

## Tax Law Updates

### SELLING A HOME

Up to \$250,000 of current and deferred profit is free of tax for single taxpayers and up to \$500,000 for joint filers. You must have owned and occupied the residence for at least two of the five years before the sale. And, you must not have used the exclusion during the two-year period ending on the date of the current sale.

### RAISING A FAMILY

For most families with kids there is a \$600 tax credit per child for 2002 and this increases to \$700 per child for 2005. Dependents must be 16 years or younger. The credit drops for adjusted gross incomes over \$110,000 for joint filers and \$75,000 for single filers.

### PLANNING FOR RETIREMENT

The amount that can be contributed to a traditional or Roth IRA has increased to \$3,000. If the taxpayer is age 50 or older in 2002 the limit is \$3,500. The dollar limit on annual elective deferrals under your 401(k) plans has increased to \$11,000. In 2003 and thereafter the limit is increased in \$1,000 annual increments until the limit reaches \$15,000 in year 2006.

— Rodney R. Watkins, CPA, APC

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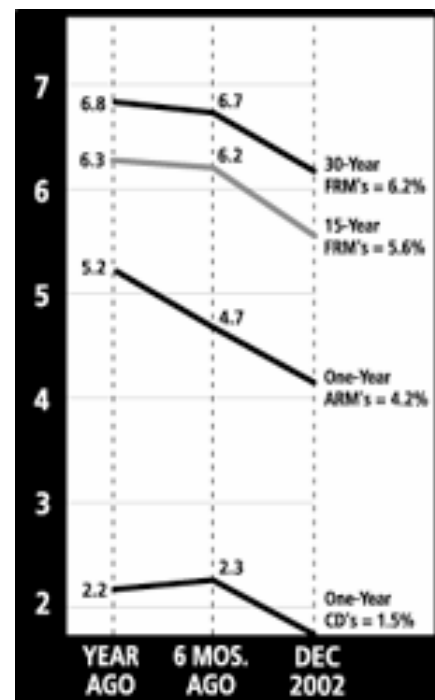
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*“Take each good day  
and relish each  
moment. Take each  
bad day and work to  
make it good.”*

— Lisa Dado

## Key Interest Rates At A Glance

Rate trends over the past year.



FRM = Fixed Rate Mortgage  
ARM = Adjustable Rate Mortgage



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# Introducing Joe Heller !!!

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It's my pleasure to introduce to you a new member to our team: Joe Heller.

Joe is getting up to speed and used to working in this office during the month of January. He is absorbing all that is thrown his way, and we anticipate him being able to handle the work flow by early February.

Joe has an incredible technical background, bringing the ability for us to implement even more state of the art tools to make sure that your loans transpire even faster and smoother than ever before.

Joe will be taking on the role as our transaction coordinator, and will eventually be an invaluable source of information for you to be able to call with any questions about your loan during it's processing.

He will of course eventually be taking on other tasks, like our annual mortgage review, that will ensure that your loan is still meeting your short and long term goals each and every year and rate watch scenarios to inform you of when you can benefit from the current market conditions.

Joe's email address is:  
[joe@dboulter.com](mailto:joe@dboulter.com)

Please feel free to drop  
Joe a word of welcome to our  
team.



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## Kalib gets kicked out

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Kalib, our youngest, at the ripe old age of 3 is already on the path of the rebel that we have been expecting him to go down for a while . (I know, we are not supposed to type cast our kids, because they become what you are telling them they are ... but ... whoa ... he is a wild child, beating to his own drum without our help.)

So, the short version of the story is that we tried putting him into day care a couple of days a week for him to learn how to get along with other children (just like we did for Jordan).

The first time, he wouldn't stay there, so Candace took him home ... maybe he is a little younger than Jordan was when he went, I can't remember. But that wasn't the funny part ... that came the day that Kalib decided he was ready, and Day Care called and said that they weren't. So, Candace went and picked him up, and now we have to wait and try again later ... when he is a little more "willing to listen" to the teachers ... Oh well, well rounded socialization skills are highly over rated anyway. :)

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## News Letters are Online

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Since we are going to put into service some high tech systems, we are going to post and archive the newsletters on the website (in case you remember reading a good tip, but can't find the printed version).

They will be on the website at [www.dboulter.com](http://www.dboulter.com) , under the 'newsletters' tab on the left.

Until we get the actual newsletters embodied in the emails sent to you, we will be sending out a link for you to view or print newsletters via the website.

If you are receiving the mailed copies and would only like the emails or vice versa, please let Joe know your preference.

Thanks, Dom.

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## Saving When Car Buying

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According to the American Automobile Association (AAA) buying at the end of the month is the best time of the month to buy a car. The dealer is down to the wire for meeting monthly sales goals and automakers reward dealers and dealers reward their sales force for meeting those monthly sales goals.

The best time of the week is the weekend and the best weekend is the last weekend of the month.

The best months to look for a bargain are in the winter and summer when car sales are in their slowest period. Also, rebate programs are typically strongest in winter and summer and weakest in spring and fall.

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## Treating The Stains

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Here are some tips for treating two main kinds of stain:

**Oily Stains** – Saturate the stain with detergent and scrub the area; then, wash at the highest temperature recommended for that fabric. If the stain persists, saturate it with charcoal lighter fluid (in a well-ventilated area) and blot the excess liquid with a clean cloth. You can do this several times. Lastly, saturate again with detergent, massage the stain and machine wash.

**Plant/Protein Stains** – Wash in a detergent containing enzymes along with non-chlorine bleach.

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## Help On Nuisance Phone Calls

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You can reduce those unwanted commercial phone calls by writing Telephone Preference Service, Direct Marketing Association, P. O. Box 9014, Farmington, NY 11735-9014 or go to:

[www.dmaconsumers.org/cgi/offtelephonedave](http://www.dmaconsumers.org/cgi/offtelephonedave) to get on the group's no-call list.

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## Budgeting For Energy

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According to the Energy Information Administration the average household in the United States spends over \$3,000 annually on energy use such as gas for the car, electricity, and natural gas/fuel oil for the home. About half of that is spent on gas for cars.

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## Retirement Security

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A diversified portfolio is defined as a combination of stocks, bonds, and short-term investments geared to an investor's age and other personal circumstances. Your choice of the right mix for you depends on your circumstances as well as your tolerance for risk. The Alliance For Investor Education is a coalition of government agencies and trade associations that offers a 10-part tutorial "Diversification 101" on its website [www.investoreducation.org](http://www.investoreducation.org). Also, the American Association of Retired People (AARP) has financial planning information at [www.aarp.org/finance](http://www.aarp.org/finance).

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## Finances For Kids

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It is possible to tailor lessons to help kids understand the value of money. Here are a few tips to get you started:

- Explain the basic concepts of earning an income and living within one's means.
- Give your children a small allowance with guidelines on how the money can be spent – for example, 50% is savings, 10% to charity, and 40% for them to use how they choose.
- Help them understand the value of a systematic saving program by helping them open a bank account.
- Support their efforts to earn extra cash by helping with chores, selling lemonade, etc.
- Help them develop a budget on their own so that they see the relationship between what they want/need and the monies that are available for those wants/needs.



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## Home Fire Safety

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The number of home fires caused by burning candles has more than doubled in less than a decade. Each year, candle fires account for millions of dollars in property damage and thousands of unnecessary injuries and deaths. Here are some tips for using candles safely in your home:



- Only burn candles under constant adult supervision.
- Keep burning candles away from flammable and combustible items.
- Keep candle wicks trimmed to within 1-1/2 inch from the top of the candle.
- Do not allow candles to burn down to the bottom of their container. Stick candles should not be allowed to burn down below two inches of their holder.
- Place candles in safe locations, out of the reach of children and pets.
- Use a flashlight rather than a candle during power outages.
- Only place candles on secure furniture that is unlikely to tip over.
- Secure candles in holders made of glass, ceramic, metal, or other non-combustible material.
- Extinguish all candles before leaving the house or when going to bed for the night.

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## Group Calendars – Home or Business

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Whether it's a business conducted from several home locations or family and friends who are living apart, there are "group calendars" that allow people to create a joint scheduling calendar that they all can view and use.

Here are some of the websites that

offer these calendars:

[www.calendar.yahoo.com](http://www.calendar.yahoo.com) and  
[www.supercalendar.com](http://www.supercalendar.com).

Think of it as an electronic version of the old familiar, family kitchen calendar.

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## Net Health For Home

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There are medical sites on the internet that can help you keep track of your medical records ([www.healthatoz.com](http://www.healthatoz.com)); allows you to type in prescription drugs and find out if there might be drug – interaction problems ([www.drkoop.com](http://www.drkoop.com)); and provides the capability of storing information about yourself for use by emergency personnel. The RXList ([www.rxlist.com](http://www.rxlist.com)) has an extensive database of the most widely prescribed drugs. Also, there is a fee-for-service site that is geared for home users that enables you to back up your computer files by saving them to the site's computers ([www.backup.com](http://www.backup.com)).



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## Financial Safety

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Identity theft is the fastest growing crime in the country, affecting half a million new victims each year. Although stealing someone's identity to obtain credit or money can cost consumers thousands of dollars, it often goes undetected for months or even years. Here are some tips on preventing such theft:

- Photocopy the contents of your wallet, copying both sides of each credit card. Keep the photocopies and account numbers at home in a safe and secure place.
- Do not give personal information over the telephone, through the mail, or over the internet unless you have initiated the contact.
- Shred documents and pre-approved credit applications received in your name.
- Never use your mother's maiden name, your birth date, or the last four digits of your social security number as a password.
- Do not carry your social security card, birth certificate, or passport unless necessary.
- Do not print your social security number or driver's license number on your checks.
- Order your credit report at least twice a year. Reports can be obtained from:

**Equifax – (800) 685-1111**  
[www.equifax.com](http://www.equifax.com)

**Experian – (888) 397-3742**  
[www.experian.com](http://www.experian.com)

**Trans Union – (800) 680-7293**  
[www.transunion.com](http://www.transunion.com)

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## Heart and Health

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The National Heart, Lung and Blood Institute (NHLBI) offers a 10-year Risk Assessment Tool evaluating your chances of heart disease on-line at [www.nhlbi.nih.gov/guidelines/cholesterol](http://www.nhlbi.nih.gov/guidelines/cholesterol) or you can request the free brochure "High Blood Cholesterol: What you Need to Know" from the NHLBI, Health Information Center, P. O. Box 30105, Bethesda, MD 20824-0105.

For more information contact The American Heart Association at [www.americanheart.org](http://www.americanheart.org) or call (800) 242-8721.

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## Tax Basics – Be Prepared

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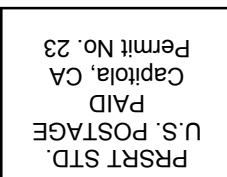
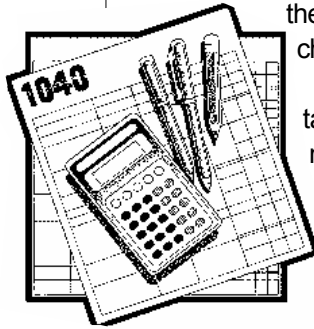
Prior to meeting with your tax consultant, be prepared to do the following:

**Review Past History** – review your previous two or three returns and make notes as to any questions you'll want to ask regarding these and other possible tax breaks. This is particularly important if you are using a new preparer.

**Assemble Income Documents** – bring together your records starting with income statements, including W-2's from employers and 1099's from banks, mutual funds, other payers etc. Examine them for any errors that may need correcting.

**Organize Expense Documents** – categorize your receipts in relation to the entries on the tax form such as medical, taxes, interest, charities, etc. with an amount totaled for each category.

Finally, make lots of notes before the meeting with your tax consultant/preparer and ask lots of questions during the meeting based on those notes; read your newly prepared return carefully before signing it and ask any questions you may have on any entry that doesn't look right to you – now is the time to correct any mistakes.



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*"Dedicated to being your 'Lender for Life'."*