

"Quotes"

"There are three kinds of people in the world; those that can count, and those that can't."

Unknown

"The fulfillment of your dreams lies within you and you alone. When you understand and accept this, then nothing or no one can deny you greatness."

Les Brown

"You have to risk losing the race to win it."

Lance Armstrong

"Some people have thousands of reasons why they can't do what they want to, when all they need is one reason why they can."

Willis Whitney

Definition: **Laid off**

The universe giving you the opportunity to do your own thing.

Les Brown

"An optimist sees an opportunity in every calamity, and a pessimist sees a calamity in every opportunity."

Unknown

"Do just once, what others say you can't do, and you will never again pay attention to their limitations."

James R. Cook



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Call us anytime for a **FREE*** Market Evaluation of your home's value.

* No Obligation

WHAT'S YOUR FICO CREDIT SCORE?

Credit Score - continued from page 1

delinquencies. One late payment may not affect your score significantly if the rest of your history is good because the model is looking at patterns, not isolated credit mistakes. The "amount owed" is basically looking at the relationship between total used credit and total available credit. One who has maxed out credit cards and has little available credit will score poorly in this area. An interesting note in this category is the recent "0% finance" or "No payments 'til 2007" deals many stores offer. If you walk into a store and take advantage of this offer, you may walk out with 0% for a year or more, but to the credit reporting companies, it looks like you financed let's say \$1000 with an available limit of \$1000 leaving no available credit on that card (maxed out). Again, this will not negatively affect your score if the rest of your history is good but if it's part of a pattern of maxing out credit, it can be a problem. "New credit" is basically looking to see if you are taking on more debt. The last category, type of credit, wants to see a healthy balance of credit (bank cards, installment loans, department store cards).

So what is your score? A law has passed recently that lets us view our credit history once a year for free. Bill Grant, of Biltmore Financial Bancorp, of Palatine, warns against using many of the websites that claim to provide your credit report and/or score free of charge. But this site, www.annualcreditreport.com, is sponsored by the three credit reporting companies. So I sat down and walked through the website. Once again, my hands were sweaty and my stomach a bit nauseas but I forged ahead. It was super simple and in minutes there was my credit history right before my eyes...every payment, every inquiry, everything. I then wanted my score and for that I had to pay \$5.95. I am glad to say that \$5.95 set my mind to ease once again with a good solid score. It was worth looking up because it really

can educate the consumer whether your score is good or not so good.

If it turns out that your score is not so great and a lender has turned you down, you have a right to ask for a written explanation of why you were denied credit. The first thing you should do, according to Richard Roller, of Wells Fargo Home Mortgage in Park Ridge, is to check your credit report for errors. If you find any, write the credit reporting company a letter with proof of payment or account status and ask them to update the incorrect information. "Any collections on your credit report, however small, may negatively affect your score", says Roller, so bite the bullet, and pay them off. Unfortunately, your credit score is not likely to shoot up overnight, so be patient. Correct information will likely remain on your credit report for seven years or longer. Although the general rule is that the only real way of improving your credit score is to pay bills down, lower your balances and not take on new debt, it's worth sitting down with a mortgage broker to see what your options are for improving your credit score.

So what do you get if your score is really great? According to Bill Grant, a great score can't really help you get a better mortgage rate but it can dramatically help in the flexibility of options. A good score can help you receive the financing you need quickly. It can provide more financing options such as "non contingent" financing.

In today's housing market, being pre-approved by a lender is essential in getting the home you really love.

So take the first step and check out your score. You can then talk with a lender to evaluate your options. It's painless....really!!! **PFR**



Picket Fence Post

Community is not just the place where you live, but what you make of that place.

Don't miss the **2005 MOUNT PROSPECT VILLAGE-WIDE GARAGE SALE WEEKEND**
See page 2 for more info

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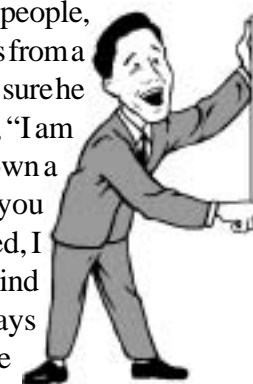
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WHAT'S YOUR FICO CREDIT SCORE?

If you are like me and probably many other people, you might have found yourself sitting across from a mortgage broker at one point in your life just sure he or she would look across the desk and say, "I am sorry Mr. and Mrs. Jones, you will never own a home and have any kind of life because you have such bad credit history". Now granted, I was over dramatizing the situation in my mind because I was pretty confident I had always paid bills on time. But what if? What if there was a time I didn't? What if some traffic ticket went unpaid? What if there is something on my record I don't know about? What if I owed too much to creditors? These questions circled through my mind over and over, convinced that I would be the reason I would be banned forever from the housing market. And then the magic words... "congratulations, you have an excellent credit score." Ahhh the relief! I was ensured that I, too, would be able to join the ranks of homeowners.



I am sure you have seen commercials lately that talk about being haunted by your credit score. What is so important about your

score and why the sudden attention? In the 1980's, Fair, Isaac and Company devised a patented mathematical model (the actual calculation method to this day, remains a secret) to predict the credit risk of consumers based on information in their credit report. Today this system, known as FICO, is the scoring model most widely used by lenders. There are three companies that calculate your credit score: Equifax, Experian, and TransUnion. The range of credit scores is between 300 and 850. The higher your score, the lower the risk for the lender. Sixty percent of people have credit scores of 600 and above. Borrowers in the low 600's are a risky investment. At 720 you are viewed as a safe risk and can typically receive a loan with no problems.

So what factors affect a score? The FICO score is calculated based on the following areas: 35% payment history, 30% amount owed, 15% length of history, 10% new credit, and 10% type of credit used (credit cards versus installment loans). Payment history is a record of any late payments or

see Credit Score - continued on page 4

The Value of Repairs, Improvements, and Additions to Your Home - Part 2

This is Part II in a 2-part series. The article can be seen in its entirety by visiting www.PicketFenceRealty.com and clicking on Mount Prospect Newsletter. Part I appeared in the last quarterly issue of The Picket Fence Post.

Occasionally you will see a newspaper or magazine article quote the return-of-investment percentages that you can expect from various home improvement projects. This type of "survey" is more often from the marketing department of a cabinet or plumbing fixture company overly optimistic about their products "high-end" appeal. If you do much of the work yourself, you can expect a large percentage of the cost back in immediate increased value. But if you hire a contractor, and have expensive taste, prepare for a good old-fashioned dose of reality. Consider this; If you just completed a \$60,000 gourmet kitchen, you will have a hard time finding someone willing to write you a check for that amount, especially after **you** picked the colors, tile, appliances, etc.

Knowing the reasonable market value of your home prior to your proposed project is a good place to start. This cannot be determined by simply keeping your eye on the home sales published in the newspaper or by making a reasonable assumption. Remember that similar homes can vary greatly in condition and appearance, resulting in wide ranges in market value. A close comparison of your home to neighboring homes like yours that have sold in the recent past is the best way to determine your homes current value. This is where a Realtor can be invaluable. The Realtor you call should be familiar with your area's homes, both inside and out. A "Before & After" evaluation of your home will give you both the current "reasonable" market value of your home as well as an estimate of your homes value after the proposed addition. This will of course be a speculation, but may shed additional light on the entire project. As we mentioned in part 1, a small project done well can add triple the value. However a big project done poorly can return only a small fraction in increased value.

A good question to ask yourself when making improvements is: "Will this project give me more than I have now?" If yes, than the project has the potential for a

good return-of-investment. If the answer is "It won't give me more, but it will be better, nicer, etc.," then be careful not to over-expect.

Try to fight off the urge to buy top-of-the-line fixtures. As a rule, anything you spend above the "slightly above average" price range should be spent for your own personal enjoyment. Excessive luxury adds little value (except in truly gourmet kitchens and ultra-expensive homes).

A point that cannot be over-stressed is neutral decorating. If you have plans of selling someday soon, keep things simple. White, off-white, or light beige are the paint and appliances colors to use. "Benjamin Moore - Navajo White" is the most widely recommended brand and color of paint. Kitchens and baths fall under the same white/beige rule. If replacing wood cabinets, the wood should be light or natural in color. Painting wooden cabinets is a popular and inexpensive alternative (white/off-white). Many of today's "trendy" cabinet and countertop colors will be tomorrow's "Avacado".

You should be careful with bold colors. Magazines are filled with many beautiful kitchens and baths that use bold colors effectively but most of those homes are very expensive, and involved high-priced interior designers. Unless you are prepared to go all the way with a decorating theme, be very careful. New carpeting should be light and neutral. If you have hardwood floors, consider exposing them or partially covering them with area rugs.

You should keep wallpaper to a minimum. Painted walls can easily be repainted if the

buyer doesn't like your colors, but wallpaper is tedious and time consuming to remove.

Ask your friends and family what they think of your project (and ask them to be honest with you). You may not agree with them, but it's their opinion, and they're entitled to it. It is worth noting. The person who someday buys your home will also have an opinion un-influenced by you. If you've spent many hours working out your plan, you will quickly become biased. Also, architects, builders, or service people may have an inflated opinion of how much value their service or product will add. Opinions from disinterested third parties, if considered, can help keep your thinking realistic.

Over-improving your home can also be risky. Your home's value is affected by the price of surrounding homes. Turning your home into the biggest and best home in the neighborhood will usually result in a lower sale price than if it were nestled among other similar homes.

Of course, with something as personal as a home, exceptions exist. Many unusual improvement plans have a surprisingly good effect on the home. Other, seemingly mainstream projects fall short of their intended effect and yield a less-than-expected result. Your pre-construction research and doing your homework will still be your best bet for home improvement success. **PFR**

Visit our information-filled website:
www.PicketFenceRealty.com

IT'S NOT TOO LATE TO JOIN VILLAGE-WIDE GARAGE SALE WEEKEND April 29, 30, & May 1, 2005

There is still time to join the 2005 Mount Prospect Village-Wide Garage Sale Weekend. Call Picket Fence Realty (the event organizer) for details or visit the event's official website at:

www.MountProspectGarageSale.com

Hundreds of homes will participate - True Blue garage salers love group garage sales and attend in large numbers. Don't miss the chance to clean out your basement, attic, and garage of the things you haven't used in years. You can sign up by phone, in person or online.

Call: **(847)259-8600**

Some of the recent homes marketed by Picket Fence Realty



**1101 N. Westgate Rd.
Mount Prospect**

Stunning 4 bdrm. 2.1 bath colonial with beautiful family room addition. Hdwood floors, 3 fireplaces, finished basement.

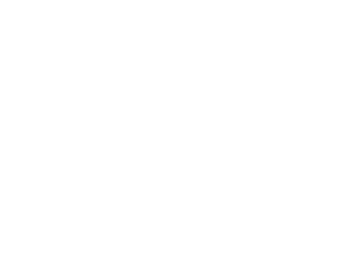
Offered at \$474,900



**1106 W. Milburn Ave.
Mount Prospect**

Spacious 3 bdrm, 2 bath We-Go Park Split-level with addition. Hardwood floors. 2-car garage.

Offered at \$359,900



**205 S. Louis St.
Mount Prospect**

Meticulous 3 bdrm. 2.1 bath brick ranch with large family room addition. New baths, den, and a great basement.

Offered at \$404,900



**4604 Sycamore
Rolling Meadows**

Large 4 bed, 2.1 bath Split with sub-basement. Great family rm with fireplace. Built-in pool. 2-car gar.

Offered at \$329,900



**647 W. Sheridan Rd.
Lakeview, Chicago**

Updated 2 bedroom condo. Hardwood flrs. Laundry. Rooftop deck with grill. Fitness and bike room. Pets OK. Near Lake, tennis and golf.



**4837 N. Orange
Norridge**

Updated 3 bdrm 2-bath brick ranch with new kitchen. Family room. Full finished bsmnt. with 4th bdrm. 2 car garage.

Offered at \$470,000



**606 S. Wille St.
Mount Prospect**

Magnificent custom U-shaped brick ranch w/3 bdrms 2 baths, formal dining, eat-in kitchen, 2 fireplaces. Many extra features. 2-car garage.

Offered at \$549,900



**1132 N. Mitchell Ave.
Arlington Heights**

Solid 3 bdrm brick ranch with family room addition. 2 fireplaces hardwood floors. Full basement. 1-car garage.

Offered at \$339,900



**6475 N. Newland Ave.
Chicago**

Norwood Park vintage Queen Anne. Hardwood flrs. 3 bedrooms, 2-baths, formal dining room, eat-in kitchen.

Offered at \$359,900



**314 N. Russel St.
Mount Prospect**

Charming classic brick Georgian with 3 bdrms, 1.1 baths. Formal dining room. Hardwood floors. 2 fireplaces. 1-car garage.

Was offered at \$344,900



**1405 S. Robert Drive
Mount Prospect**

Well-maintained expanded brick ranch. 3 bdrms, dining area. 3-season room. Hdwrld floors. Full bsmnt. 2-car garage.

Was offered at \$319,900



**301 N. School St.
Mount Prospect**

Enormous home with 6 bedrooms and 3 baths. Hardwood floors, 2-car garage. Near Metra and downtown.

Was offered at \$379,900



**1818 Azalea Ln.
Mount Prospect**

Fabulous 4 bdrm 2.1 bath split with sub-basement. Updated thru-out. Formal dining, eat-in kitchen. Hardwood floors. 2-car garage.

Was offered at \$439,900



**431 S. Evantson Ave.
Arlington Heights**

Stunning Stoltzner split level. Corian counters and maple cabinets. Eat-in Kit. plus dining area. Unilock brick paver patio. 1-car garage.

Was offered at \$339,500



**1708 W. Catalpa Ln.
Mount Prospect**

Spacious colonial with 4 bdrms. and 2.1 baths. Hardwood floors. Family room with fireplace. 2-car garage.

Was offered at \$339,900



**713 N. Forest Ave.
Mount Prospect**

Three bedroom-2 bath split level with hardwood floors. Cathedral ceiling. Recent updates. 1-car garage.

Was offered at \$329,900