The Senior Focus Newsletter

Covered in this summers issue::

Reverse Mortgage

ID Theft for Seniors

The Stretch IRA

Famous Quotes

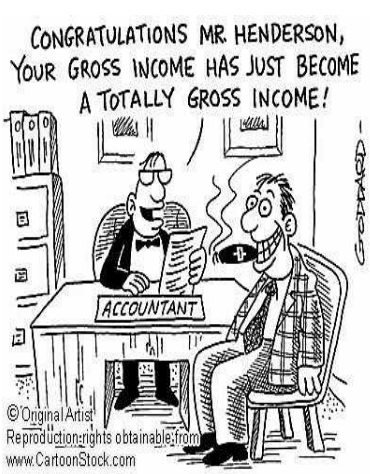
Rule No.1: Never lose money. Rule No.2: Never forget rule No.1

Warren Buffett

Wall Street people learn nothing and forget everything.

Benjamin Graham

Attend one of our upcoming seminars
Der Dutchman Restaurant
Waynesville, OH
Oct. 10, 17, or 23 at 3 P.M.
RSVP 1-800-358-7152



Fall 2007

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Cashing In On Your Home

It's no surprise that reverse mortgages are becoming popular among seniors

By Leonard Weiner of U.S. News & World Report

For many of today's retirees, a home can seem like Fort Knox without the key. Escalating real-estate prices have caused many seniors' homes to skyrocket in value. But unless they're willing to sell, it may be an inaccessible gain during a time in their lives when extra income and liquid assets would be most welcome. There is a way to tap those profits—a reverse mortgage. "Many seniors are sitting on home equity they never dreamed of, "says realty expert Tom Kelly.

A reverse mortgage allows a homeowner to borrow against the equity in a home, but unlike a home-equity loan, the loan and interest do not have to be repaid until the home is sold. There is no upfront cost, as closing and other fees can be wrapped into the loan.

The reverse mortgage also pays off any existing mortgage, ending that monthly bite on income.

Reverse mortgages have been around for years, but it wasn't until the early '90s that they began earning respectability after the FHA started insuring the mortgages for repayment to lenders.

Bolstering demand are seniors who see the loans not as a lifeline but as a route to a more active life. Francisco and Joanne Santana-Montez of Antelope, Calif., 69 & 68, will use their reverse mortgage line of credit to finance a dream trip to Cancun, Mexico. "Our adviser told us we're spending our kids' inheritance, but our children are delighted, "says Joanne.

Internet Identity Theft

Senior Citizens Internet Identity Theft

Did you know that 11% of senior citizens, 65 and over are the most likely victims of Internet identity theft. Yet, The Experian Gallup Personal Credit Index indicates that seniors are least likely to be hit. T'aint true!! Google "seniors Internet Identity theft" and peruse 661,000 options.

According to cpcusociety.org,
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Seniors, here are some suggestions that will assist you in preventing Internet identity theft:

1. Use complex (alpha-numeric character) passwords on credit cards, bank accounts, etc.

2. Don't give personal information over the Internet; and if you do, make sure it is a secure site (signified by https://... at the prefix of the URL).

Bill Thurman was born and raised in Ohio. He and his wife, Cheryl, have five children. Bill built his wealth preservation practice over the last 20 years. Early in his career, Bill made the decision to specialize in working with seniors. He is a national speaker, conducting workshops and seminars for seniors. His workshops address the special areas of concern faced by those in their "golden years" such as Medicaid planning, reverse mortgages, and not outliving your money. Bill is currently the Lead Consultant for Legacy Consultants, LLC.

Bill enjoys a number of activities and hobbies such as golf, spending time with his family, coaching youth football, and running the non profit foundation he started 15 years ago, The Making a Difference Foundation. He and his wife of 17 years live in Xenia, Ohio.

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thieves target anyone, but seniors are particularly vulnerable because seniors have more cash reserves and also higher disposable income. Seniors are more trusting in their elder years and most importantly, seniors are not necessarily Internet or computer savvy. And seniors don't check their credit rating very often. And believe it or not, seniors have credit solidly set up and they owe very little. Listen to that you youngsters.

And, the Federal Trade Commission (FTC) notes that identity theft targeting seniors over age 60 jumped from 1,800 cases in 2000 to almost 6,000 cases the following year, with most cases involving the use of social security numbers. Seniors beware! These are frightening statistics for seniors who use the Internet.

3. If you use a computer, update your virus protection software regularly. Computer viruses can make your computers send out files or other stored information.

4. Don't download files from strangers or click on e-mails from people you don't know. Opening a file could expose your system to a computer virus or a program, which could hijack your modem.

5. Delete personal information stored on your computer before you dispose of it.

6. Be alert to suspicious looking forms requesting information or a transaction or form which you did not request.

7. Subscribe to an ID theft protection service like 1-877-LifeLock! (**Use our discount codes to sign up and save 10% or more)**
Code for single = Senior
Code for couple = married

Stretch Your IRA to Help Your Grandkids

Let's take an example. Assume I started my IRA at age 29. (I know, I know: I should have started earlier.) And I plan to contribute $2,000 per year until age 69 when I die. That gives me 40 years of compounding, and, at a 7% rate of return, my IRA at the end of that time should be worth $399,270.

I leave the IRA to my wife, who is 20 years younger than I am and who lives until she is 69. That's another 20 years of tax-deferred compounding, which, at 7%, compounded monthly, brings the value of the account to $1,612,547.

She leaves the account to our granddaughter, who has additional 70 years of compounding. At the same 7% rate, her account is then worth $213,487,584 when she retires!

I can see the smile on her face now ... even if the money becomes all taxable. I can hear her children laughing, freed from any financial concerns.

(The numbers potentially could be bigger. Thanks to the 2001 and 2003 tax cut laws, you have been able to make larger contributions to IRAs. For 2005 and 2006, the contribution limit is $4,000 a year. It will rise to $5,000 a year starting in 2008.)

IRAs have been an excellent and extremely popular investment tool. As of 2004, millions of Americans have saved $3.07 trillion for retirement using IRAs and employer-sponsored defined contribution plans, according to the Investment Company Institute. The IRA total was $1.49 trillion.