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Mortgage Bailout Plan Unveiled

If you obtained an Adjustable-Rate Mortgage (ARM) between January 1, 2005 and July 31, 2007 and are facing an interest rate reset between January 1, 2008 and July 31, 2010, you may qualify for a certain relief under the new plan. The relief will include a five-year freeze on interest rates for certain qualified borrowers.

To qualify for the relief, borrowers must meet certain conditions, including but not limited to:

1. Borrowers must not be delinquent with their current mortgage payments.
2. Borrowers must not be able to afford the higher mortgage payments after reset, but must be able to afford the current low interest rate.

The new foreclosure relief plan will not benefit borrowers who are already delinquent in their payments and facing foreclosure. The plan is designed to help homeowners who may lose their homes once the low interest rate period expires and the higher mortgage payments kick in. Homeowners with a standard fixed-rate mortgage are not affected under this plan.

You can call the Homeownership Preservation Foundation at 1-888-995-HOPE (4673) to see if you qualify for the rate freeze under this plan.

If you do not qualify for the rate freeze but have problems juggling your mortgage, home equity and other debt payments, we can help you with budgeting, cash flow and debt management plan. Contact us today.

Smart Tax Moves to close to 2007

There is still time to do some last-minute tax-saving moves:

1. You may be subject to Alternative Minimum Tax (AMT) if you have a home-equity loan of up to \$100,000. Although the interest of home equity loan is fully deductible for regular tax purposes, it is not deductible for AMT purposes if you use the loan proceeds for other than home purchase or home improvement. Check out your AMT risk before you execute any year-end tax-saving strategies.
2. Depending on your AMT status, you may benefit from prepaying or postponing your 4th quarter state income tax payments and/or property tax payments. If you are in AMT situation, you will lose the benefit of your income tax and property tax deductions. It may make sense to postpone those payments until January 2008.
3. If you have stock with large unrealized capital gain that you have held for over a year, you may get better tax benefit by donating the stock as compared to donating the same amount in cash.

Find this FPA Financial Planning Perspectives article and other great articles at <http://www.satya-arth.com/newsletters.php> or contact us to work on your financial plan.

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About Us



In July 2007, I teamed up with Tom Klinedinst of [Group T Design](#) to work with individual business owners. While I work with clients on their business plans and tax strategies, Tom works on establishing their business identities, incorporating their business goals and visions into logo, stationery, brochure, and website designs.

If you have been thinking about establishing your own business, let us help you get started. Contact us today.