



## Home Business And Taxes

The Internal Revenue Service (IRS) divides business activity into three separate categories. You should align your business tax planning and documentation into three areas as well:

### Income

All money deposited into your bank accounts will be considered income unless clearly identified and provable as non-income. In addition, the IRS conducts cash flow analysis on individuals (income vs. expenses) to look for additional income that may not have been deposited or reported.

### Expenses

Individual bills, invoices, receipts, time sheets, usage logs, and credit card slips are needed to support business expenses.

### Proof of Payment

Method of payment on all expenses listed above is needed to prove payment of business expenses to be deductible.

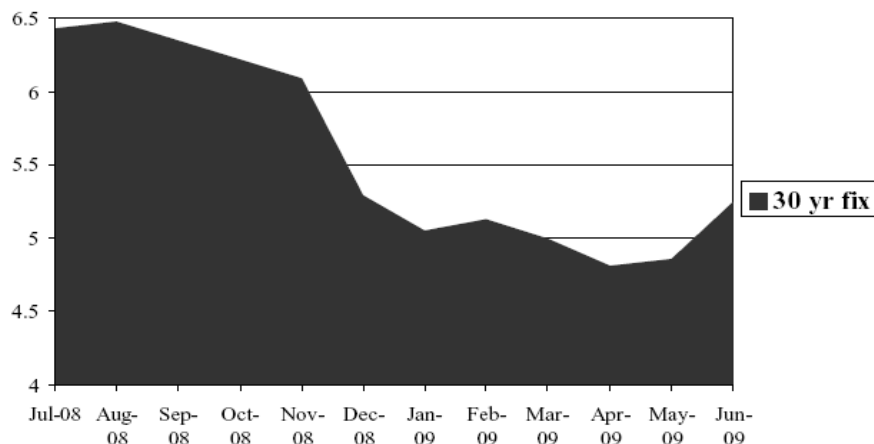
By following the path of the IRS, you can structure your accounting and record keeping to accommodate an audit. This will save you time and money spent in preparing for an audit "after-the-fact."

— Rodney R. Watkins  
& Associates  
Certified Public Accountant

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## Interest Rates



## O.M.G. on the Flip Side

O'Dette Mortgage Group recently welcomed 2 new team members! Anne Helminiak is a certified mortgage master with 18 years in the mortgage lending field including underwriting and loan processing. Anne joins Amy Hauptert in processing loans efficiently and in the shortest time-frame possible.

Anna Henningsson, client services coordinator to Andrew Kojiane, is a 17 year Tahoe resident and originally from Sweden. She has experience in mortgage lending as well as insurance services.

Teresa O'Dette recently joined the Leadership Team for the Queen of Hearts Women's Fund. The Queen of Hearts Women's Fund is a philanthropic organization which invests resources into community-based organizations that will improve the quality of life in the Truckee-Tahoe region. Go to the Truckee Tahoe Community Foundation's web-site for more information [www.ttcf.net](http://www.ttcf.net).

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## Home Security

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*Whether by a storm, fire or other power problem, an electrical outage can occur when you least expect it. Here are basic steps to take now to be prepared in case the power goes off:*

- Put in place an emergency plan.
- Learn how to open and close electric garage doors/security gates manually.
- Have an emergency supply kit that includes: a phone that doesn't require electricity; emergency phone number; cash on hand; a first aid kit; bottled water and juices; packaged snacks and fruits; a manual can opener; and, if any family member depends on medical life support equipment, have a generator on hand.

For additional information go to the Federal Emergency Management Agency's website [www.fema.gov/areyouready](http://www.fema.gov/areyouready) and they have a children's website [www.fema.gov/kids/index.htm](http://www.fema.gov/kids/index.htm).

The Federal Government's Department of Homeland Security provides information on what to set aside in case of an emergency on their website [www.ready.gov](http://www.ready.gov).

It's easy to forget about your emergency plan once it's in place. But you should periodically replace items that expire.

Unopened battery packs can last for seven to 10 years. Special "code red" batteries, available in D size only, have a 20-year shelf life if unused.

Food, water and medications also will have to be updated. Check the expiration dates. Food supplies in some emergency kits have a five-year shelf life.

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## Money Matters: Stop the World!

*Submitted by: Diane Morrison, Financial Consultant, Daily Morrison*

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In the late 1960s there was a popular musical titled "Stop the World – I Want to Get Off." It was about a man who was dissatisfied with his existence, goes searching for something better than he had, only to realize in the twilight of his life that what he always had was enough to sustain himself. Many investors today would like to stop the world and get off, and it's understandable why. We are all facing many serious problems and uncertainties that have created a great state of confusion and fear. Today's world seems more troubled than ever before, but we doubt it; today's problems are just somewhat different and represent change, which is always stressful. Uncertainties are a real enemy to the stock market, and we face lots of them. The current outlook is for an improving economy and better corporate earnings in 2010, how much improved, no one knows. The unemployment rate is at 9.5% -- probably headed into double-digits -- and not expected to improve for a year or so.

The international scene provides lots of reasons why some wish to move to another planet. Both Iran and North Korea remain serious threats to world peace, and those are just the most obvious problems. No one can be sure how the move toward a much bigger government will work out in the long term, but it represents a change that is very stressful. Then we face prospects of a dramatic increase in government spending, and a federal deficit that is frightening to many on both sides of the political aisle. And how about the consumer who is moving from a "spend, spend" to a "save, save" mood? To further disturb folks and cause consumers more distress, the stock market has been correcting and consolidating for nine long weeks.

OK, enough already! The bears do not need any help in coming up with reasons to stop the world and get off. The problems are there, as some problems always are, and they are well known to most. As the old bromide goes, "bull markets climb a wall of worry," but is this wall so high and so full of potholes that the bull will be overcome? There is always that risk, but we don't believe so. Why are we still projecting a modestly higher stock market by year-end and a better economy in 2010, despite the very lengthy list of problems? It's because of history. The history of our great nation and resilient economy have survived and prospered since 1776, despite much tougher periods. Yes, it is different this time, but it is always different to a degree. Personally, we are very concerned about a number of the trends in Washington, but history has shown that the American people eventually get it pretty much right. Then the question is one of timing, if you agree with our long-term optimism about America. Why buy stocks now? Because we believe market action since March 9 says the lows have been seen; the supply/demand ratio for stocks is bullish; price/earnings multiples have become reasonable. And finally, because so many people are so fearful about our nation's future that they want to stop the world and get off.



***Diane Morrison is a contributing author as well as the Preferred Financial Consultant to Teresa O'Dette.***

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## CA Home Prices Rise in June

California's median home prices rose 7 percent in June compared to May, according to MDA DataQuick, a real estate research firm. The statewide median price increased to \$246,000 from \$230,000, triggered by an increase in sales of higher-priced homes.

"We're just now seeing the beginnings of more normal mortgage lending patterns," DataQuick President John Walsh says. "There's still a long way to go, but it looks like the worst of the grind is over."

DataQuick also pointed out that foreclosures accounted for 46 percent of sales, the first month since August 2008 that foreclosure sales were less than 50 percent of the total.

Source: *The Associated Press, Jacob Adelman (07/16/2009)*

## Leasing A Car

The lease payment on a car is based on the difference between a car's selling price and the expected value (as a used car) when the lease is up. Your monthly payment will be lower when the lessor is willing to guarantee a high future value. At the end of the lease, you are ahead when the car's then "used-car" value is less than the "expected" value that was guaranteed in the lease.

There is a guide to leasing at [www.LeaseGuide.com](http://www.LeaseGuide.com) that explains the benefits of leasing compared to buying a new car.



## Home Selling Tips

Martha Webb, author of *Dress Your House For Success*, offers the following important advice on preparing your home for sale:



"Bear in mind that buyers are looking for a house that meets their physical and psychological needs... the first four steps of uncluttering, cleaning, preparing and neutralizing speak to their physical needs."

However, to succeed at selling your house quickly and profitably, you'll need to evoke feelings that help a buyer see beyond 'what is' to 'what can be.' Neutral staging helps them find their dream house in yours." For more information, go to: [www.bcwvideo.com](http://www.bcwvideo.com).

## To Your Health

In the journal of the American Dietetic Association the St. Louis University School of Public Health has noted that there are fruits and vegetables that contain the most nutrients and antioxidants.

As a comparison to other popular foods, dark salad greens and spinach provide more nutrients than iceberg lettuce; cantaloupe and squash contain more nutrition than corn; tomatoes and strawberries are better than apples; this is not to say you shouldn't enjoy all of the above—just that some foods are more nutritious than others.

## Travel And Lost Luggage

There is luggage that is lost during travel and never "found." Actually the owner/traveler is never found.

Unclaimed luggage usually ends up at the Unclaimed Baggage Center in Alabama. This store buys unclaimed baggage and sells the contents. The contents for sale are largely clothing but they also include cameras and jewelry. The pricing is considerably below retail prices. The store has a website at [www.unclaimedbaggage.com](http://www.unclaimedbaggage.com).



## Free Credit Reports

Under the U.S. Fair and Accurate Credit Transactions Act, you are entitled to a free credit report once a year from all three major credit reporting agencies... Equifax, Experian and TransUnion. The new act will be implemented over a period of time to prevent the credit reporting agencies from being overwhelmed with requests all at once. The agencies can be reached at the following: Equifax: 800-685-1111; Experian: 888-397-3742; TransUnion: 800-888-4213.

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## Freddie Mac Calls for “Appropriate Comparables”, “Qualified Appraisers”

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Recognizing the "challenges the current market conditions pose in connection with determining accurate property values," Freddie Mac's [Bulletin No. 2009-18](#), issued July 10, clarifies terms such as "qualified appraisers" and "comparable sales."

In addition to being compliant with the terms of the hotly contested Home Valuation Code of Conduct (HVCC), appraisers must be "familiar with the local market in which the property is located, must be competent to appraise the subject property type and must have access to the data sources needed to develop a credible appraisal," the bulletin

states.

HVCC critics say the code's design causes many valuations to be performed by out-of-area appraisers.

The Freddie Mac bulletin also states that the company does not require the appraiser to use real estate owned, foreclosure or short sales for comp choices, but "if the appraiser determines that these are representative of the properties available to typical purchasers for the market in which the property is located, appraisers must consider their use."

SOURCE: Freddie Mac

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## HVCC 18-month Mortatorium

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A recent ruling from Fannie Mae and Freddie Mac requiring brokers to order appraisals through third party appraisal management companies (AMCs) has been challenged by legislation that was introduced in Congress last month.

The new legislation would call for an 18-month moratorium on the rule known as the Home Valuation Code of Conduct (HVCC).

The National Association of Realtors chief economist Lawrence Yun said a 2.4 percent increase in existing home sales in May "is less than expected because poor appraisals are stalling transactions." Further, he claimed contracts fall through due to "faulty valuations" that prevent buyers from obtaining the loan.

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