



# **SENIORS/BOOMERS NEWSLETTER**

***"THE RETIREMENT EXPERTS"***

**September 2007**

## **MARKET SNAPSHOT**

There is a lot of exaggeration in the sub-prime mortgage headlines we keep hearing about. All this bad news creates a psychology of fear in the market, to the point that the scary headlines can become self-fulfilling. For example: RealtyTrac recently said that there were 4,157 foreclosures in New Jersey for the month of July; however; their figures are not really all foreclosures. They also include borrowers who are simply a few months behind in their payments.

Company	Service	Cost
TransUnion Credit Monitoring (www.transunion.com)	Notifies you of changes to your T/Union credit report, including new inquiries & new accounts.	30-day trial, then \$9.95/mo
Equifax CreditWatch Gold (www.equifax.com)	Notifies you of changes to all three of your credit reports including new inquiries & new accounts.	\$12.95/mo
Experian Credit Manager (www.experian.com)	Notifies you of changes to your Experian credit report including new inquiries & new accounts.	30-day trial, then \$9.95/mo
TrustedID: IDFreeze (www.idfreeze.com)	Puts alerts on your credit reports with all major credit bureaus so that any issuer of credit will have to call for your approval first.	30-day trial, then \$7.95/mo
LifeLock www.lifelock.com	Puts alerts on your credit reports with all major credit bureaus so that any issuer of credit will have to call for your approval first.	\$10/mo or \$110/yr
CardCops (www.cardcops.com)	Monitors the Internet for your personally identifiable information and notifies you if it finds anything.	\$24.95/yr
IdentitySweep (www.identitysweep.com)	Scans public databases and alerts you to possible cases of fraud.	\$4.95/mo

## Buy a Car, Make the Right Choice, and Put Money in Your Pocket

If you're in the market for a new car, you may be faced with a quandary: Which is the better deal, a cash-back rebate or a low annual percentage rate (APR)? The answer depends on a variety of factors, including how long you plan to keep the car. Generally speaking, the longer you plan to keep the car, the better deal a low APR is. Think about it: If you only keep the car for two years out of a five-year loan, you won't pay much interest (two years as opposed to five), and you thus won't accumulate much in interest savings by having a low APR.

As an example, let's say you're buying a \$20,000 car. You have no trade-in, but you're making a \$2,000 down payment. Two offers are available to you. The cash-back offer includes an interest rate of 6.93% for 60 months (the average auto loan rate according to Bankrate.com ) with \$2,000 cash back. The low-APR offer includes an interest rate of 1.99% for 60 months with no cash back. Which is the better deal? According to Smartmoney.com, the low APR is. But if you change the loan term to 24 months, cash back becomes the better option, for the reason noted above.

One caveat: If you're better off with a low APR, don't celebrate yet. You may not qualify. When you apply for low-APR financing, the car dealership runs your credit information through the auto manufacturer's financing division. To qualify for the low-APR offer, your credit record must meet certain standards set by the manufacturer for income and credit score.

So in today's rising-interest-rate environment, do you have worry that low APRs will disappear? Probably not. They've been around for a long time, and aren't likely to go away completely - but they may change from, say, 0 percent to 2 percent to 4 percent, depending on what the market considers "low" to be.

**We can provide you with a link to a free online calculator that will tell you if cash back or low-APR is better in your situation - or run the numbers for you. Contact us.**

**Interested in finding out if these services would benefit you? We can send you an article about the pros and cons of paying for identity protection. Contact us now.**