

# Brigitte's Newsletter p.1

November 2010

## Austin's Economy

First of all thank goodness we are in Texas.

Second of all thank goodness we are in Austin! Which is doing better than the rest of Texas.

**For the fifth months in a row, Austin takes first place in ranking of the 50 largest metro areas, based on the percent increase in payroll jobs over the preceding 12 month.**

Unemployment numbers for September show Austin's performance relative to the state and major Texas metros being sustained. **In September Austin is at 6.8%**, while the other major metros range from 7.2% in San Antonio to 8.2% in Houston. **The national rate is 9.2%**. One year ago Austin's rate was 7.2%.

\*Austin American Statesman 11/14/2010 (Craig McMenemy, Division President for Drees Homes)

**Recovery on the horizon** Builders prices are some of the lowest in years, and people are going to recognize that interest rates, the lowest since the Eisenhower era, are never going to repeat themselves.

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## Mortgage Terms

**Annual Percentage Rate (APR):** The APR for your home loan is an annual calculation that includes the interest rate quoted by your mortgage company plus additional home loan costs such as origination fees and points. The important thing to keep in mind about your loan's APR is that it will be higher than advertised interest rates because of these additional factors.

**Loan to Value Ratio (LVR):** When you buy a home, this term refers to the amount of financing you are getting in relationship to your new home's value. For example, an \$80,000 mortgage on a \$100,000 home has an LVR of 80 percent. This is important because an LVR of more than 80 percent will require you to purchase private mortgage insurance (PMI). Using the same example to illustrate this point, if you finance \$90,000 of your \$100,000 home, your LVR will be 90 percent, initiating the need for PMI.

**Private Mortgage Insurance (PMI):** When you finance more than 80 percent of your new home's value, your lender will require you to purchase PMI. This protects the lender against loss if you default on your home loan. Your monthly PMI payment is added to the cost of your mortgage payment. It is important to note that when you have accumulated 20 percent equity in your home, you will want to check into canceling your PMI to lower your monthly mortgage payment.

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# Brigitte's Newsletter p.2

## Energy savings for fall

### **What is the best way to dispose of all the leaves?**

Chop them up with your lawnmower and leave a layer of mulch on the lawn and your flower beds. It will break up and give out necessary nutrients.

### **Best way to save electricity:**

Now that the days are shorter and fewer daylight hours you can save the most by switching from incandescent bulbs to compact fluorescent bulbs. This can reduce your electric bill by almost 75%.

### **Nothing compares with the glow from a fireplace:**

Fireplaces can be pleasing but most of the warm air goes up the chimney. If you choose to build a fire in your home, make sure your fireplace is in good shape with heat-retaining features: blower, radiant grates and inserts. Now that many artificial logs turning from petroleum-based binders to vegetable paraffin, they release 75% less carbon monoxide according to EPA. They burn hotter and giving a better chance of giving out more heat.

### **The best way to stay warm in the house and saving money:**

Closing leaks, changing air filters once a month, insulating well and sealing your doors and windows is the best way to stay warm and keeping the heat local. Install a programmable thermostat; this can save you a lot of money.

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