



Practical Tips To Enhance Your Financial Freedom

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Golden Age of Real Estate

If you are concerned that the housing market may experience a downturn, don't be. Economic experts are predicting that the boom will continue through the end of 2006 and beyond.

Douglas Duncan, chief economist for the Mortgage Bankers Association, attributes the robust market in part to demographics, specifically the baby boom generation. National Association of Realtors Chief Economist, Dr. David Lereah concurs. As baby boomers enter their peak earning years, more and more are upgrading their primary residences as well as purchasing vacation homes and investment properties. In 2004, 36% of home sales were for non-primary residences.

Other demographic factors are also coming into play. Retirees are living longer and staying in their homes, which decreases the supply of homes available for purchase. In addition, the volume of home buyers has grown over the past three decades in part due to record immigration to the U.S. The children of baby boomers, many of whom are in their twenties, are also entering the housing market as first time home buyers. All of these demographic factors are helping to fuel a thriving housing market with no immediate end in sight.

Oil Prices Should Remain High

Experts are predicting that the average price of oil will remain in the \$40-\$60/barrel range through next year. OPEC members, who provide approximately one third of the world's oil, are exceeding their present quotas. Supply concerns are growing as political instability threatens producer nations Nigeria and Venezuela, while fighting continues in Iraq.

Economists believe that if oil prices remain in the predicted range, then the global economy should continue to grow. How will U.S. consumers be impacted? Gas prices will increase again next year. The average cost per gallon is expected to rise ten to fifteen cents per gallon, up from this year's average of \$2.10 per gallon.

Identity Theft Affects Millions

Identity theft is becoming an enormous problem through no fault of consumers. Large institutions including Visa, MasterCard, and Citibank have all fallen victim to breaches in security in recent months. In fact, when customers call the Citibank customer service line, the first voice prompt they hear involves reporting identity theft. In one incident alone, forty million credit card accounts were exposed to potential fraud when CardSystems Solutions, a payment and credit card processing company, failed to secure their network properly.

Thirty-two states are considering the implementation of security breach notification laws, while congressional leaders examine identity theft prevention measures. If you believe you have been the victim of identity theft, visit the Federal Trade Commission's website. There you will find information regarding how to protect yourself (www.consumer.gov/idtheft/).

Driving Down Auto Expenses

Despite high costs at the pump, millions of Americans will be taking to the roads this summer. Here are some driving tips which will improve your fuel economy:

- Obey speed limits. Gas mileage decreases significantly once you exceed 60 mph.
- If you stop your car for longer than one minute, turn it off. It takes less gas to restart it than it does to leave the engine idling.
- Make sure that everything that's inside your vehicle needs to be there. Do not transport extra weight needlessly.
- Lastly, be sure your vehicle receives regular maintenance. Changing the oil, checking tire pressure, and having a clean air filter will all lead to better vehicle performance and lower overall maintenance costs.

