

# Lyn's Good News



410-876-5770 Lyn Graham Gold Standard Consulting, LLC. 1-888-507-5770



## Inexpensive Home Security

Having a monitored home security system installed costs thousands of dollars, but there are inexpensive products that significantly improve home security.

Motion activated flood lights cost only about \$30. Thieves stay away from homes that light up. A better idea is solar-powered LED floodlights that don't need to be wired into the electrical system. They cost \$70 or \$80 each.

An LED-powered light inside the house

produces a flickering colored light that looks like a television from the outside. Burglars think someone is home and move to an easier target.

Driveway alarms sound inside the home when someone walks or drives up the driveway. They give you a chance to see who's coming before opening the door. Available in stores and on the Web for about \$150.

## History Predicts: It's Not Too Late To Profit On Stocks

Many small investors have remained on the sidelines as stocks have nearly doubled since the March 2009 bear market low. Many of them are wondering if it's too late in the recovery to profit from stocks.

Here are some statistics compiled by USA Today about bull markets of the last 80 years:

Since 1932, the average duration of bull markets is 3.8 years. The present bull market is only about two years old. About 80 percent of bull markets lived more than two years.

The average gain of the past 15 bull markets is 136.4 percent. Right now, the current gain is 93.7 percent. James Stack of InvestTech Research says the gain this time is not so high but could rise. The market is rebounding from its worst drop since the Great Depression.

Bull markets become bearish when the economy becomes unbalanced by inflation, a sharp rise in interest rates, or drops in key leadership stocks. Stack says he doesn't see any of these indications now, so he believes it's not too late to get in.

Altvest Personal Wealth Management, predicts people who buy stocks now will make money in

2011. At this writing, the stock market is still 16 percent off its all-time high. Corporate profits are up, the economy looks like it will have a good year, price-to earnings are reasonable, and unemployment is being reduced.

Experts at Dunham Loss Averse Growth Fund say that the economy is in an upturn, but are uneasy about the nation's debt. They say stocks will continue to rise for a while, but they will not remain bullish unless the S&P 500 hovers at about 1300.

Not everyone is so positive. The chief strategist at Oppenheimer is concerned that the market has gotten ahead of itself. It has already priced in strong profits and the bounding economy.



## Customers Of The Month!

Congratulations to: Mr. Skelton, Mr. & Mrs. Alcorn, Mr. & Mrs. Stevenson, Mrs. Bemskey, Ms. Pellar, Mr & Mrs. SvGreendines & Mr. Nguyen for being the Customers of the Month! Each received a homemade chocolate Basket and Closing Package.

For more information on how you can become a Customer of the Month Call:

**Lyn Graham**

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## Moneywise

### Debit Card Not for Everything

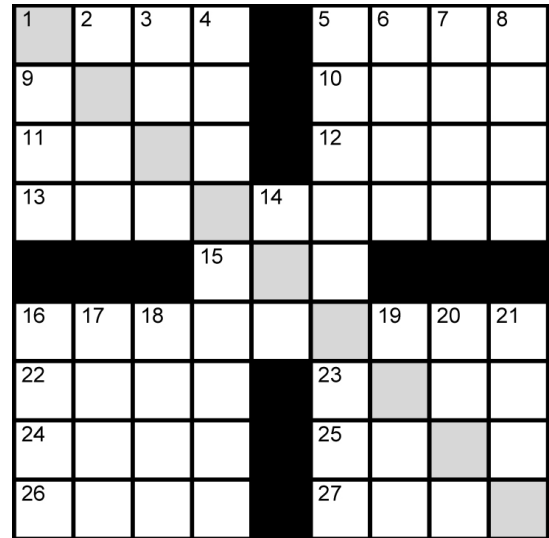
People like their debit cards, because they are convenient and interest free. But sometimes a credit card is better for purchases like these:

- \* Online. Some debit cards aren't covered by the law that gives you the right to dispute purchases. Credit cards are better.
- \* Big Ticket items such as a television set or dishwasher.
- \* Restaurants. The card is out of sight, a problem in itself, but there have been reports of adding or adjusting tips without advising the card holder.
- \* Hotel reservations. Because the hotel has no way of knowing how much your final bill will be, they place a generous hold on your bank account.
- \* Automatic payments. Unless the charge is the same each month, such as for life insurance, money can be pulled out of your account before you can address any mistakes. If the unexpected withdrawal is for hundreds of dollars, it could cause problems.

## MAY PUZZLE

### Across

1. Applaud
5. Mine entrance
6. Houston U.
10. Milano moolah
11. Make, as money
12. Hydrox rival
13. Verticality
15. Embrace
16. Purifying
22. Horse color
23. "I had no \_\_\_!"
24. Acad.
25. "\_\_\_ me!"
26. Ottoman Empire Governors
27. Catch sight of



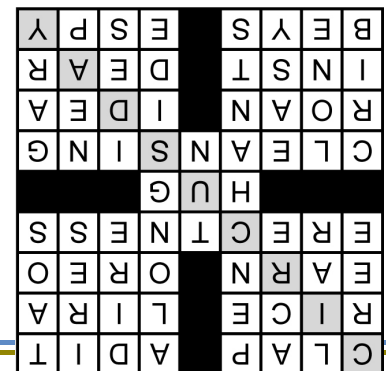
### Down

- |                        |                             |                        |
|------------------------|-----------------------------|------------------------|
| 1. Algonquian Indian   | 5. Together with            | 16. Baby holder        |
| 2. Pinocchio, at times | 6. Acute                    | 17. "The ___ Ranger"   |
| 3. "God's Little ___"  | 7. Furies                   | 18. "No problem!"      |
| 4. Likings             | 8. New Mexico art community | 19. Bad day for Caesar |
|                        | 14. 252 wine gallons        | 20. ___ tide           |
|                        |                             | 21. Actor Cooper       |

### May Dates to Remember:

Mother's Day- May 8, 2011

Memorial Day- May 30, 2011



## Banana Walnut Bread- By: Lyn Graham

### Ingredients:

1 1/4 Cups of unbleached all purpose flour, 1 tsp baking soda, 1/2 tsp of salt, 2 large eggs (room temp.), 1/2 tsp of vanilla extract, 1/2 cup unsalted butter, plus more for preparing the pan, 1 cup of sugar, 3 very ripe bananas, peeled and mashed with a fork (ends up being about 1 cup), 1/2 cup of toasted walnut pieces.

### Directions:

Sift flour, baking soda, and salt into a medium bowl. Whisk eggs and vanilla together in separate bowl. Lightly brush a 9x5x3 inch loaf pan with butter. Preheat oven to 350F. With a mixer cream butter and sugar until light and fluffy. Gradually pour the egg mixture into the butter while mixing until incorporated. Add the bananas. (the mixture will look curdled) and remove the bowl from the mixer. With a spatula mix in flour mixture until just incorporated. Fold in the nuts and mix. Transfer to loaf pan. Bake for 55 minutes or until toothpick is clean. Turn the bread out of the pan and let it cool completely wrap in plastic wrap, and serve the next day.



## **HUD Extends Higher Reverse Mortgage Loan Limit for 2011**

The Department of Housing and Urban Development made the extension of the Federal Housing Administration's loan limits official

Under the provisions of the recent Continuing Resolution (CR), the national FHA loan limit for the HECM program remains at \$625,500 according to [ML 2010-40](#). In the special exception areas (AK/HI/GU/VI), the maximum claim amount on HECM mortgages is also \$625,500. The loan limit is effective for all FHA reverse mortgages that have been assigned a case number on or after January 1, 2011 through September 30, 2011.

## **Pricier mortgages on the horizon**

Mortgage Interest rates have moved up, down and sideways in recent months. Yet apart from that volatility, some key trends could make mortgages more expensive regardless of their eventual rates.

Borrowers who have a middling credit score, a small down payment relative to the property's purchase price or little equity relative to their home's value will be subject to higher interest rates on so-called conforming loans that lenders can sell to [Fannie Mae](#) or [Freddie Mac](#).

The higher interest rates occur because the two government-controlled entities adjusted their risk-basing pricing structures, effective since March 1 for Freddie Mac and April 1 for Fannie Mae.

Depending on the equity in the house and the credit scenario, borrowers are going to pay a minimum of another quarter-point upfront to get the lowest rate or their rate is going to be higher.

### **FHA raises premiums**

Borrowers who opt for a loan insured by the Federal Housing Administration will face higher costs.

Effective April 18, the FHA plans to raise its annual mortgage insurance premium by one-quarter of a percentage point on all 15-year and 30-year loans.

The extra quarter-point is intended to bolster the FHA's congressionally mandated capital reserves.

On average, borrowers will pay approximately \$30 more per month, according to the Department of Housing and Urban Development, which says this "marginal increase" would be "affordable for almost all homebuyers who would qualify for a new loan."

### **'Qualified residential mortgage' defined**

Another development that might lead to higher loan costs is the federal government's definition, proposed in late March, of a [qualified residential mortgage](#).

Federal law will allow lenders to buy and sell whole QRMs, but require them to keep a 5% ownership interest in any mortgages that don't fit the definition.

As proposed in late March, the definition includes a 20% down payment to buy a home, 25% equity to refinance an existing mortgage and 30% if the refinance has a cash-out component. Loans that feature negative amortization, interest-only payments or onerous rate resets wouldn't be allowed as QRMs.

In the past few years, many homeowners have made down payments of less than 20%. The stricter requirements on down payments means borrowers will have to shell out more money at the outset. It's too early to know how the rules will affect interest rates, but it's possible that the rates and fees on non-QRM loans will be higher if those loans are deemed riskier.

FHA loans and loans guaranteed by the Department of Veterans Affairs are exempt from the rule.

The proposal is open to public comment and subject to revision.

Lower limits mean more jumbos

Borrowers who live in a relatively expensive housing market and who want a loan of more than \$625,500 will pay more for their mortgage later this year.

Effective Oct. 1, the top limit for conforming loans is set to drop from the temporary \$729,750 to the general \$625,500 in high-cost housing markets. Conforming loans are eligible for sale to Fannie Mae and Freddie Mac, and generally have the lowest rates. When the limit drops, borrowers who want a bigger loan will have to get a jumbo mortgage, which entails a higher interest rate and tighter guidelines to qualify.

Borrowers have a few options to contain the cost, says Ginny Ferguson, president of Heritage Valley Mortgage in Pleasanton, Calif.

Those include:

- Getting a loan before the limit drops.
  - Making a larger down payment.
  - Bringing cash into a refinancing.
  - Taking out two loans to keep the first lower than the limit.
- Loan limits in lower-cost housing markets also may drop because of lower median home prices on which the limits are based. That suggests some borrowers in those markets could be pushed into more expensive loans as well.



## 9 Post-Winter Home Repairs



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1. Reseal the driveway
2. Inspect the roof

If you've had leaks during heavy storms, you'll want to deal with those once the weather clears.

3. Clean up stains

If your roof has been leaking, the ceiling underneath the leak may be stained yellow or brown. You can try to simply touch it up with paint, but the stain will likely show right through. Instead, seal the stain first with a primer/sealer such as [Kilz](#). Then repaint the ceiling.

4. Deal with your deck

Every few years, however, you should reseal your deck. The sealer can be applied either via a fine-mist sprayer or with a brush or roller

5. Mend fences

6. Unclog that spout

Winter wreaks havoc on gutters and downspouts. Storms clog them with leaves. The first patch of dry spring weather is the chance to get them back in shape

7. Deal with winter's water

Banish any lingering water or moisture from the basement. Fail to act and you eventually may be wrestling with enemies such as dry rot and mold. What to do? Depending on your water problem, you may need to install a [sump pump](#).

8. Caulk those leaks

Walk around your house, checking the caulking on siding where the walls come together — the place where there's a lot of expansion and contraction. It's a good idea to get that sealed up before the rains of summer come. Do the same around windows, looking for cracks in the caulk.

9. Service the storm door

Winter winds slap around the humble storm door. Now that you have a spring breather, [fix the door](#). And as you change out the storm panels with screens for warmer weather, make sure the screens are in good shape. If they're not, you'll want to repair or replace them.

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