

Real Estate Perspective

By Loretta Arrington Hall



Foreclosures & delinquent mortgages decline

Delinquent mortgages and foreclosures decline to the lowest level in 20 years, and is expected to further drop this year. Experts agree that the improved economy and the surge or refinancing attributed to much of the decrease.

Every region across the nation registered improvements, although problems persisted in California, where the recession continues to batter much of the state containing 13 percent of the nation's housing loans. Many residents of California are moving to Las Vegas and other parts of the country.

The good news is that nearly every region also posted drops in the percentage of loans in foreclosure. Nationally, the share of homeowners who were late on their mortgage payments dropped mainly due to refinancing activity during the past two years which helped many homeowners to lower their debt burdens by exchanging over \$1 trillion of relatively high interest rate mortgages for lower interest rate mortgages. This will also help keep delinquency and foreclosure rates in check for the foreseeable future. Additionally, homeowners with adjustable-rate mortgages are enjoying significantly lower mortgage payments as well.

You add to this a rebounding economy marked by an expanding improved job market, I must say there are many reasons for optimism that delinquency and foreclosure rates will remain low for months and perhaps even years to come.

As always, please contact a professional for all your Real Estate needs or write to me c/o Real Estate Perspective, Las Vegas Sentinel-Voice Newspaper, 900 East Charleston Boulevard, Las Vegas, Nevada 89104. FAX (702) 380-8102

Loretta Arrington Hall, Owner/Broker, Arrington & Associates Real Estate Company.

Anderson

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Anderson said it was Bell that suggested that he attend Narcotics Anonymous, and seek counseling.

"That's what really changed my life," says Anderson. "Without him I think I'd still be successful, but I think I would have more stumbling blocks. I would have made it, but he was a big influence because he always checked on me."

Bell admits he saw something special in Anderson.

"James was totally illiterate — he could neither read nor write," Bell said. "He was addicted to drugs, he had been caught selling drugs on the streets, carrying a firearm. No question about it, he was on his way to prison, and that would have been the best of times. But, the first time I saw him, I saw something in this young man that was a spark, and you could tell that there was something there."

"He eventually turned his life around, borrowed \$1,000 and

started his own business," added Bell. "He not only learned to read and write, but nearly got the equivalent of a full college education. He took classes in accounting, English, business and finance," according to Bell, though Anderson says he borrowed more like \$250.

Anderson, who ultimately served 11 months of a two-year probation sentence, also obtained a private tutor, Betty Robinson, and took up racquetball, which he played everyday, citing the exercise helped to relieve his daily stress.

Anderson says that Robinson, now a young and healthy 85-years-of-age, is also responsible for him taking natural herbs and vitamins, something that's still part of his daily routine.

"She wasn't only my teacher, she was my counselor," says Anderson of Robinson. "She's like my grandmother."

Once things began looking up for him, Anderson, as many successful people do, bought a home and nice cars.

FINANCIAL REPORT

How zero coupon bonds add up for your portfolio

By Fred T. Snyder

You may have considered buying for your investment portfolio, but with so many different types of bonds on the market, deciding which ones to choose may be perplexing. If you're looking for long-term growth, however, a zero coupon bond could be the simple choice. These bonds provide a fixed return and secured future growth.

Like a savings bond, you can buy a zero coupon bond at a discount - small initial sum much less than the bond's face value. Instead of receiving regular interest payments, your return is the difference between the discounted purchase price and the face value. At the time of maturity, you will receive the full face value.

For instance, let's say on January 1, 1997, you buy a bond for \$475 with a compounded yield of 7.5% that matures on January 1, 2007, at \$1,000. At the end of 1997, your bond has an intrinsic value, or current market price, of about \$515. The intrinsic value increases each year until the bond is worth full face value.

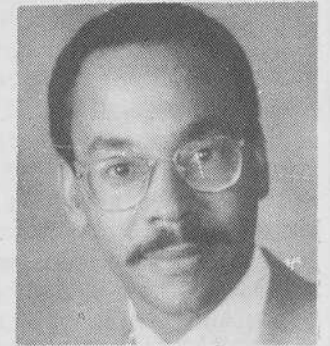
To better understand zero coupon bonds, remember these three main reasons why investors purchase a zero coupon bond:

1) Known Future Value. You may find security in knowing the future value of the bond upon purchase. In buying a zero coupon bond, you know exactly what your investment will be worth at maturity. That's because you obtain a fixed rate of return, so your investment "grows" automatically as interest

compounds inside the bond.

2) Decreased Investment Risk. Conventional bonds pay interest twice a year, determined by the "coupon" rate. For example, if you purchase a \$5,000, 10-year bond with a coupon rate of 7%, you will receive \$175 in interest twice a year for ten years.

Unlike a conventional bond, a zero coupon bond automatically reinvests your payments at the same rate you obtained at the time of purchase.



FRED T. SNYDER

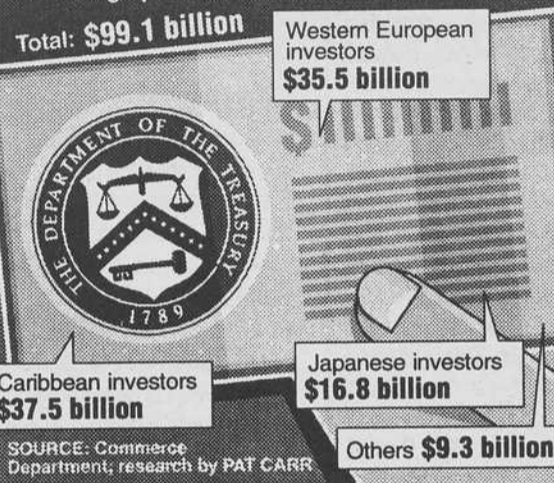
Should interest rates rise, you would miss the opportunity to possibly reinvest at higher rates. However, the semiannual payments from a conventional bond generally must be reinvested in investments offering lower rates, such as a money market fund.

3) Small Minimum Investment Requirement. In addition to knowing the future value of your bond and being able to reinvest payments at the same rate, you can also buy zero coupon bonds at deep discounts. You can buy these bonds for as low as 10% to 20% of their face value. For example, a 20-year zero coupon bond

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Who buys Treasury bonds?

Net foreign purchase of U.S. securities, 1995:



has such accounts as Levi Strauss and NorWest Bank, has grown to over 130 employees and is doing close to \$2 million a year in business.

"The future looks bright," he says. "Things are going just as we planned."

Anderson has also devoted a lot of his time to helping many

area youth through his summer youth program. As part of the program, participants, during their summer break from high school, are taught numerous phases of office training including filing, letter typing, invoice processing, marketing and warehousing.

"Meeting James Anderson

has really changed my life," says former program participant and current Apex employee Ledger Cantley III, 18, who has known Anderson for the past 11 years. "Before, I was at the crossroads between good and bad. James had already been through that. So, he steered me in the right direction. I owe him a lot."

DOLLARS & SENSE

Can you interpret a company's annual report?

By Bryon Elson

For shareholders, potential investors, and job seekers, annual reports are valuable tools that reveal a company's financial performance. A company's annual report generally consists of the president's message, Management's Discussion and Analysis, financial statements, footnotes and the auditor's reports.

The president's message generally indicates management's style and its priorities for the organization. It also may

reveal how the company responded to specific industry and economic changes and how it plans to address these changes in the future. In addition, the president's message may explain any significant changes in the management or operations of the company.

More detailed than the president's message, Management's Discussion and Analysis (MD&A) focuses on the company's financial condition and results of operations. The MD&A presents management's view of the past year's results and its expectations for the near future.

The financial statements include the company's balance sheet, income statement and a statement of shareholders' equity.

Footnotes, like the proverbial fine print, are very important. The footnotes may reveal details on changes in the company's

method of accounting, the condition of the employees' pension plan, or pending claims or lawsuits that could materially affect the company's financial position, as well as other disclosures.

The Auditor's Report contains the independent auditor's opinion, which indicates whether the company has fairly presented its financial statements.

In some instances, an auditor may give a qualified opinion, which means that the auditor has reservations about the report and could not unequivocally approve its contents. You should explore a qualified opinion and further scrutinize the company's financial statements.

Finally, you should not judge a company simply by one year's annual report. Be sure to look at past annual reports to get a feel for the company's track record.

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