dies, or when she decides to permanently move out of the home, the reverse mortgage matures. That means its balance must be paid in full.

But the reverse mortgage lender does not take the house. Any remaining equity goes to either the homeowner or the homeowner's heirs. To illustrate, suppose the house is worth \$800,000 and at the time she permanently moves out or passes away, she has received \$150,000 from her reverse mortgage lender, including accrued interest.

If the heir wants to keep the house he can refinance with a new \$150,000 mortgage to pay off the reverse mortgage balance. Or, if he wants to sell the house, he then pays off the \$150,000 reverse mortgage from the sales proceeds and keeps the remaining \$650,000 cash for the equity. ❖

The above is for information purposes only. Always consult your financial advisor or accountant before making any financial decisions.

Post-Holiday Weight Control

When it comes to losing weight, the following food strategies have helped dieters to achieve their post-holiday goals.

- **Fiber** -- Both types of fiber, insoluble and soluble can help your weight loss efforts. *Insoluble* fiber provides volume to food without adding a lot of calories. Foods rich in insoluble fiber include high fiber cereal, whole wheat bread, wheat bran, fruits and vegetables. *Soluble* fiber helps stabilize your blood sugar levels, which in turn can better control hunger and cravings. Also, this type of fiber slows down the transit time of food in your gut, so it may keep you fuller for longer. Foods rich in soluble fiber include strawberries, apples, pears, oatmeal, chickpeas, and beans.
- **Juicy Foods** -- Fruits and veggies with a high water content "built into the food" help to fill you up, so you will eat less collectively throughout the day. Go for watermelon, lettuce, tomatoes, cucumber, mushrooms and grapefruit.
- **Lean Protein** -- Protein can slightly rev up your metabolism after ingestion (more so than carbs and fat). Be sure to include some type of lean protein with every meal. Good sources include chicken breast, canned light tuna, wild salmon (fresh and canned), egg whites, crab, shrimp, tilapia, turkey breast, tofu, lean red meat, beans and lentils.
- **Foods That Make You Work** -- People eat less of the very same foods when they require a bit of work. For example, buy shelled peanuts versus unshelled peanuts and prepare soybeans in the pod versus the straight bean.
- **Hot Beverages** -- Sipping a hot, low-cal beverage is a great way to shave off extra calories when you are looking to eat out of pure boredom. And because they are hot, you will have to slowly sip over an extended period of time. Choose beverages under 100-calories such as green and herbal teas, diet hot cocoa, skim latte and cappuccino, and reduced sodium bouillon.
- **Spicy Foods** -- It has been reported that you are often satisfied with less food when the meal is spicy hot. Plus, you automatically eat slower and drink more water! If your taste buds can handle the heat, add chili peppers, hot sauce and salsa to your meals. ❖

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- A free market evaluation of my property.
 Now
 In three months
 In six months
 I'm interested in buying a home.
 I have a question for you.
 Purchasing investment property.
 Giving you a referral.

Name _____ Address _____

City _____ State _____ Zip _____ Telephone _____ / _____

E-mail _____

