

Heath's Real Estate Monthly

"Commitment you expect...Results you deserve!"
We are your Short Sale & Foreclosure Experts!



Heath Montgomery
Realtor®

Heath and his Team of Real Estate Professionals provide unbeatable customer service and deliver uncompromising results. Heath's unique home-selling system provides your home maximum exposure in the current competitive marketplace. Heath would love the opportunity to show you his exclusive 81 Point Marketing Plan! We specialize in short sales with a success rate of over 90%! The average real estate agent has a success rate of less than 20%! Call Heath's expert Short Sale Team today!

Thank you again for your support and business in 2010! For the second year in a row, Heath ended 2010 as the #1 individual agent in the Keller Williams Realty Sparks Market Center! Heath would like to thank his many friends and clients for their trust and referrals. Thank you again for entrusting Heath and his team with your real estate transactions! We appreciate your business and friendship! Heath and his team of professionals look forward to serving you in 2011!

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Selling Tips for First-Time Home Sellers!

At first, selling your home may seem daunting: You may never have sold a home before, the market looks complex, and what worked for homeowners 5-10 years ago might seem inappropriate today.

What steps should you take? Here's a simple list to get you started.

1. You Can Do It! Millions of homes were sold last year, despite the tough economy. ...Other homeowners have done it and so can you.

2. Define Your Goal. Do you want the highest sales price — or the biggest check at closing? They're not necessarily the same. Imagine that two homes sell for \$300,000, but one owner pays 2 points and agrees to replace the roof. The owner who sold *without* such costs got a bigger check at settlement. The bottom line: To have a successful sale you need to look at both price *and* terms — you must have a strong negotiator in your corner (your real estate agent).

3. Times Have Changed. Today's real estate marketplace is radically different when compared to the market of just 10 years ago. Purchasers now use the Internet, receive seller disclosure forms, get home inspections, and are routinely represented by buyer brokers. The result is that buyers can be better prepared than in the past.

4. Sparkle & Shine. Imagine going to a supermarket and seeing dusty fruit or aisles filled with old shelving and cans. It doesn't happen because the grocery store *knows how* to present its goods. House sellers must do the same. Get rid of things you don't want to move, organize closets and storage areas, and clean *everywhere*.

5. Mechanics Count. Buyers expect everything to work. Home inspections are now entirely common and what buyers miss, home inspectors will catch. Fix and paint things now and they won't be an issue in the near future.

6. Set the Stage. When buyers see your home, it's *show time!* They want an environment where they

can see themselves. De-clutter and hide knick knacks that will distract them from their dreams. Give them a show where *everything* is painted, arranged, and attractive — offer them a home where the only issue is *when* to move in.



7. Know the Market. Real estate is local. Your Realtor® can explain current market trends in your community, including what's selling, what isn't selling, *and* why. This information is central to getting the optimal price and terms.

8. Know the Competition. Your property will be competing with other homes for buyer attention. Ask your Realtor® how to be competitive — and how to get an edge.

9. Be Realistic. Markets differ by location and time. When interest rates are low and the local job base is growing, it's great to be a seller. But when times are hard and mortgage rates are rising, homes also sell. The trick is to be realistic and to get as much as market conditions will allow.

10. Have a Plan. Real estate marketing involves far more than a sign in the yard and an ad in the paper. Successful Realtors® use a variety of methods to attract and qualify prospects, including the latest Internet and communication advances.

In the market to sell? Contact our office today!

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What's Inside

- **From the Inside...**
"What Is and How Do I Determine My Debt-to-Income Ratio (DTI)?"
- What Happens at the Appraisal?
- Why You Should Check Your Credit Report Regularly!

And More Info Every Homeowner Should Know

What Happens at the Appraisal?

An appraisal is used to determine the value of your home. This is an essential part of calculating your loan-to-value ratio, which will help determine whether you are able to borrow from the equity in your home. Your loan-to-value ratio compares the amount of any outstanding home loan to your home's value.

If you have a mortgage on your home, your loan-to-value ratio is impacted by how much you put down when you bought the home, how much of the principal you've paid down since you bought it, and your home's current market value.

Depending on your lender's requirements, an appraiser may either visit your home to

appraise it, or use a desktop appraisal based on comparable homes in and around your neighborhood.

If an onsite appraisal is needed, your lender will arrange for a certified appraiser to come to your home and calculate its fair market value.

Appraisers consider:

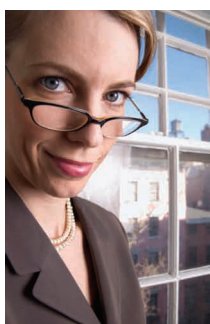
- Comparable properties that have sold lately, similar in size and location to your home, and their sale prices (usually the most important factor).
- General condition and age of the home.
- Location of the home, including views or other remarkable features.

Your loan-to-value ratio compares the amount of any outstanding home loan to your home's value.

- Size of the home and property, and its features (number of bedrooms, baths, etc.).
- Major structural improvements, such as additions and remodeled rooms.
- Sought-after features and amenities, such as swimming pools and wood flooring.

If you can arrange to be there when the appraisal takes place, be sure to make a "brag sheet" of any improvements you've made to show the appraiser when they're looking at your home. This can

help ensure that the appraiser is completely aware of all beneficial factors before rendering an opinion of your home's fair market value.



From the Inside

"What Is and How Do I Determine My Debt-to-Income Ratio (DTI)?"

Your debt-to-income ratio (or DTI) will play an important part in whether or not you qualify for a home equity loan or line of credit.

But what is it exactly? Simply put, it is the percentage of your monthly income that is taken up by your monthly debt payments.

When you are looking to borrow against the equity in your home, lenders look at your

existing debt payments plus the projected loan or line of credit payment, and calculate what percentage that represents of your total pre-tax income. This percentage is your debt-to-income ratio, which is one of the factors lenders use to decide whether or not to extend you a loan or line of credit. Generally, the lower your debt-to-income ratio is, the more likely you are to qualify.

How to calculate it?

When you apply for a home equity loan or line of credit, lenders calculate your debt-to-

income ratio by using these steps:

1. Add up the amount you pay each month for debt and recurring financial obligations (such as your existing mortgage payment, credit cards, car loans and leases, or student loans).

2. Add your projected additional home equity loan or line of credit payment to your debt total from step 1.

3. Divide that total number by your monthly pre-tax income. The resulting percentage is your debt-to-income ratio.

If your DTI ratio is too high, you should consider how you can lower it.

For example, if your monthly income is \$5,000 and your monthly debts plus your monthly additional home equity loan or line of credit payments are \$1,000, your debt-to-income ratio would be 20%.

Lowering your debt-to-income ratio

Generally, most lenders will want your debt-to-income ratio to be no more than 36%, but some lenders or loan products may require your percentage to be lower in order to qualify for a home equity loan or line of credit. If your DTI ratio is too high, you should consider how you can lower it. You might be able to pay down your credit cards or reduce other monthly debts. Or you might consider borrowing less of your available home equity.

If you need help determining your debt-to-income ratio or are looking for advice on how to lower it, contact our office today!



The Greatest Stories Never Told

The Curious Case of the Doctor Who Gave Birth to a Superstar!

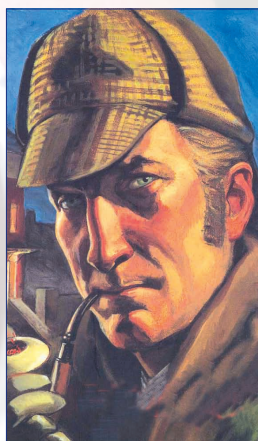
Dr. Joseph Bell was a professor of medicine at the University of Edinburgh. His students were amazed by his astonishing powers of observation. He seemed able to determine what patients did for a living, or what illness they might have, simply by glancing in their direction. One time he concluded that a patient had walked across a golf course on the way to the doctor, simply by looking at his shoes. Another time he was able to determine not only that a patient had been in the army, but also which regiment he had served in.

One of Bells' students was particularly impressed with his teacher's abilities. He filled up notebooks with examples of what he called Bell's "eerie trick of spotting details." The student eventually went into practice himself outside London. When business was slow he filled his spare moments by writing stories.

He took Dr. Bell's powers of perception, and gave them to a character of his own making — a character who made the young doctor, Arthur Conan Doyle, famous the world over. And so the professor who made even the most complex diagnosis seem "elementary" became the inspiration for fiction's greatest detective: the one and only Sherlock Holmes.

Once it was revealed that Bell was the model for Doyle's great detective, the Edinburgh doctor found himself deluged with fan mail and interview requests. He relished the attention, but sometimes found it tiresome. "I am haunted by my double," he once wrote a friend.

Source: Excerpted from "The Greatest Stories Never Told" by Rick Beyer



Why You Should Check Your Credit Report Regularly!

Checking your credit report often allows you to keep track of your financial progress, as well as catch any mistakes or fraudulent accounts.

1. To detect identity fraud early

We all know we should check our credit card statements every month for charges that we haven't made. But that only catches the thief who uses an account you know you have. Scan for signs of possible fraud with your free credit report.

In the past few years, identity fraud has risen dramatically. In this insidious form of credit fraud, a thief steals your good credit by taking over or opening accounts in your name, running up large balances and leaving you to deal with the collectors when they come calling.

New accounts opened with your identity will appear on your credit report, revealing identity fraud to you. If you don't check your credit report, it could be months before the credit grantor, fed up with nonpayment, turns the account over to a collector who tracks you down and demands payment for a loan you've never even heard of.

As with much less problematic inaccuracies, identity fraud is something you can detect and remedy most effectively by checking

your credit history thoroughly and on a routine basis.

If you believe you've been a victim of identity theft, send a complaint to the Federal Trade Commission (FTC). To learn more about identity theft, visit the FTC's Identity Theft website:

<http://www.ftc.gov/bcp/edu/microsites/idtheft/index.html>

2. To become an informed consumer of credit services

Your credit report can have a dramatic impact on your financial stability. With good credit, you can obtain benefits of all kinds — a home mortgage or lease on an apartment, an auto loan, low-interest credit cards and more — with ease. But if your credit history is poor, many of these financial options may be unavailable to you. Either way, you have a right to know what to expect when a lender runs a credit check on you.

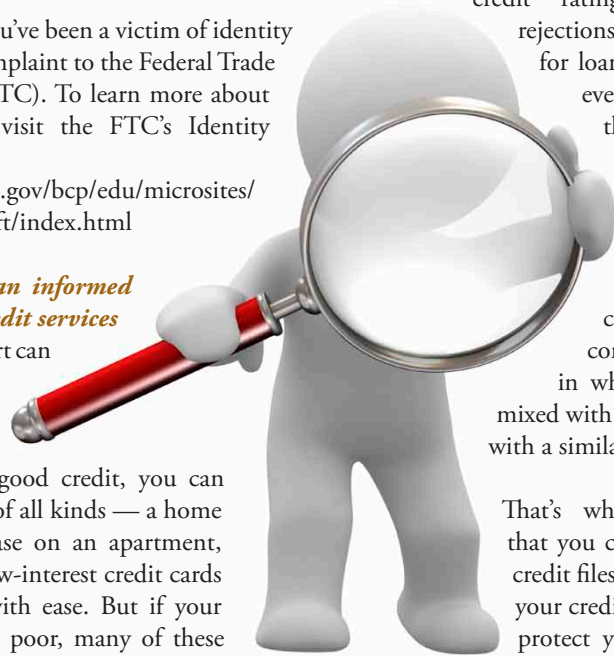
Aside from paying your bills regularly and on time, the single most important thing you can do to ensure that when others check into your credit they'll find you to be a good risk is to be aware of the contents of your credit report. Check your report for free and approach lenders with confidence.

Studies have shown that many credit files contain inaccuracies that can harm your credit rating, leading to rejections when you apply for loans, insurance, or even a job. Often the result of simple human error, they can be caused by anything from a clerical error to a computer glitch in which your file is mixed with that of someone with a similar name.

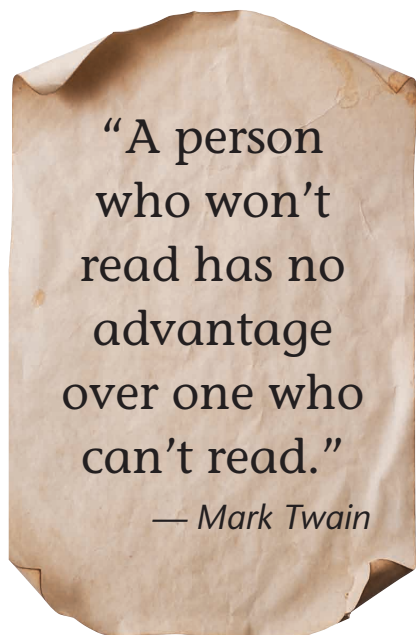
That's why it's essential that you check all of your credit files — and monitor your credit regularly — to protect your good credit standing, even if you always pay all your bills on time.

And if your credit is less than perfect now, regularly checking your report also will help you identify lingering problems so that you can deal with them effectively and move on toward an improved credit standing. Whatever your situation, reviewing your report regularly is the only way to be sure that you will go into any credit conversations knowing everything lenders will know.

Need assistance checking your credit report? Contact our office today. We can help.



In this insidious form of credit fraud, a thief steals your good credit by taking over or opening accounts in your name, running up large balances and leaving you to deal with the collectors when they come calling.



“A person who won't read has no advantage over one who can't read.”

— Mark Twain

U.S. President Facts

Chester A. Arthur was the 21st President of the United States. Arthur was a member of the Republican Party and served as the 20th Vice President under James Garfield. Arthur succeeded President Garfield, who was mortally wounded by an assassin and eventually died on September 19, 1881, at which time Arthur was sworn in as president. He served until March 4, 1885.

As President, Arthur's primary achievement was the passage of the Pendleton Civil Service Reform Act. The passage of this legislation earned Arthur the moniker "The Father of Civil Service" and a favorable reputation among most historians. Author Mark Twain, deeply cynical about politicians, conceded, "It would be hard indeed to better President Arthur's administration."

Arthur enjoyed walking at night and seldom went to bed before 2:00 A.M. A man-about-town, he entertained lavishly and often, and enjoyed going to nightclubs. Arthur told a temperance group that called on him at the White House, "I may be President of the United States, but my private life is my own damn business." Arthur destroyed all of his personal papers before his death.



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Heath's Featured Properties

Marketing Your Home For All Its Worth!



Ask Heath:

**"Is it a good time to rent,
or should I buy?"**

According to recent research by home search web site Trulia, buying a home in today's market makes financial sense. According to the study, in 72 percent of the largest cities, the median sales price of a home now compares with the average rent on two-bedroom apartments, condos, and townhomes. One of the top five areas favoring home ownership is Las Vegas, Nevada.

The Reno-Sparks area also presents many favorable opportunities to either purchase a rental property or first

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home. Trulia CEO, Pete Flint, says, "Following the principles of supply and demand, renting has become relatively more expensive than buying in most markets."

For a FREE list of investment or foreclosure homes, please call Heath today, or email my team today at **heathm@kw.com** and request a "Free Foreclosure Home List."



INVESTOR ALERT!
Reno, Condo, **\$65,000**
2 Bed, 2 Bath, 1,034 sq/ft



THIS ONE IS NOT A SHORT SALE!
Sparks, **\$239,000**
4 Bed, 3 Bath, 2,770 sq/ft



PERFECT FOR FIRST-TIME BUYER
Spanish Springs, **\$125,900**
3 Bed, 2 Bath, 1,336 sq/ft, .37acre