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**Subject:** Keep your face always toward the sunshine -

**Preheader:** Because small things make a world of difference

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It's always the little things that make a difference.



Picks and Tips from Mike the Locksmith

**From the World of Mike-the-Locksmith**

**"- and shadows will fall behind you. " - Walt Whitman**

Happy Independence Day. Summer is finally here! I love the longer days and warm weather. This month, I share with you "Google Fights Fraud" and "Token Launches Smart Ring Can", and from our mortgage expert, Chad Freeman, "Biggest Mistakes Homebuyers Make".



Have a security concern or need some sound advice? Give us a call; we're happy to help.

Just give us a call at 240-506-7500.

Mike-the-Locksmith



**Google Fights Fraud**

**Google Fights Fraud by  
Cracking Down on  
Plumbers and Locksmiths**

Good news for  
consumers, Google is

testing a new spam prevention technique for local results called "advanced verification" for locksmiths and plumbers, two of the most unscrupulous businesses. [Article here](#)

The verification process was beta tested in San Diego. All locksmiths and plumbers previously verified on Google had to go through the new verification process.

Those who failed to comply and get verified before November 10 of last year had their listings removed from [Google Maps](#). But this process doesn't just apply to existing businesses. New applicants who fit the beta test criteria and that are hoping to get verified will also need to go through the new process. This includes answering a series of questions from Google and filling out an application with a third party verification company called Pinkerton. The new applications process is said to take about two weeks to complete. [More here](#)

### Token Launches Smart Ring

A company called Token launched its first product on 27th June: the Token Ring, a fingerprint-sensing ring designed to unlock and authenticate everything. In Token's world, you'll never need to carry your wallet. You won't need house keys, or a transit pass, or even to remember your computer password. All you'll need is a ring.



Token Ring

The ring is NFC- and Bluetooth-compatible so it can work as a payment device or as a ticket for various transit systems.

Most of that functionality is still to come, and in certain cases, requires additional hardware.

To get the device to be an all-in-one solution, Token has to rely on partnerships. So far, it's working with Mastercard, Microsoft, and Visa to make PC unlocking and payments possible.

[This is how it works.](#)

[Text Link](#)



Chad Freeman

## Biggest Mistakes Home-buyers Make

### Special Real Estate Report

Buying a home is the biggest purchase most people will ever make, yet many go into it blind. Here are the most common, and costly, mistakes home-buyers make:

**Not knowing your credit score.** If you're even toying with the idea of buying a home, you must find out exactly what your FICO score is. If you find it is less than ideal, wage a systematic campaign to raise it. Too many borrowers ignore this step and get surprised when they get interest rate quotes. Once you've pored over your credit history and corrected any errors, your next step is to pay down revolving debt balances to no more than 30% usage. That will help raise your score significantly.

**The lower your score, the higher your costs of borrowing.** Fannie Mae and Freddie Mac, for example, charge higher up-front fees to borrowers with credit scores below 740. For a buyer with a credit score between 680 and 700, the fee comes to 1.5% of the mortgage principal. On a \$200,000 mortgage, that adds up to \$3,000. Someone with a 740 score pays nothing. Lower-score borrowers also get saddled with higher interest rates, about a 0.4 percentage point more for the below 700 borrower. That costs an extra \$62 a month - \$744 a year - on a \$200,000, 30-year, fixed rate loan.

**Buying a car before a house.** Anytime consumers open new credit accounts - credit card, auto loan, etc. - their FICO score could drop, according to Craig Watts, a spokesman for Fair Isaac, the creator of FICO scores. "Hence the admonition to not open other new accounts while your mortgage application is in process," he said.

A big purchase would use up a considerable proportion of a borrower's total credit limit, which results in a drop in the score. Lenders often continue to check credit scores in the weeks before closing. "The lender will likely slam on the brakes if the applicant's credit scores have suddenly dropped below the minimum required for the requested loan rate," Watts said.

**Skimping on the home inspection.** Buying a pig in a poke can cost buyers big bucks, just when they can least afford it. So It's vital to find all the costly flaws before you buy. Many homes on the market today are distressed properties - foreclosures and short sales - and that only increases the importance of good inspections, according to David

Tamny, president of the American Society of Home Inspectors. "The owners usually didn't have the money to keep up these homes," he said. "There's a lot of deferred maintenance."

A home inspection can find problems with the foundation, electrical, plumbing, roof, attic insulation, and heating and air conditioning. In some states, separate licensed inspectors offer mold or termite inspections. Often home-buyers, who may be strapped for cash, stint on inspections and look for the cheapest way to go. That can lead to disaster. The cost of repairs far exceeds the cost of inspection," said Tamny.

**No contingencies.** When signing a sales contract, buyers usually have to put up 1% to 3% in "earnest money," which they don't get back if they pull out of the deal except under certain conditions spelled out in the contract. Sellers try to limit the grounds for canceling, and inexperienced buyers may sign contracts that don't include common exceptions, such as uncovering major problems during the home inspection, failing to obtain financing and failure of the house to appraise. Failure to obtain financing is common these days because lenders have become very picky; underwriting is very strict.

Even if your mortgage company is still willing to finance your purchase, the house itself may be worth less than you've contracted to pay for it, and the lender will pull its approval.

When the residential real estate markets are slow, sellers usually accept contingency clauses, but if they resist, it may be better to rethink the deal. Losing a deposit of \$2,000 to \$6,000 on a \$200,000 home hurts.

**Not budgeting for insurance.** Don't underestimate insurance costs and fail to budget for them. Many home-buyers don't understand just what is - and what is not - covered. Standard policies pay for theft and wind, fire, lightning, hail and explosion damage. Not covered is flooding, earthquake damage or problems caused by neglect of routine maintenance, according to Jeanne Salvatore, spokeswoman for the Insurance Information Institute, an industry-sponsored educational group. "The most important thing before you buy a home is to find out what it will cost to insure it," she said. "Insurance needs to be calculated into the cost of owning a home. Unlike a mortgage you can pay off, you'll be responsible for insurance costs forever."

For flood insurance, most buyers use the National Flood Insurance Program. Earthquake coverage may be available through a state authority or some private

companies. Depending on location, flood insurance can run into a lot of money. The cost of \$250,000 worth of government flood coverage on the building and \$100,000 of its contents can go as high as \$5,714 in high-risk, coastal areas.

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