

Creative Living



Monday, July 25, 1988 OAE

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organizing

Dorothy Lehmkuhl

Thinking clearly among clutter

Q. Some people don't think I'm well organized because I don't keep things very neat, but I can always find what I need. Am I organized or not?

A. There are three types of people: 1) Those who are neat and have few organizing problems, 2) those who are cluttered but still effective, and 3) those who are disorganized and are bothered by their chaos. People in the latter category are usually the ones who come to me for help.

My dictionary describes organization as an "orderly manner of arrangement or procedure." In fact, what comprises "orderly manner" to one may seem like chaos to another. What is or is not organized is a gray area open to personal control over their environment, while others maintain a mess around them but know where everything is.

The importance of organization comes into play when it impacts your (or other's) life. If you constantly waste time looking for things, miss deadlines or are confused about what to do next, you need to modify your habits.

There is no need to be embarrassed by what outsiders think. What is important is what you think, and if you are embarrassed by being caught in a mess you need to either 1) use better self discipline or 2) lower your standards.

The opinions of those with whom you live and work are important, however. If your disorder is an irritant to them.

I would never refer to a person by how neat they are (often judged to as a person's "style"). Some highly talented people simply don't have the aptitudes for neatness, yet they manage their lives successfully.

Many famous people have been interviewed on this subject: Lee Iacocca, William F. Buckley and Napoleon Bonapart evidently maintained stacks on their desks, while Alexander Haig, Leonard Bernstein and Connie Chung share extraordinary self-discipline in maintaining almost perfect desks.

The key to organization is in your head, not in your surroundings. If you can think clearly amid a bit of clutter and remember where everything is while not infringing on other's rights, then you are probably doing OK and needn't worry about others' opinions. If your lack of neatness is a source of irritation to you or someone else, however, or if it is impeding your progress, you need to get your act together.

If you have questions or comments, write Dorothy Lehmkuhl in care of newspaper, 36251 Schoolcraft Road, Livonia 48150.

designing ways

Eve Garvin

New way to redo stairs, landing

YOUR HANDWRITING gives a hint to the reader of what kind of person you are. The way you arrange and decorate your home is a natural expression of your individual style.

Again, just as the tone of your voice conveys to the listener how you are feeling today, your eyes may reveal to the observer, so the manner in which you choose your surroundings allow insight into your character.

Your style might be borrowed partly from another person's way of doing things, simply because you admire their way of life. There is no harm in that provided that you do not let your own ideas on design and decorating take a back seat. This is an important thing to remember whether you are working with a designer or are doing the job yourself.

Actually no style comes entirely new; pretty much everything we look at and hear is a derivative of something earlier. This pertains not only to interior design but music and art as well.

What then is quality (difficult to define) which we name as style? For me it is something that abides while fads and trends fade into oblivion.

Fashion passes, style remains.

Q. I am redoing my staircase and upper landing and hall. What can I do that is different in the way of carpeting?

A. You may try doing your stairs in one carpet and the riser to complement in a pattern. Commercial carpet comes in some interesting patterns. Check with your favorite floor covering store. Besides being interesting, they are wonderful for wear.

Eve Garvin has been an interior designer in the area for many years. She welcomes comments and questions from readers. Send those to her in care of this newspaper, 36251 Schoolcraft Road, Livonia 48150.

Fannie Mae rules affect lending

AP — Are you itching to be a "3BR, 2 1/2 BA, LR with FPL, lge. yard, sep. gar., \$130,000," but fear you'll look more like a "2BR, 1BA, condo, \$67,000" to a lender?

In other words, is it time for you to move to a bigger house, but the bank might disagree? Well, start packing. Though mortgage lenders have become flinty fingered, you needn't toe their line.

The mortgage news for 1988 is that lenders like light debt. They think twice about pushing home buyers to their financial limits in this low-inflation era. Compared with 1981, you need 20 percent more residual income — what's left after paying housing expenses, taxes and long-term debts — to get a low-interest Veterans Administration loan today.

Whether you agree that prudence is best or are determined to stretch your credit, before shopping for a loan you'd best know how lenders will evaluate your application, says Changing Times magazine.

The rules, such as they are, come primarily from Fannie Mae — the Federal National Mortgage Association. To make its mortgage pools attractive to investors, Fannie Mae wants loans to conform to its standards, and that limits the flexibility of original lenders. They either write loans as Fannie Mae specifies or risk being unable to resell them.

FANNIE MAE MEASURES your borrowing power as a ratio of your projected housing expense to your gross household income. For a \$90,000 fixed-interest loan on a \$100,000 house, the magic numbers are 28 percent and 36 percent. That is, monthly mortgage interest and principal payments plus homeowners insurance and property taxes should total no more than 28 percent of your gross monthly income. In addition, your monthly house payment plus other long-term debts with 10 or more monthly payments still outstanding should total no more than 36 percent of gross income.

Income is what you and your spouse earn in before-tax wages. And it's pay for work you have been doing for a year or longer, not the extra job you took a few weeks ago. Other income, such as bonuses, commissions and overtime, must be averaged over two years to be considered wages. Court alimony and child-support payments as income if the payments will continue at least three years from the date of your loan application.

Not all loans get the straight 28-36 once-over. To qualify for certain adjustable-rate mortgages (ARMs) — ones that might deliver especially steep rate hikes in future years — you must meet stricter requirements. Here we're talking about ARMs that represent more than 80 percent of the value of the home, extend beyond 15 years and rely on a so-called 2-8 cap, which allows a maximum increase of 2 percentage points in any one year and 6 points over the life of the loan.

In these cases Fannie Mae bases its calculations

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on the maximum rate that can go into effect after the first year. So if you are considering such an ARM with an 8 percent initial rate and a 2-percentage-point maximum increase per year, Fannie Mae (and thus very likely your lender) will analyze the loan based on a 10 percent rate.

FANNIE MAE ALSO HAS tightened up on mortgages with down payments of less than 10 percent of the purchase price. Today, these loans are held to stricter 25 percent and 33 percent standards. For a \$92,000 loan on that same \$100,000 house, your home payment should equal no more than one-quarter of your gross monthly income and your long-term debt no more than 33 percent.

Of loans Fannie Mae buys, 30-40 percent exceed the guidelines because other factors can tip the scales your way. It's a plus if you have a good credit history, make a substantial down payment, possess liquid assets equal to at least three months of monthly home payments or have in the past paid a large proportion of your income for rent or toward a mortgage. In such cases the 28 percent guideline can drift upward to 30 percent or even beyond.

Now that you know the guidelines, here's how to increase your borrowing power. First, analyze your monthly bills. Remember that lenders doing business with Fannie Mae will probably want your home expenses plus long-term bills to fit the 36 percent-of-income ratio. If you are over the ratio, consider selling assets such as mutual fund shares to pay off debts.

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Adjust your down payment to meet your needs. If you have the cash or enough equity in an existing home, you can minimize your mortgage loan by making a down payment of 25 percent or more. Don't ignore the impact of points, either. Each point equals 1 percent of the loan and they are paid when you take out your loan.

WHEN BORROWING THE maximum amount, adjustable-rate mortgages are enticing. The one-year ARM will usually buy you the most house because initial rates and monthly payments are lowest. At last report, 30-year fixed-

rate loans averaged 10.85 percent, compared with 8.05 percent for one-year ARMs.

What you give up with an ARM is peace of mind. You're subject to the ups and downs of interest rates, and the ups can make life miserable. Balancing out the uncertainty somewhat are lower initial rates that give some rate-hike protection in early years.

One popular option these days, according to the Federal Home Loan Mortgage Corp. is the convertible ARM, which allows borrowers to switch from an adjustable-rate to a fixed-rate mortgage. If the cost is the same, you should always pick a convertible ARM over a non-convertible one. However, there typically are costs connected with the convertible ARMs (conversion fees and interest rate formulas that take effect if you convert), so it takes study to determine which of two ARMs is the best deal.

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A 'wonderful range' of ideas at Homearama

Homearama — Summer, a group of 18 newly designed, decorated and landscaped houses priced from \$250,000 to \$525,000, will be open to the public from Aug. 4 through Aug. 28, in the new Autumn Ridge Subdivision on the west side of Orchard Lake Road just north of Walnut Lake Road.

In this summer edition of the sixth annual showcase of "new idea" homes by the Builders Association of Southeastern Michigan, the contemporary mood prevails. Fifteen of the builders describe their houses as being contemporary or a variation of that architectural style.

The other three houses are described as colonial, French colonial and Tudor, with contemporary flair.

Each house is the product of a different team of BSM Builders, architects, interior designers and landscapers.

"WE HAVE A WONDERFUL range of ideas and innovations this year," said Herbert Lawson, president of BSM and of Herbert Lawson Inc. of Southfield.

"The setting, with over \$7 million worth of sparkling new homes, can only be described as spectacular," said Lawson.

Dennis P. Dickstein, chairman of 1988 HOMEARAMA — Summer for BSM, announced that later hours on weekdays and longer hours on weekends have been set for the public's convenience: 7-11 p.m. Mondays through Fridays, and 11 a.m. to 11 p.m. Saturdays and Sundays.

Dickstein is president of Ralph Manuel Associates of Birmingham, and immediate past president of BSM.

The admission price of \$4 includes an extensive plan book covering all houses.

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