OUR NEWS LETTER HRSI

Clock Ticking on Obama's Refi Plan - Expires 2017

Take advantage of the greatest mortgage reduction program in US History

07 February, 2017

HARP Gives Homeowners One Last Chance for A Mortgage Bailout

If you owe less than $300,000 on your home you probably qualify for HARP. This program was passed by Obama to help the middle class by giving them a once in a lifetime mortgage bailout. The program itself is totally free and doesn't add any cost to homeowner's refi's. Like most government benefits though, this program will expire, but there is still time left for hundreds of thousands of qualified homeowners to take advantage before the programs expires in 2017. Calculate your new house payment and see if you qualify from our lenders »

HARP Is Totally Free And Doesn't Add Any Cost To Your Refi

HARP is a program with no downside. HARP doesn't add any cost to your refi because it's a totally free government program, that helps qualified homeowners get better, more affordable mortgages. The problem is many homeowners think it's too good to be true and haven't taken advantage. Homeowners who have used the program though have eliminated up to 15 years of mortgage payments, have cut their interest rates in half, or have simply lowered their monthly payments and saved up to $4,100/year.

How To Get A HARP Loan

To help homeowners find banks that offer HARP refinances, services such as LowerMyBills are available. LowerMyBills is a completely free service that many homeowners love because it helps them compare multiple lenders at once. It only takes about three minutes to use their easy online form, and their network of online lenders can help you calculate your new house payment and see if you qualify for HARP. It can't hurt to look. You'll probably be shocked when you see how low your mortgage payment could be.

Why isn't everyone using this refi plan? Here's why...

Banks don't want homeowners to know about it because they hate what this program could do to them. HARP helps homeowners refinance at today's historically low rates and switch to 15 year fixed rate mortgages. That helps homeowners save up to $190,000, which means homeowners who use HARP could take as much as $190,000 out of banks pockets and put it back into theirs. Calculate your new house payment and see if you qualify from our lenders »

In Our Newsletter

10 Things That Cost Retirees a Ton of Money

You'll probably spend more in retirement than you think. Here are a bunch of expenses that might shock you.

Maurie Backman Feb 5, 2017

Many people look forward to retirement in all of its budget-friendly glory. But in reality, retirement may not be the bargain you'd expect it to be. If you're not careful, these 10 items in particular might really break the bank.

1. Healthcare

To keep your healthcare costs to a minimum, be sure to take advantage of Medicare's free preventative care program. Enrollees can benefit from a wide range of no-cost services, from wellness visits to glaucoma screenings. Women are also eligible for free mammograms every year. Getting in front of potential health problems could save you money down the line, so consult this guide to see what free services are available to you.

And speaking of Medicare, be sure to enroll on time. Signing up late could cause your Part B premium to increase by 10% for every 12-month period you were eligible but failed to enroll.

2. Housing

The average American retiree spends $15,528 a year, or $1,294 a month, on housing. Given the large number of Americans that enter retirement mortgage-free, that's a pretty large number, and a lot of it has to do with the peripheral costs of homeownership. Property taxes, for example, have historically proven to rise over time, even during periods when home values drop. Furthermore, homes get more expensive to maintain as they age. The typical homeowner spends 1% to 4% of his or her home's value on annual upkeep, and since retirees often own older properties, their maintenance costs are likely to lean toward the high end of that range. Of course, not everyone owns a home in retirement, but renting can be equally expensive -- not to mention that renters lose out on the opportunity to tap their home equity as needed.

Since housing is the average retiree's single largest expense, it pays to look for ways to lower your costs. For starters, consider downsizing if you no longer need as much space. Maintaining a 3,000-square-foot home is bound to cost more than maintaining one half the size. Furthermore, you might think about relocating to a more inexpensive neighborhood, city, or even state. This list of property tax rates by state can help you pinpoint a more affordable locale, but keep in mind that a cheaper home with higher property taxes might end up costing less than a more expensive property whose taxes are lower. You'll need to look at the big picture before making a move.

3. Transportation

The average retiree spends $6,852 per year, or $571 per month, on transportation. And while your transportation costs are likely to go down once you no longer have a job to commute to regularly, if you own a car, your annual spending might well exceed that figure. According to AAA, it costs about $8,700 a year to own a vehicle, but just as your healthcare costs might climb as you age, so too might automobile maintenance get pricier along the way. And don't forget that your auto insurance might go up as well -- Esurance says that rates tend to climb for drivers 70 and older.

If you're a two-vehicle household, it often pays to get rid of one automobile and pocket the extra savings. And if you live in or near a city with public transportation, you might consider giving up car ownership and sticking to trains and buses. According to LendingTree, the average monthly train commute across all U.S. cities costs just over $100. And while that figure is higher in some cities, it tops out at $237 in Washington, D.C. -- which is far cheaper than the $725 per month it costs to have a vehicle of your own.

4. Food

Retirees need to eat, so it's no wonder they spend an average of $459 per month on food. But believe it or not, the bulk of that money goes toward groceries. Seniors only spend about $170 a month on restaurants and takeout, which means if it weren't for those early bird specials, those numbers would be even higher.

To limit your food-related spending, start cutting back on the latter. Food establishments typically charge a 300% markup, so if you're like the average senior household spending $170 a month on food outside the home, slashing that figure in half would save you over $50 a month, or $600 a year.

5. Clothing

According to the Bureau of Labor Statistics (BLS), seniors aged 65 to 74 spend an average of $1,417 on clothing per household, compared to $1,789 for those 10 years younger. Now you don't need to update your wardrobe regularly if you don't have a job to go to, but you should still factor clothing into your budget nonetheless.

That said, there's no need to pay full price when you can get much of what you need on sale. *Time Magazine* reports that the best time of the year to score the lowest prices on clothing is the week starting the day after Christmas. If you're willing to battle the crowds, you might benefit from some pretty major deals.

6. Entertainment

Seniors aged 65 to 74 spend an average of $2,988 per year on entertainment per household, or so BLS data tells us. That's well over $100 more per year than pre-retirees aged 55 to 64. And it makes sense. Retirees have more free hours to fill, and those senior discounts will only get you so far. According to Merrill Lynch, 58% of retirees fail to budget for leisure activities when they plan for retirement, but if you don't work entertainment into your budget, you might find yourself bored and unhappy.

Of course, if you're willing to do a little legwork and get creative, you can find loads of low-cost or free entertainment. Establishments like museums and movie theaters typically offer reduced rates to seniors. And if you're willing to invest in an AARP membership, you'll get loads of money-saving opportunities for as little as $12.60 a year.

7. Home renovations

You know that newfound free time we just talked about? If mahjong isn't your thing, you might throw yourself into sprucing up your home. And while that's certainly a rewarding way to spend your time, it can also be costly. It's estimated that 20% of senior homeowners do some type of remodeling project each year. In fact, baby boomers -- many of whom are already retired -- tend to take on projects costing twice as much as what their millennial counterparts are spending.

If you don't have the money to go all-out but still want to improve your home, focus on projects that are completely DIY (do it yourself), where you'll eliminate the need for outside labor. Also check out resale stores like the Habitat for Humanity ReStore, where you'll find a variety of materials on the cheap.

8. Travel

Many retirees dream of seeing the world once they stop working, but of all the hobbies you might pursue, travel is likely to be the most expensive -- by far. An estimated 7% to 8% of households aged 65 and up spend 25% of their income on travel, and Merrill Lynch projects that over the next two decades, retiree travel will grow into a $4.6 trillion industry. If you're hoping to travel extensively in retirement, you'll need to make that goal a major part of your retirement savings plan.

Now if you're smart about the way you book and pay for your travel, you can trot the globe without blowing through your life savings. First, avoid peak travel periods, such as holiday weekends, Thanksgiving week, and the week between Christmas and New Year's Day. In addition, the right credit cards can really help you accumulate points or miles, which can shave thousands off your travel costs. Finally, consider skipping hotels in favor of vacation rentals, which tend to not only be cheaper to start with, but come with fully equipped kitchens that can help you save money on meals.

9. Pets

With your adult kids grown up and, ideally, living on their own, you may find yourself focusing on the next best thing -- your pet. But don't forget to factor that lovable creature into your budget. Seniors 65 and up spend an average of $403 on pets each year, but if your animal is older or has health issues, your costs might go up.

If you'd rather not spend a small fortune on your pet, look into buying supplies, food, and medicine in bulk and online. Pet insurance might also save you a bundle if your pet has a costly condition or illness -- at least that's what *Consumer Reports* found after analyzing coverage under a number of major providers. But be careful, because not all plans cover existing conditions, and the last thing you want to do is pay more in insurance premiums than you actually save.

10. Grandkids

Those little bundles of joy might light up your world, but if you're not careful, they might also mess with your budget. According to an AARP study, 25% of grandparents spend over $1,000 a year on their beloved grandchildren. While much of that spending stems from gift giving, 53% of grandparents contribute toward educational costs, while 37% help pay for their grandkids' everyday expenses.

If you're intent on helping your grandkids pay for college, you might consider a 529 plan, which lets your money grow on a tax-deferred basis. And if you find that your grandchildren are zapping too much of your limited resources, you could always revert to the one gift that costs the least but they'll appreciate the most -- your time.

While some of these numbers might come as a shock, you can prepare yourself for what lies ahead by saving independently for retirement. Social Security isn't enough to sustain the average retiree by itself, so saving on your own will really allow you to live it up as a senior, Bingo tournaments and all.

The $16,122 Social Security bonus most retirees completely overlook

If you're like most Americans, you're a few years (or more) behind on your retirement savings. But a handful of little-known "Social Security secrets" could help ensure a boost in your retirement income. For example: one easy trick could pay you as much as $16,122 more... each year! Once you learn how to maximize your Social Security benefits, we think you could retire confidently with the peace of mind we're all after.

Cardiologists Set the Record Straight on Eggs, Coconut Oil, Gluten, and More

Health Amanda MacMillan,Health Tue, Feb 28

While the big pillars of a heart-healthy diet haven't changed much over time, it *can* be difficult to keep track of those smaller details that seem to always be in flux: Is coconut oil actually good for you? What about eggs? Juice? Gluten? Vitamins?

A report published this week in the *Journal of the American College of Cardiology* aims to set the record straight about these and other health topics that have been "mired by hype," debunking commonly believed myths and providing clear guidance about what to eat to reduce the risk of heart disease.

Some of the recommendations aren't at all surprising: The review, which aggregates findings from 25 previously published studies and meta-analyses, concludes that current evidence strongly supports eating plenty of fruits, veggies, whole grains, and legumes. Some heart-healthy diets may also include limited quantities of lean meat, fish, and low-fat and nonfat dairy products, say the researchers.

But other recommendations are less obvious. Take eggs, for example: When a 2015 government report dropped its warning about eggs and cholesterol levels, the change received widespread media coverage (and gave brunch lovers much cause for celebration). But the U.S. Dietary Guidelines still recommend eating "as little dietary cholesterol as possible," a statement the authors say has been overlooked.

Because of this—and evidence that still links dietary cholesterol with cholesterol in the blood—the review concludes that "it remains prudent to advise patients to significantly limit intake of dietary cholesterol in the form of eggs or any high cholesterol foods to as little as possible."

The review also discourages the use of coconut oil and palm oil, which are high in saturated fat, and includes a reminder that even olive oil—the heart-healthiest oil—is high in calories and should be consumed in moderation.

As for antioxidants, the review advises against supplements—for which there are no compelling findings of cardiovascular benefits—and recommends getting them from fruit and vegetables, especially fresh berries, instead.

Nuts can be part of a heart-healthy diet, says the authors, but are high in calories and should be consumed in small portions. Juicing is another easy way to overdo it on the calories, they add, so they recommend eating whole fruits and vegetables whenever possible. (If you do juice, they say, don't include honey or other added sugars.)

The review also addresses gluten-free diets, stating that many of their health claims are unsubstantiated. They may be necessary for people with celiac disease or other gluten sensitivities, but they're not recommended for the general population.

The recommendations were crafted by the American College of Cardiology's Prevention of Cardiovascular Disease Council, a group of physicians and researchers from around the country. Several of the authors have consulted for or have financial interests in the pharmaceutical, supplement, or food industries, which they disclose in the paper.

Cynthia Sass, *Health*'s contributing nutrition editor, says she agrees with the report's advice on olive oil, berries, green leafy vegetables, plant-based proteins, and vitamin supplements. Other advice, she thinks should always be personalized.

“While I'd much rather see someone eat whole vegetables, for some of my clients, juicing fills a gap,” she says. “In other words it's either juicing or little to no produce.” And while she's not concerned about some of her clients eating eggs, she does tell those who have (or are at risk for) heart disease or diabetes to limit them to one or two a day.

[brightcove:5159305475001 default]

Sass stresses that the new report is specifically about eating to prevent cardiovascular disease, and that nutrition advice should always take into account factors like physical activity and personal and family history.

“How you eat overall most of the time has the greatest impact on health risk,” she adds. “So if you limit whole eggs and processed meats but you don't hit the minimum recommendation for vegetables, and you eat too much sugar and processed foods you won't significantly lower your risk.”

Vera Bittner, MD, a member of the American College of Cardiology and professor of cardiovascular disease at the University of Alabama Birmingham, says the paper “distills a mountain of original literature and multiple guidelines into a few bottom-line statements” that are easy to understand and communicate.

“If we all followed this basic advice, obesity, diabetes, and cardiovascular disease would decrease markedly,” she says, noting that a healthy diet pattern is also associated with lower rates of cancer, as well. “So yes, we would be smart to take their advice.”

Eight in 10 insurers globally to make acquisitions in 2017 – study

by Louie Bacani 16 Mar 2017

Eight in 10 insurers globally to make acquisitions in 2017 – study

Driven by the need to transform business and operating models, the vast majority of insurance companies worldwide are planning M&A activity in 2017, according to a new report by KPMG International.

KPMG surveyed 200 global insurance decision-makers and found that 84% of companies are looking to make between one and three acquisitions this year, while 94% plan at least one divestiture. Two-thirds of insurers are also expecting to undertake a cross-border acquisition this year.

In addition, 87% of insurers said they will partner for new operating capabilities, while 76% will partner to access new technology infrastructure.

For 33% of insurers, transforming their business model is the primary driver of acquisitions in 2017. An equal percentage cited enhancing and transforming their existing operating model as the motivators for deal activity.

“Insurers are clearly hungry for good M&A opportunities,” said Ram Menon, global lead partner, insurance deal advisory with KPMG in the US. “They are focused on transforming their business and operating models, and even with geopolitical uncertainties, they are aggressively looking at deals that can help meet their objectives.”

However, Menon also cautioned insurers against making transactions which are merely opportunistic, as KPMG discovered that 37% of insurers have a still largely reactive approach to deal making.

“If you are using M&A to effectively transform your business, you can't just jump at opportunistic deals, you need to be much more strategic,” Menon said. “Insurance organisations need to make investments that deliver on the longer-term strategy for the organisation. And that is where the big challenges will lie.”

“You must also be prepared to analyse your capabilities in the areas of due diligence and targeting in order to understand how to extract maximum value over the medium term and how the target’s capabilities complement your own,” added Matthew Smith, global strategy group, insurance sector lead, KPMG in the UK.

Smith said the key to M&A success is to “align financial, business and operating models so that you can achieve clarity about the markets and geographies you wish to play in and how you will win.”

According to the study, the US is the top country destination for acquisitions, followed by China. By region, Asia Pacific dominates the list, with 47% of insurers looking for acquisitions, more than twice the percentage for North America. Western Europe is seen as having the biggest opportunity for divestiture.

Journey Through the 6 Stages of Retirement

By Mark P. Cussen, CFP®, CMFC, AFC

Most major life-changing events, such as marriage or divorce, involve an ongoing process of emotional adjustment. Retirement is no exception. Marriage, divorce and other family-related issues have been the focus of decades of research and analysis by both clinical therapists and religious institutions.

Unfortunately, the emotional and psychological frontier of retirement has remained virtually unexplored until recently.

“Helping clients answer real post-retirement planning ‘lifestyle’ questions ends up being an important aspect of full retirement financial planning. A few of the questions I ask to help clients explore their post retirement identity are: How do you plan to spend your time? What are your hobbies? What activities will fill your days? Are people in your social circle already retired?” says financial planner Jane Nowak, CFP®, with Wealth and Pension Services Group in Smyrna, Ga. “Not surprisingly to me, more than a few clients, when asked these questions, realized that even though they might have been financially ready, they had not thought through some important non-financial aspects of creating their happy retirement. These folks opted to postpone their retirement by months or years.”

While research on this subject has barely begun, it is clear that the psychological process of retirement follows a pattern similar in nature to the emotional phases accompanying other areas of transition. Read on to discover the six stages of retirement and what you can do to prepare for this important life transition.

Retirement: The Final Frontier

Retirees must face what is essentially the last transition in their lives. The first transition comes when we leave the security of home to begin our school life in kindergarten, and after school we have the rest of the day to ourselves. Another major transition comes when we join the working world. Now we work all week but still have the weekend to ourselves. Then finally comes retirement, a time when careers are over and the work is done. Retirees have the rest of their lives to themselves.

“We all think that shucking a routine, especially one that may only marginally make us happy, will be easy. Think again. This routine probably began in kindergarten – 60-plus years of the same thing. Get up. Get dressed. Get lunch. Go out. Come home. Eat. Go to bed. Repeat,” says financial advisor Diane M. Manuel, CFP®, CRPC, with Urban Wealth Management in El Segundo, Calif. “My recommendation to my clients is this: As you plan for retirement, think about what it looks like. Talk to your friends. Write about it. Create a storyboard. Be imaginative. Your financial plans and your day-to-day retirement plan should go hand in hand. This is your retirement identity.”

Let's take a closer look at each of the six phases of retirement.

1. Pre-retirement – Planning Time

During the working years, retirement can appear to be both an oncoming burden and a distant paradise. Workers know that this stage of their lives is coming, and do everything they can to save for it, but often give little thought to what they will actually *do* once they reach the goal – the current demands that are placed upon them leave them little time to ponder this issue.

Many people face retirement like a running back on the football field who dodges or plows through one defender after another until reaching the end zone. It's hard for many workers to think seriously about what their lives will be like in 20 or 30 years when they are trying to stay on top of their mortgage, put their kids through college and have a little fun in the meantime. They want to reach the end zone, but other issues will tackle them long before then if they don't take immediate action. (See: *Retirement Investment Strategies by Age*, *The Complete Guide to Retirement Planning for 30-Somethings* and *The Complete Guide to Retirement Planning for 40-Somethings*.)

“Life is not measured by the number in your bank account, but the memories you create. Therefore, focus on how your finances can maximize your life, not the other way around,” says Cooper Mitchell, financial advisor, Dane Financial, LLC, in Springfield, Mo.

2. The Big Day – Smiles, Handshakes, Farewells

By far the shortest stage in the retirement process is the actual cessation of employment itself. This is often marked by some sort of dinner, party or other celebration and has become a rite of passage for many, especially for those with distinguished careers. In some respects, this event is comparable to the ceremony that marks the beginning of a marriage.

3. Honeymoon Phase – I'm Free!

Of course, honeymoons follow more than just weddings. Once the retirement celebrations are over, a period often follows when retirees get to do all the things that they wanted to do once they stopped working, such as travel, indulge in hobbies, visit relatives and so forth. This phase has no set time frame and will vary depending upon how much honeymoon activity the retiree has planned.

4. Disenchantment – So This Is It?

This phase parallels the stage in marriage when the emotional high of the wedding has worn off and the couple now has to get down to the business of building a working relationship together. After looking forward to this stage for so long, many retirees must deal with a feeling of letdown, similar to that of newlyweds who must get down to the business of living once the honeymoon is over. Retirement isn't a permanent vacation after all; it also can bring loneliness, boredom, feelings of uselessness and disillusionment.

“The toughest transition most of my clients make is the one from working and saving to retirement and spending. It can be emotionally and financially harder than they ever expected. If they are younger retirees, and they have friends and family still working, it can also be very lonely, especially if they don’t have a plan,” says Shanna Tingom, cofounder of Heritage Financial Strategies in Gilbert, Az. “A proper retirement plan includes three things: a financial plan, a budget and a FUN plan! The fun plan includes things that they want to do, places that they want to visit and how much money is included in the budget for those things."

5. Reorientation – Building a New Identity

Fortunately, the letdown phase of retirement doesn't last forever. Just as married couples eventually learn how to live together, retirees begin to familiarize themselves with the landscape of their new circumstances and navigate their lives accordingly. This is easily the most difficult stage in the emotional retirement process and will take both time and conscious effort to accomplish.

Perhaps the most difficult aspects of this stage to manage are the inevitable self-examination questions that must be answered once again, such as "Who am I, now?" "What is my purpose at this point?" and "Am I still useful in some capacity?" New – and satisfying – answers to these questions must be found if the retiree is to feel a sense of closure from his or her working days. But many retirees cannot achieve this and never truly escape this stage – make sure you do!

6. Routine – Moving On

Finally, a new daily schedule is created, new marital ground rules for time together versus time alone are established and a new identity has been at least partially created. Eventually, the new landscape becomes familiar territory, and retirees can enjoy this phase of their lives with a new sense of purpose.

"Newly retired can seem like you are riding on a roller coaster. Peaks and valleys require attention and patience to manage. In time, the new norm will be your new reality," says Kimberly Howard, CFP®, founder of KJH Financial Services, Newton, Mass.

The Bottom Line

Life planning is an important key to successful retirement. Workers who have given serious time and thought to what they will do after they retire will generally experience a smoother transition than those who haven't. Dreams and goals that cannot be achieved with a single trip or project may translate into long-term, part-time employment or volunteer work. But it is never too soon to begin mapping out the course of the rest of your life.

As with all emotional processes that can be broken down into separate phases, it is not necessary to completely achieve one phase before beginning another (except, of course, for the actual cessation of employment). But virtually all retirees will experience some form of this process after they stop working. Their ability to navigate these uncharted waters will ultimately determine how they live the last phase of their lives.

Math Test Question Stumps Parents

6- and 7-Year-Olds Couldn't Solve This Math Test Question, and We're Not Surprised

by Marina Liao

The internet is having a field day figuring out what the real answer is to a simple math problem. A Twitter user named Louise Bloxham shared a math problem from a Year 2 (equivalent to the first grade in the US) workbook. The tweet and account are now gone but the problem asked, "There were some people on a train. 19 people get off the train at the first stop. 17 people get on the train. Now there are 63 people on the train. How many people were on the train to begin with?"

If you try solving it yourself, you'll probably get this setup: X - 19 + 17 = 63. All you have to do is solve for x, which gives you 65 as the answer:

But if you look further into the comments, users start arguing that the answer is 46, not 65.

Other commentators became philosophical and said that the math problem fails to factor in the train driver and inspector:

The situation apparently became too much for one person, who said that everyone was "looking at it algebraically for proof purposes," when it was really just a simple equation.

Although the math question has stumped some parents and young children, the main concern here is not whether or not it can be solved, but if 6- and 7-year-olds should've been asked it. That answer to that question is simple: if there's this much debate about it with adults, then it's not suitable for children.