

A TRIP ACROSS THE POND

In 1905, William Paterson left Glasgow, Scotland with his new bride to portage (in a cruise ship loaded with Angus cattle) for Nova Scotia. 3 generations later, with my bride and daughters in tow, I made my way back to my paternal roots. Our trip was more pleasant than the Atlantic Ocean crossing made by my great-grandparents as recounted in notes from my grandfather. The undesirable joining of anxious cows combined with a rough ocean voyage did not inspire William and Agnes to romance on the high seas.

While we traveled business class from SFO to London, our daughters did what any young adults would do traveling to Europe...rode in coach. Credit card miles really payoff when you want to upgrade your seat from coach and you're in the air for 9 hours. The 2nd leg was from London to Edinburgh. If you enjoy roller coasters, you'd love the airplane trip. Our girls were exhausted after the long trip which included one hour in Heathrow getting thru customs. We were tired but a good lesson was learned. Travel business class if possible for long journeys. You want to be rested to start enjoying your vacation as soon as possible. I found the same experience going to Ireland a few years ago going business class.

Despite the hostilities during (Braveheart) William Wallace's day, today, the Brits enjoy the company of Scottish people and they love traveling up to Scotland. The Scots seem to tolerate the Brits but you would be hard-pressed to find fondness. Unfortunately, Scotland's industries have declined and they have become dependent on (British) government assistance in many ways. The land is still beautiful although the weather is less than ideal. Tourism accounts for a broad measure of Scotland's revenue. While Scots can speak in a language and accent that has no resemblance to English, most of them speak wonderfully. Our travel was limited to Edinburgh and Glasgow and points in between. Our favorite visit was Stirling and the Stirling Castle both for its cleanliness and history of Robert the Bruce and William Wallace.

London is a fascinating city and like New York there is more to see than there is time to see it. It is expensive and especially when the pound to dollar ratio is 2 to 1. However, we did pretty well on lodging, meals, and getting around. We stayed about 25 miles outside the center of London. The Double Decker Bus is the best way to see major cities on the first day. We did Edinburgh that way as well as Montreal a couple of years ago.

We did not rent a car the entire trip. We travelled by subway (tube), bus, train, and taxi. We walked

a lot and I actually dropped a few pounds. In Scotland, Scot Rail got us everywhere we wanted to go and it was very timely.

Our objective was to get to Scotland right away and come home from London. That turned out to be a good decision. Also, we wanted to stay in as few accommodations as possible and not see 10 cities in 13 days. That also worked out well particularly when you have 4 people with luggage. Although our apartment in London lacked what was advertised, we got in some good walking and the price was right. We stayed at 2 different Inns in Scotland. The owner of Arbuthnot House in Falkirk was a wonderful host yet if I had to do it over again, I would have found a home or condo in Stirling for our entire time in Scotland. It's right near the train tracks, the town is very clean, there's a great historic cemetery, and you can get to Edinburgh and Glasgow very easily. You can take the train out to Aberdeen and then venture to St. Andrews if you'd like. However, if you want to go up north and to outer islands, you have to consider renting a car or going on bus tours to get to the "country". Don't exchange your money at the banks. They charge some big fees. The best places were the ATM's and certain department stores. Ask the innkeepers or other tourist vendors. A friend told me that E*Trade has a great deal. If you open a money market account with them, you can go to any ATM that they have a relationship with and you can pull out money without any fees and with a favorable exchange rate. One other bonus was leaving London at 1:00 p.m. We were able to sleep in, get to the airport on time and when we passed over Greenland, the ice caps were breathtaking! The arrival time in SFO was about 4:00 p.m. so getting on a regular sleep regimen was a piece of cake.

Note: after writing about my trip to Costa Rica in 2006, I said our next trip would be to Switzerland where my wife's family is from. We made this trip in lieu of going to the land of clocks and gold but hopefully we'll make that trip in the near future.

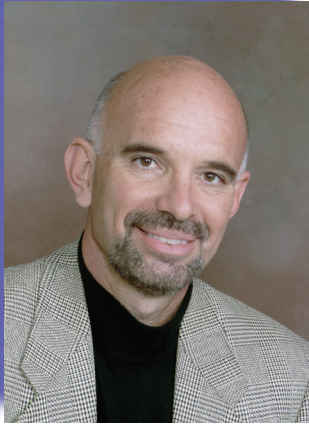
SUCCESS STORIES

Not all the real estate news is bad. Billie's husband recently passed away. She is in good health and loves her home and neighborhood. With her daughter's help, she liquidated some assets and along with the proceeds of a Reverse Mortgage, she paid off the 1st and 2nd mortgages on her house. She no longer has mortgage payments and can live comfortably.

Keith recently graduated from college and has a good job. He's in the process of buying his 1st home using an FHA fixed rate loan and his parents are assisting with some of the down payment. He's paying \$250,000 for a home that appraised for \$360,000 three years ago.

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CAN'T STOP PROGRESS

I've been writing and mailing out newsletters since 1995. Part of the process involves printing them on good stock and putting postage on them to get to you. The internet is a great way to get out information that's timely and less expensive.

So I've created a website (blog) where I can get out current information more rapidly to you and have some other content that was too expensive to do on my newsletters. I'd like you to visit www.jimpaterson.net. There you can link to my blog where I'll have current news as well as most of my previous writings and pictures. Also, from the website, if you want some mortgage information or tools, you can click on Online Loans (from my website) and you'll be linked to our company website (www.mcglans.com).

I have seen many blog websites that are constructed to get people going back and forth discussing and dissenting on a variety of issues. That's not my aim. Although I hope you'll send me an email or give me a call, I'm not doing this as a forum piece. I am looking forward to getting your comments and being able to view some pictures, primarily from my travels. And when I write about something, I'll have a little more satisfaction that you'll be able to read it in a timely fashion. From time to time, I plan on sending out small post cards as a reminder of the website.

THE UPDATE ON REAL ESTATE

I writing this section in May of 2008 and you'll be reading in June. There was some positive news for the sales of single family homes in the Sacramento region today. Home sales for April of 2008 were higher than April of 2007 in the 6 county region.

I reviewed the last two years of newsletters that I've sent out to you. I reported that sales in the 1st quarter of 2007 were 10% higher than the 1st quarter of 2006. Also, home sales had increased from summer of 2006 to January of 2007. Considering the decline in home values and the slew of foreclosures, today's news doesn't mean we're out of the woods. In fact, there are homes that would be for sale right now if not for some procedural delays in the foreclosure process. 12 months from now, there will still be homes for sale that are "bank owned".

With all that said, there has been a flurry of activity in our area of homes selling in the \$175,000 to \$275,000 price ranges. We certainly would have declared that we have reached the bottom of the market in sales and prices if not for the "pipeline" of homes that will be coming on the market over the next 12 months. As I say this, I am speaking primarily of the Sacramento region. Many of the readers of this newsletter live in equally hard-hit Bakersfield, Grass Valley, and San Diego, while some of you live in Silicon Valley, Lake

Tahoe, and Santa Rosa and are not experiencing the same real estate troubles. Nevertheless, what happens here and in the rest of the U.S. does have an impact on all real estate markets with respect to lender's guidelines, mortgage rates, and economic costs such as building materials and labor.

In the Capitol area, the level of home prices have produced some wonderful opportunities for buyers. Mortgage payments as a percentage of income are back in line. FHA and VA loans are now in favor. They offer fixed rate loans with no prepayment penalties and low down payments. Also, they can be a great solution for some people that want to refinance to consolidate their 1st and 2nd mortgages.

Major banks have been sending out notices to their clients with home equity lines of credit. They are reducing the maximum amounts and/or cancelling the ability to tap into the unused balances. Chase, Citibank, B of A, Wells Fargo, WAMU, and Wachovia are rounding the wagons in an effort to reduce losses and preserve their capital. Incredibly, Countrywide, Paramount Equity, and Benchmark Lending are spending millions of dollars advertising low rates or the ability to consolidate all your debts with one loan. Trust me, they are doing so in a very deceptive manner.