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J.A. LONG DESIGN BUILDERS

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June 2009

The Rule of 72

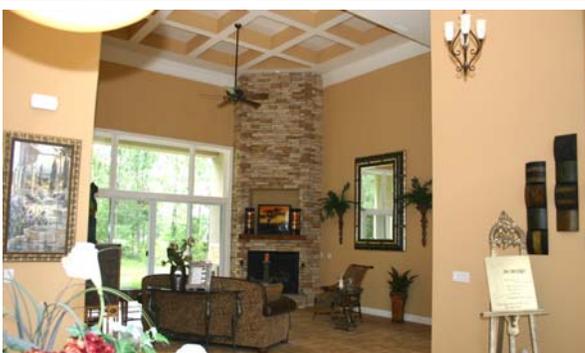
The 'Rule of 72' is a simplified way to determine how long an investment will take to double, given a fixed annual rate of interest. By dividing 72 by the annual rate of return, investors can get a rough estimate of how many years it will take for the initial investment to double itself.

For example, the rule of 72 states that \$1 invested at 10% would take 7.2 years ($(72/10) = 7.2$) to turn into \$2. In reality, a 10% investment will take 7.3 years to double ($(1.10^{7.3} = 2)$). When dealing with low rates of return, the Rule of 72 is fairly accurate. This chart compares the numbers given by the rule of 72 and the actual number of years it takes an investment to double.

Rate of Return	Rule of 72	Actual # of Years	Difference (#) of Years
2%	36.0	35	1.0
3%	24.0	23.45	0.6
5%	14.4	14.21	0.2
7%	10.3	10.24	0.0
9%	8.0	8.04	0.0
12%	6.0	6.12	0.1
25%	2.9	3.11	0.2
50%	1.4	1.71	0.3
72%	1.0	1.28	0.3
100%	0.7	1	0.3

Notice that, although it gives a quick rough estimate, the rule of 72 gets less precise as rates of return become higher. Therefore, when dealing with higher rates, it's best to calculate the precise number of years algebraically by means of the future value formula.

Source: <http://www.investopedia.com/ask/answers/04/040104>.



In our effort to go green, we are now offering the J.A. Long Quarterly Newsletter in email format. If you would prefer to receive email updates, please send us a note with your name and email address to info@jalong.com, or give us a call at 904.264.3073.

If you know someone who would like to receive our newsletters by traditional mail or email but currently is not, please let them know that they are more than welcome to email or call us with a request, also. If you would like to be removed from our mailing list, please let us know via email or phone call.



Summer Landscaping Calendar

June

- For lawns on a low-maintenance plan, apply iron to encourage greening. Use ferrous sulphate (2 ounces in 3 to 5 gallons of water per 1,000 square feet) or a chelated iron source. Watch for chinch bug damage in St. Augustine lawns.
- Fertilize trees and shrubs in mid-June if you want to encourage new growth.
- Blueberries begin ripening about June 1.
- Continue harvesting vegetables as soon as they ripen.
- Check mulch around ornamental plants to be sure it's 2 inches thick, and add mulch as needed to help keep weeds down and conserve water. Keep mulch 1 to 2 inches away from trunk or stem.
- Remove old blooms and flower spikes from annuals. This is called "dead heading" and makes the flowers bloom longer. Fertilize monthly except for marigolds and periwinkles.
- Those who plan to treat for mole crickets and did not do it in May should apply the product by mid-June.
- Keep lawn mower blades sharp. This reduces some disease problems and gives the lawn a neater look when it is cut.



July

- For a moderate lawn maintenance plan, apply iron to encourage greening. Use ferrous sulfate (2 ounces in 3 to 5 gallons of water per 1,000 square feet) or a chelated iron source.
- If mole crickets are damaging the lawn, begin applying mole cricket bait. Water before you apply the bait. Baits should be applied late in the afternoon when there is no chance of rain. When watering, don't allow baits to soak into the soil, because water destroys the product.
- Watch for chinch bug damage in St. Augustine lawns. The damage usually occurs in sunny locations near the street, sidewalk, or driveway. The grass dies in patches and turns straw brown. Damaged areas do not recover and must be plugged or sodded. Treat damaged areas with an approved insecticide or ask a pest control company to treat them.
- People living in the Beaches are should watch for cabbage palm caterpillars in late July. These are caterpillars that drop out of palms in large numbers and try to find a place to make a cocoon. They usually make cocoons out of old palm fronds and can stain siding and damage lawn furniture, doormats, and other fibrous materials. If they get indoors, they can damage drapes, carpet, and upholstery. To control, spray palms with Dipel or Sevin and be sure the house is sealed tightly to keep them out.

August

- Watch for sod webworm and army worm damage. These are lawn caterpillars that feed on grasses and usually are a problem on Bermuda and St. Augustine lawns. They will attack all types of lawns if the population is high enough. The grass will look as if it has been mowed very low. Treat damaged areas with an approved insecticide. It may not be necessary to treat your whole lawn for the worms. Spot-treating reduces the amount of insecticide being applied to the environment. Lawns on the moderate to high-maintenance plan need another ½ pound of nitrogen per 1,000 square feet of lawn.
- If mole crickets are damaging the lawn, apply mole cricket bait.

Source: Horticulture Extension Agents with the Institute of Food and Agricultural Sciences, University of Florida

Banks Offer Special Financing for “Professionals”

By R.P. Whittington

While the credit market is finally beginning to relax and make more money available to consumers wanting to finance high-ticket items like homes, cars and boats, a few banks have continued to offer “niche” financing programs specially designed for professionals—including physicians. And, based on the income level and reliability of the borrowers within this “demographic,” these financing institutions have no plans to end the special programs any time soon.

BBVA-Compass, which began the Professional Lending Program (when it was known as Compass Bank) in 2000, is one of a handful of lenders that offer 100 percent financing for loans of up to \$1 million for physicians, attorneys, self-employed certified public accountants and top-level professionals within a publicly-traded company – recently adding dentists to the mix of professionals that can apply for the program, according to Senior Mortgage Banking Officer Tom Callahan.

“We’re the only institution I’m aware of that offers this program to such a large group of professionals,” Callahan said. “They can receive any loan up to \$1 million with no money down and no mortgage insurance is required. It is especially important when borrowers are looking to move to a larger home requiring jumbo-type loans.”

Callahan notes that Compass has recorded a “zero foreclosure rate” on the professional demographic of buyers, who can receive a six-percent financing rate (paying one point). “The program can also be extended to construction loans for custom-built homes,” Callahan said.

SunTrust Mortgage has offered a similar program for the last six years, according Robert Fleishman, Vice President of Mortgage Lending.

“The big key to our program is that it’s offered to licensed medical professionals only, which would include physicians, dentists, orthodontists,” Fleishman said.

The SunTrust Program offers up to 95 percent financing, requires no mortgage insurance, can be applied to adjustable rate mortgages, and can also be extended to construction loans as well.

Roger Quay, a realtor with Coldwell Banker/Devonshire Real Estate in Ponte Vedra who helps many in the medical industry find homes in the First Coast, says he’s referred the program to several customers in the past. “A lot of the men and women coming out of residency don’t have the time to shop the markets for homes, much less financing options,” Quay said.

Noting that Bank of America offered a similar program before Florida became a “declining market,” Quay said more lenders should come up professional lending products like these. “I think more should offer it, since it’s based on income potential and these are pretty safe loans to make.”

Over the last year, credit has been harder to obtain through Freddie Mac and Fannie Mae, which created many of the “exotic” financing schemes that most blame for our current financial malady. However, conventional FHA loans are getting easier to come by.

Credit reporting companies set credit scores within a range of 350 to 850, with 850 being “exemplary” credit. Most lending institutions can get a buyer with a credit score around 600 into a home – some requiring as little as a 3.5 percent down payment.

“Certainly, on conventional FHA loans full documentation is required, so it’s harder to be approved for a loan,” Callahan said. “Everyone has something in their credit history that makes their file more ‘challenging,’ but it’s a fact there’s plenty of money available out there.”

As with the other mortgage lenders, Callahan says the financing rates being offered now are nothing short of historic from his perspective.

Source: North Florida Doctor Magazine, July 2009



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How to Clean Grout

The best way to clean grout is to use liquid extraction to loosen the dirt from the grout and use a wet/dry vacuum to pull the dirt back up and out of the holes. The best way to minimize dirty grout is to lay the tile close together to have very thin and narrow grout lines.

Below is a great homemade tile and grout cleaner that is safe for frequent use. It also works well for removing soap scum and cleaning tile counters.

Ingredients:

- 1/2 cup of baking soda
- 1/3 cup of ammonia
- 1/4 cup of white vinegar
- 7 cups of water

Combine all the ingredients in a spray bottle and shake well to mix. Do **not** use this in conjunction with chlorine bleach or where chlorine bleach has been used. **(Never mix ammonia and bleach-containing products.)** Simply spray it on and then wipe with a damp sponge or cloth. No rinsing required.

To clean mildewed grout in tub and shower enclosures, scrub with a solution of one part liquid chlorine bleach to five parts water. Use a bristle brush and agitate. Let sit for 5 minutes and rinse thoroughly.

Source: <http://www.mrscleannw.com/tips/grout-cleaning.html>

