

12/16

Tenant Tips

An occasional newsletter to help you financially

Hiding Surely Hurts You! If someone sues U and can't find U, they will "publish" in a newspaper you've never heard of and based on that supposed "service" on U get a judgment against you and wait 6 months after so you can't appeal that. Then, they can garnish your accounts BEFORE you even know. So, when you move and don't give the post office your address, you're asking "for it". You hide when you fill out the post office form 3575 (lower left corner of form) for change of address which is only good for 6 months, and check the box in space #1 "Entire Family" as that means you get ALL the mail and not just your successor tenant.

Knox Emergencies: How can ambulances get to you if your stroke stops you from opening your door; or fire smoke makes you unconscious? SOLUTION- A Knox Box bolted to structural beam of your home with your door key inside, to which every fire department and ambulance has the key to these Knox Boxes!

Coping with life's problems usually means separating from them, which usually solves nothing, BUT when you encounter long lines and lengthy waits in a business, separate from it. Solution- find another source.

Plans Are The Secret: Those with a FINANCIAL PLAN get 90% of the wealth!! Do You? These people are frugal and don't borrow money. Invest at least 10% of your take home income !!

Older The Car The More Careful Driving Is Required BECAUSE your auto insurance DEDUCTIBLE is so large a portion of its fair market determined by your insurer that your insurance will not pay to replace your auto but just pay you its "fair market value". RESULT - no car and have to buy another!

Control of your Expenditures - Get It By: 1st knowing what your expenses are by either: recording the amount of cash you have to put into your checking by the end of each of 3 successive months as that shows how much you have had to subsidize your expenses from your savings each month and thus how much you need you either increase income or cut expenses; OR better 2nd- write down your FIXED monthly expenses + separate list of unusual expenses by each month as that average is the amount of a reserve you must have to handle unusual expenses. OR 3rd - throw away your checks and use only pocket cash and a debit card. OR 4th - write down every expense and all income and examine the result to tell you how much you need to cut expenses or increase income. HOW CONTROL UNLESS YOU KNOW?

Help Your Aging Parents BY: medicare.gov/find-a-plan/questions/home.aspx & enter zip + drug names + dosage + how often taken = it calculates and advises on the Cheapest Plan for Your Parents! **Philips Lifeline with AutoAlert** alarms when wearer falls! AARP's Care giving Resource Center at aarp.org/care_giving shows services and support organizations helping. **AAA 1-day driving school? IT WILL SAVE INSURANCE COSTS!**

Isolate Yourself/Parent & Get Sucked In by financial abusers is what I as an attorney have seen in over 46 years of practice! (re-read that). Are your parents isolating themselves? SOLUTION is involvement in groups like intense special-interest clubs and especially churches because they accept and personally involve even usually "difficult" personalities. Some non-religious reasons to become a church attender are: *in disaster (firing, fire, death, arrest, medical) other members are more likely to help/encourage; * there are members who become true friends; *total agreement among members on doctrine NEVER is demanded; *pot-lucks (buy your part from grocery deli's), holiday events, etc. drag "loners" into happy relational activities; *becoming part of a church "missionary" efforts helping orphan children or victims of fire, earthquakes, hurricanes convinces contributors that they are not worthless! More reasons abound!

Habits help or hurt us. So, have you reviewed any of the prior copies of "Tenant Tips"?

Life Squandering Habits are far more than cigarettes and addictions. Have you measured how much of your life you devote to morning and evening habits? Some truly are necessary, BUT are all of yours? I hate it but I suspect it's true - "Early to bed, early to rise makes ...". Are you losing a day a month making coffee + listening to news + "getting ready" in the morning? Consider changing your habits and gain truly weeks a year.

Hide Your Assets Cheaply by: leaving a list of your assets OR where you keep assets OR don't put all in one place OR don't make your fake stash not have something of real value OR don't buy a safe thieves can cut off the top with a portable saw OR don't bury cash in a can where bugs get OR make a small box and glue book fronts and sides on it giving you far more room than in book cut outs, but they have to be too high to see inside and be the same kind of books glued to it OR use the vacuum or its bag OR under inside plant dirt OR under a fake drawer bottom OR among the clutter in a kids' room OR between kitchen cabinets OR under the garage door opener cover OR under the ice in an ice tray OR in pockets of closet clothes OR in envelopes taped behind non-office furniture OR between a hanging picture and its backing AND like the Biblical pearl in the field - Remember where it is! - Dun Clinton

Basic Debt & Financial Math:

72: Debt and asset value doubles in the number of years of 72 divided by the interest rate & halves in the same number of years as inflation. THIS IS REALLY USEFUL. So, the buying power of debt you owe to the creditor halves every 12 years if its 6% interest.

PITA: A 30-year real estate mortgage at 6% interest rate costs \$6.00 per thousand of debt and \$.66 less at 5% and same more at 7% for mortgage interest (**I**) and principal (**P**), but there is still about point 12% for property tax (**T**) and about point .06% for insurance (**A**) plus often \$200 for home owners' association all per month plus occasional repairs .

LATE: charges on mortgages are delayed by federal bought mortgages until the 1st business day after the monthly 15th because lenders don't have to forgive interest on the amount of mortgage payment received by the lender before the due date if the mortgage allows the lender to count it as made on the due date rather than the actual receipt date. On a \$100,000 mortgage at 6%, the daily interest varies but averages \$10.74/day. At 5% it = \$8.47 per day after the 15th. So, on these posting credit on agreed date rather than actual date, there is no advantage in paying before the 16th. but thereafter, each day late cost the borrower numbers like \$10.74 etc. per day, which are eventually paid to the lender when the loan is paid off, which will be when the buyer sells or at some point after said 30 years. Because the amount varies depending upon when in the life of the loan there is a late, it is difficult for normal people to know exactly what it is at any late receipt date, arbitrary "late fees" are justified as there special delivery charges for late payments, eventual costs to audit the lender's calculations at pay-off, unknown costs of depressed credit scores.

78 Rule: For crediting payments sometimes used on car loans results in ALL of the total interest over the agreed length of the loan being paid in beginning period of the loan and the principal being paid toward the end. RESULT = pay on a car loan for 3 of the 5 years, and pay it off in the 3rd year to discover that you still owe the same as when you started! Solution, stick with the loan to the end as there is no advantage in paying off early.

Travel to Work costs about \$1.00 per day per mile as the fed. gov. figures total costs of operating a car is about 50 cents per mile. So, living 10 miles from work costs \$215 /mo. [\$1.00/mi x 10m/d x 21.5 d/month]. That's the same as renting a bigger house closer to work: [\$140/sq. foot to build 1500 sq. foot home with 80% mortgage at 5% (5.32x168K= \$894/mo + 1.4%/12months tax + .7%/12 (210K x 2.1%/12 = \$367.5/mo) together = \$1261/mo. Said \$215 = 17% more expensive home by living next to work! SOLUTION = live as close as possible to work.

Don't Pay Off Your Highest Interest Loans/Debts First: Instead first pay off the debts whose monthly bill is the highest percentage of the total owed! That way you will sooner have extra money to pay off the remaining bills AND ALL BILLS WILL BE PAID OFF SOONER.