

Keller Williams Real Estate Connection



"Resourceful...Experienced...Dedicated"



July 1st Brought New Real Estate Licensing Requirements

Whew! Much of my spring and early summer was spent back in the classroom! And I am pleased and relieved to announce that on June 28th I took my Managing Broker's test and PASSED!

**Kathryn
Kleber**

For several years now the Washington State Department of Licensing has been working on a revision to the real estate licensing law to increase the qualification requirements for people who have or want to have a real estate license. They also increased the requirements for licensed inspectors and appraisers. Mortgage loan officers, who previously did not need to be licensed, recently underwent similar testing and licensing requirements. These changes are good for the industry and for the customers we serve.

The real estate license law changes went into effect on July 1, 2010, increasing the training required to get a real estate license. All licensed real estate agents are now Brokers. Additionally, new licensees will be subject to heightened supervision by their Managing Brokers for two years. The Designated Brokers who oversee an office have the same credentials as a Managing Broker.

The new regulations also specify that only Managing Brokers can have supervisory authority. (Thus, team leaders must be Managing Brokers.)

Now you know why I was so busy!

The Managing Brokers license is the highest licensing credential in real estate. Having the Managing Brokers license ensures I continue to have the full flexibility and responsibility for **Team RED** management. Having a team is not just a marketing advantage; it is a tangible commitment to the industry we serve, the transactions we manage, and the buyers and sellers we represent.

We take our business seriously...and you have our **total Team RED** commitment that we will take *your* real estate needs seriously, too.

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The "Business" of Real Estate Sales

By Kathryn Kleber, Managing Broker/Owner Keller Williams Team RED

You, a family member or a friend are thinking about selling your home. You know three or four people who have their real estate license and you have seen some signs in the local area for other real estate brokers you have not met.

How do you choose?

This is an important business decision. The commitment a real estate broker makes to their business and the commitment they make to you will dramatically impact the outcome you will ultimately realize.

Real estate brokers are independent contractors. Most go into this business because they "want to work for themselves." The entry cost for becoming a real estate broker is low compared to the cost of opening most other businesses. Many real estate brokers have little operating capital and little to no business planning experience. They promise to work hard for you...but reality is, the tools in their toolbox may not be enough to do the job. When you select a broker who is limited to their own individual time and money to support their clients, you may find that all they can do is put your house on the Multiple Listing Service (MLS), hanging a sign in the yard and praying that another broker will bring a buyer.

Before I became a real estate broker, I owned and operated a market research company and during our 15 years in business we grew to have 50 employees. Our job was to help local businesses create, differentiate and grow their companies. When I joined Keller Williams Realty and founded **Team RED**, I made the *financial commitment* to a team approach and that has made a dramatic difference in what we can do for our buyers, sellers and agents.

At **Team RED**:

- We have created a full-service real estate *business* that is staffed with skilled realtors *dedicated* to meeting the unique needs of each client. Individual brokers simply can not provide the level of service that can be provided by a team.
- We have built relationships with reliable and trusted *home improvement contractors*, so that we can help you cost effectively prepare your home to compete and ultimately get top dollar for your home in any market.
- We *leverage our team resources* by consistently investing in high visibility media that gains the greatest exposure for our listings and our agents. This *proven multi-media marketing approach* ensures that no matter what media buyers are using, your home is there.
- And we are committed to ongoing continuing education to ensure that our brokers have the expertise necessary to analyze, consult, and negotiate on your behalf...no matter what your home buying or selling circumstances might be.

Carefully selecting a real estate broker...or even better...*a real estate team*, is just good business! Don't make this important decision without learning more about the **Team RED** difference. Call me at **206.650.6113** today. And remember...we get paid *only* when we produce!



No matter **where** they go...
there you are.



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!

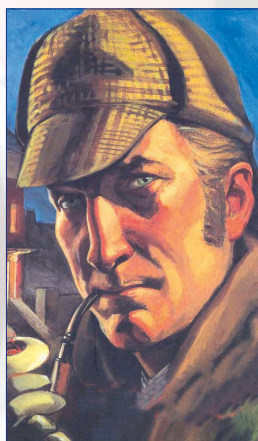
Dr. Joseph Bell was a professor of medicine at the University of Edinburgh. His students were amazed by his astonishing powers of observation. He seemed able to determine what patients did for a living, or what illness they might have, simply by glancing in their direction. One time he concluded that 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.

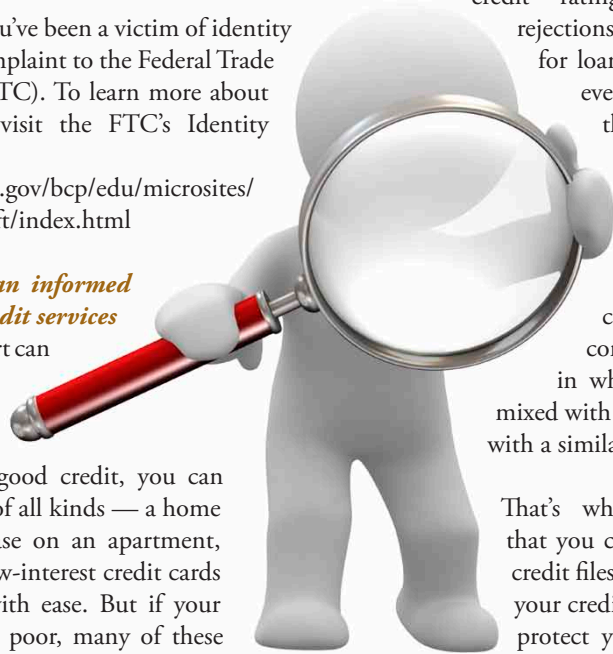
Aside from paying your bills regularly and on time, the single most important thing you can do to ensure that when others check into your credit they'll find you to be a good risk is to be aware of the contents of your credit report. Check your report for free and approach lenders with confidence.

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.

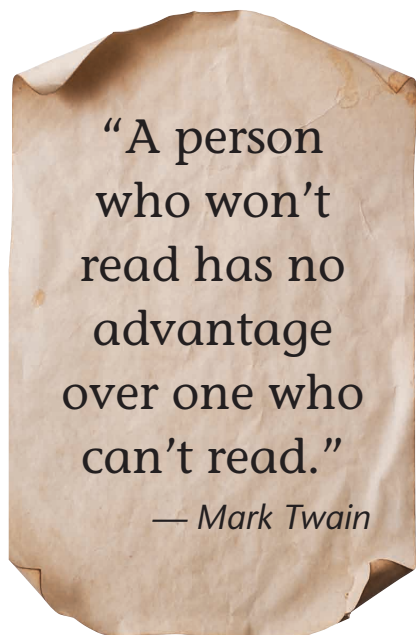
That's why it's essential that you check all of your credit files — and monitor your credit regularly — to protect your good credit standing, even if you always pay all your bills on time.

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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See page 12 for more info!

Check out our New Property Search Tool!
www.PugetSoundSearch.com

Compliments of: Kathryn Kleber & Team RED



List Your Home with **Team RED** ...Ask us about our Proven Multi-Media Marketing Strategy!

Luxurious Home on 2 Acres in Auburn!

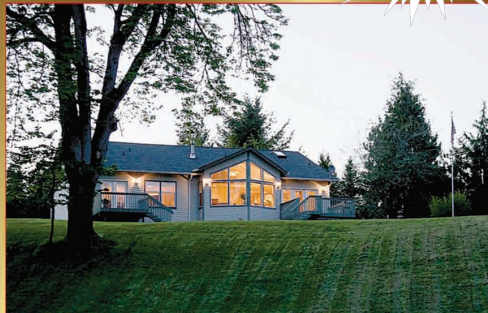


AMAZING! Truly wonderful! 2 easy care view acres. Single story living at its finest. 28x38 fully wired garage/shop plumbed for air-tools w/heated office/loft. A 12' wide x 14' high shop door w/plenty of room for a Class A RV or Semi Truck Tractor. The home is immaculate-99 built, 2070sf, 3 bedrooms, 1.75 baths w/9' ceilings & vaulted open concept living rm/kitchen w/picture windows that showcase a spectacular view. The island kitchen has a walk-in pantry & a butler's pantry w/wet bar. Silent floor construction



Auburn

\$499,950



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