

LIBERTY FINANCIAL

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Mortgage Finance News

"Others just lend money . . .we lend ourselves"



Kathy Brown

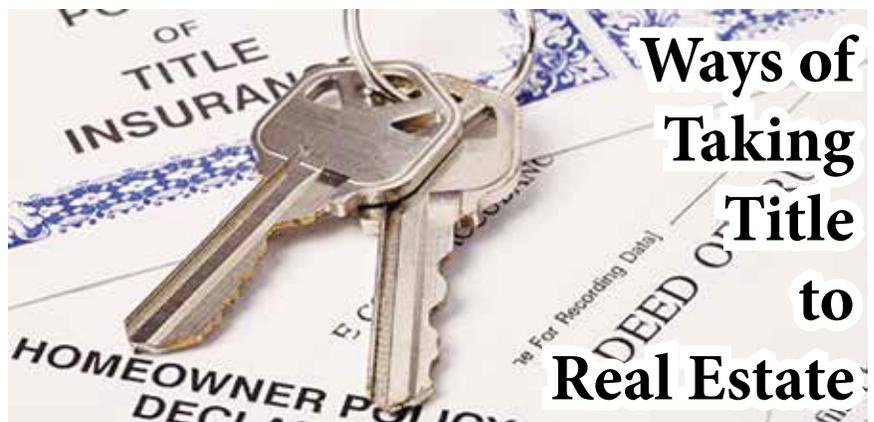
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Ways of Taking Title to Real Estate

Your home is probably the most valuable asset you own. Yet most people don't think about how to hold title until the title company poses the question when you buy or refinance. But this deserves careful consideration, because how you hold title to real estate has far-reaching effects. Let's look at some common ways to hold title.

Individual Name: You can hold title in just your name even if you are married. However, there are some drawbacks you should know about.

What would happen if you become mentally or physically incapacitated due to illness or injury and the property needs to be refinanced, or a line of credit needs to be opened or increased? If you are unable to conduct business, the court will need to appoint someone to act for you.

Joint Tenants with Right of Survivorship: This is how most married couples hold title, because it seems fair, it's easy and it's free. Parents and their adult children also often hold title this way, as do unmarried couples.

Indeed, when one owner dies, full ownership does transfer automatically to the surviving owner without probate. But usually this just postpones probate. If the surviving owner dies without adding another owner (which often happens), or if both owners die at the same time, the property will almost have to go through probate before it can go to the heirs.

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Tenants-In-Common: With this kind of ownership, each owner's share will be distributed as directed in his or her will. If there is no will, the property will go to the owner's heirs.

Community Property: Nine states (Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin) have a form of joint ownership between spouses commonly called community property. When you die, your share of community property automatically goes to your surviving spouse, unless your will says otherwise.

Tenants-by-the-Entirety: This form of joint ownership, available between spouses in some states, is similar to joint tenants with right of survivorship in that when one spouse dies, his/her share automatically goes to the surviving spouse, even if the will says otherwise. So you have many of the same risks, including unintentional disinheritance and court interference if one spouse becomes incapacitated.



Revocable Living Trust: When you have a living trust, the title of your real estate can be held in the name of the trustee of your trust. Usually you will be your own trustee, so you keep full control of the property. You can buy, sell and refinance real estate just as you can when the property is not in your trust. Nothing is different other than how you hold title.

4 Steps to Enhance Your Credit

We all know that a high credit score can help streamline life events like buying a house or landing a new job. But do you know how to boost your score? Try these 4 steps to give it a quick lift.



Fix Credit Errors -- Don't wait for a lender to check your credit before reviewing it yourself. Request a credit report from each of the three major bureaus every year, reviewing the accuracy of your personal info, credit limits and the open or closed status of each account. Dispute any errors immediately. This annual request is FREE from each of the three agencies, so there is no reason not to take advantage. An additional thought! Request one of the three every 4 months to keep a rolling update of your credit situation. Consider setting an alert on your calendar.

Ask for Forgiveness -- If you have blemishes on your credit, try clearing them up. Negotiate paying an old debt if the creditor will mark your account "paid as agreed." For a late payment on a long-held account, write the creditor, acknowledge your otherwise good history and ask for a goodwill adjustment that will wipe it from your credit report.

Make Strategic Repayments -- You may not be able to pay off your credit cards quickly, but you can strategically pay them down. Start by dividing each card balance by its limit. Demonstrate restraint to lenders by keeping each card balance below 30 percent. If your card debts are higher, make a plan to pay balances down to reach a more desirable ratio.

Increase Your Credit -- Another way to reduce your debt-to-income ratio is to ask for an increased limit. It's a bit of a numbers game, but if you keep future spending in check, you can end up with a lower ratio. (Experts say this ratio accounts for up to one-third of your credit score.)

Any and all of the above is included only for general information and not to be construed as tax or legal advice. You should take any questions to your tax or legal advisor for clarification.

Don't overlook the tax break of mortgage points

If you have ever taken out a mortgage, you probably already know of the tax advantage provided by deducting your mortgage interest payments. But many homeowners overlook another tax break available for points paid to get a home loan. In some cases, points also could shave tax bills for folks who refinanced or got an equity loan or line of credit. Each point is 1 percent of the loan amount. Loan points are fully deductible in the year paid if they meet all of these requirements:

The loan is secured by your main home, the house you live in most of the time.

Paying points is an established business practice in your area.

The points are generally what is charged.

The loan is used to buy, refinance or build your main home. The points are computed as a percentage of your mortgage's principal amount. The amount is clearly shown on the settlement statement as points charged for the mortgage.

Home Decor to Watch in 2021

Even with 2020 in the rear-view mirror, it's fair to assume we'll still be spending a good amount of time at home in 2021. Here's a roundup of popular décor and design trends to keep in mind if you plan to redecorate this year, so you can nest with the best.

Comfort and Functionality

2020 was a year when most of us spent more time at home than ever before. Not only were we confined to our homes during our free time, but our homes also became our gyms, our schools and daycares, and (if we were lucky) our offices. All of these new demands have made comfort and functionality top priorities in home design.

Unused guest rooms and formal living rooms have been given more useful purposes. Home offices have gone from makeshift setups to more permanent work stations. The rise in popularity of overstuffed living room furniture signals that consumers are focused on actually relaxing in their living spaces. Furniture sellers are also seeing high demand for partitions and room dividers, as people look to subdivide their limited free space.

Lighter Wood

Lighter wood will be a popular choice in 2021. From furniture to flooring, blonde and light oak woods make spaces feel bright, open, and modern - even if your other décor is more traditional.

Neutrals are no Longer the Default

For years, neutral gray, beige, and white were the go-to paint colors for walls and cabinets. Now, bold blues and greens are rising in popularity, and that's not just limited to accent walls. Expect to see splashes of color covering entire rooms and cabinetry in 2021, as consumers try to recreate the colorful environs of restaurants and hotels in their own homes.



Advise for Sellers! Extend the selling season. Spring is the best time to find the broadest universe of buyers and sellers. Parents don't want to uproot their kids from schools mid-term and would like to settle in a new neighborhood by mid-summer. Many sell at the same time they buy. These days, "spring" really means late winter. So if you're going to sell in 2021, get your house ready for showings by mid-May. That will give you nearly 3 months until this buying and selling opportunity slows down.

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