

Getting a grip hold

Dealing with your financial fears

By TRACY BYRNES

Boo! Are you scared? OK, so maybe ghosts and goblins don't scare you these days but the uncertainty in the market probably does.

From interest rates to gas prices, investors just don't know how to protect themselves from the constant ambiguity. So let's go through a few of your fears and offer ways to squelch 'em.

Interest rates. Even though the Federal Reserve left the rates unchanged at its meeting Wednesday, rates are still a big unknown. Most pros believe that the rate increases are done, and some actually believe a rate cut is possible in the future.

"But we're not confident [a rate cut] is going to happen," said Brad Sorenson, the head sector analyst at Schwab's Center for Investment Research. "And we wouldn't be surprised to see rates held though the middle of 2007."

The upside is that long-term mortgage rates will probably hold steady around 6.3 percent to 6.4 percent through the rest of the year. So if you own one of the \$1.1 trillion to \$1.5 trillion in adjustable-rate mortgages to be reset in 2007, take advantage and refinance now, suggests Richard Coppa, president and founder of Wealth Health, a financial planning firm in Roseland, N.J.

Housing market. "We

may have seen the majority of the downside in the housing market, but we think it's got more room to go," says Sorenson.

So, if you can, try to wait a few months to sell your home — you'll probably get a better price in the spring. Of course, if you're a buyer, you're in luck. Folks that are forced to sell now are making deals daily, so work it.

Midterm elections. The market has already priced in a takeover of the House by the Democrats. But if the Democrats sweep both the Senate and the House, then prepare for some market uncertainty. The Democrats have threatened to clamp down on the energy and healthcare sectors, and that would make Wall Street nervous.

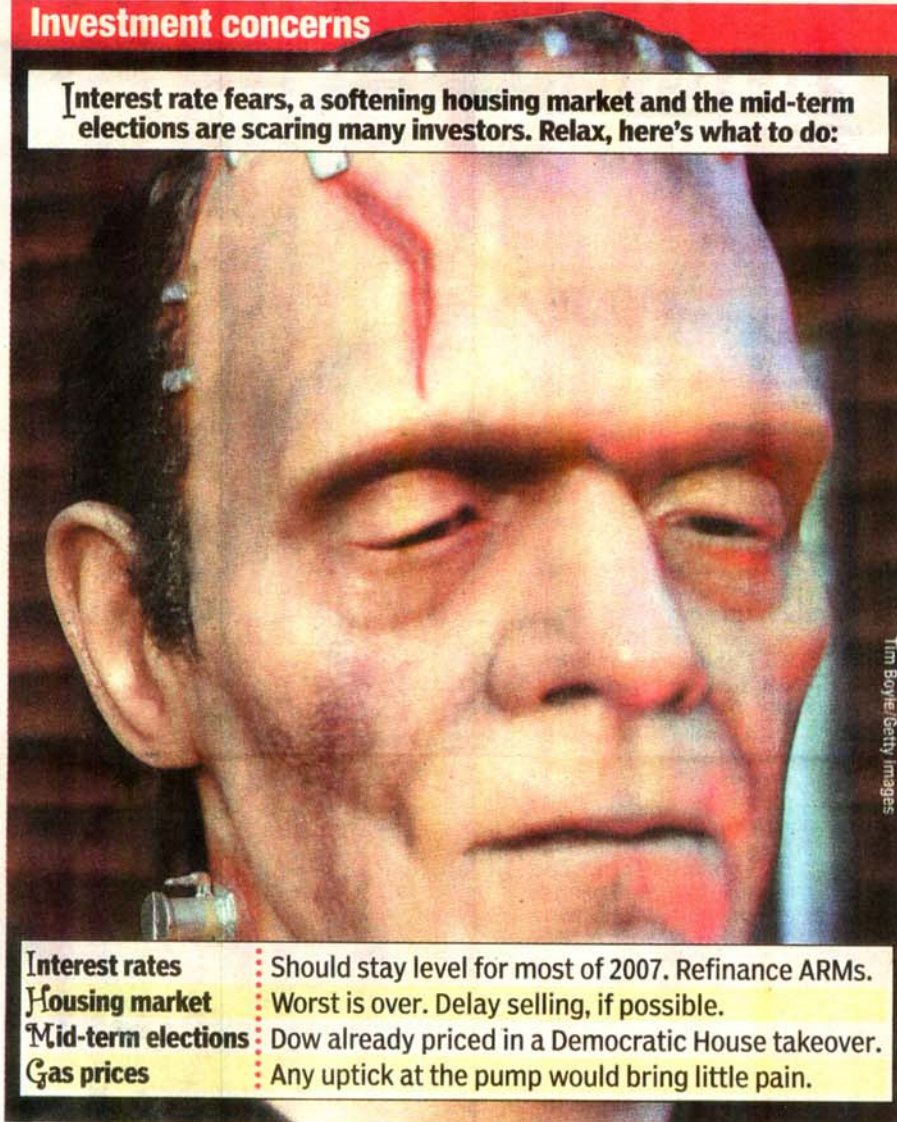
On the flip side, if the Republicans maintain control of both chambers, you could expect to see a short-term boost in the markets, notes Sorenson.

Gas prices. That's right, the final goblin is actually hovering in your driveway. Well, stop fretting. Changing gas prices don't have nearly as much impact as the media would have you believe. A \$1-a-gallon drop in gas prices will only put an extra \$15 a week or so into most folks pockets.

But the psychic buzz of seeing gas at about \$2 a gallon wouldn't hurt.

Investment concerns

Interest rate fears, a softening housing market and the mid-term elections are scaring many investors. Relax, here's what to do:



Tim Boyle/Getty Images

- Interest rates** : Should stay level for most of 2007. Refinance ARMs.
- Housing market** : Worst is over. Delay selling, if possible.
- Mid-term elections** : Dow already priced in a Democratic House takeover.
- Gas prices** : Any uptick at the pump would bring little pain.



BAD SCORE?
Improve it now.

Get credit score aid

ROUGHLY 30 million Americans are dealing with bad credit, and plenty of folks are willing to counsel them on long-term solutions to the problem.

But what if you need a quick fix?

Direct marketing industry veteran Rob Anderson has helped create Living-WithBad-Cred-

it.com, a free Web site aimed at helping people fix their credit issues quickly.

"Tell me something I can do right now," is how Anderson describes the motivation behind the site.

For example, Anderson reveals that credit reporting agencies penalize people if they use more than 30 percent of the credit limit on their credit cards.

"If you are trying to buy a house right now but are

