

NOTES FROM JOHN & SUSAN

Happy Summer! We all want to thank you for your patronage during tax season. We enjoy meeting with each of you and serving you. We have worked with a number of you a lot of years and you are more like family than clients. To those of you who are new to our business, “Welcome” and we look forward to working with you throughout the year and years to come. This past year we have added a number of staff members to our team. Our goal is to offer you outstanding service in a timely manner, to keep you updated on tax law changes and to offer you a variety of financial services to meet your needs regardless of what phase of life you are in. One of our goals this year is to personally meet with each of you who are already financial clients to review your investments, review your goals, make any revisions necessary and to review your beneficiaries on the investments that we hold for you and on the investments held through others or your employers. The other areas that we are concentrating on this year is life and health insurance. With the number of people changing jobs and being laid off from their jobs a number of individuals have lost the only life insurance coverage that they had. We know that that has been a major concern of yours because everyone wants to make sure that their loved ones will be taken care if something were to happen to them. We are also working with clients to get them temporary health insurance for their “in-between” job status. Throughout the summer we will be offering a seminar series titled “Tuesdays With Money Concepts” which will be a 30 minute overview of different topics. These are free and please feel free to bring a friend or family member who may also be interested in the topic of the week. We would also love to meet with any of you who are in need of financial advise — give us a call and let us sit down and meet with you!

Your TFC Team



**Beth Berkimer, Cindy Ordway, Jasmine Patterson, Tony DuBois, Susan Foster,
Jessee Bays, Kristina Foote, Mike Pino, John Anderson**

Special Tax Break Available for New Car Purchases This Year

WASHINGTON — The Internal Revenue Service announced today that taxpayers who buy a new passenger vehicle this year may be entitled to deduct state and local sales and excise taxes paid on the purchase on their 2009 tax returns next year.

“For those thinking about buying a new car this year, this deduction may give them a little more drive to make their purchase this year,” said IRS Commissioner Doug Shulman. “This deduction enables taxpayers to buy now and get cash back later on their tax returns.”

The deduction is limited to the state and local sales and excise taxes paid on up to \$49,500 of the purchase price of a qualified new car, light truck, motor home or motorcycle.

The amount of the deduction is phased out for taxpayers whose modified adjusted gross income is between \$125,000 and \$135,000 for individual filers and between \$250,000 and \$260,000 for joint filers.

IRS also alerted taxpayers that the vehicle must be purchased after Feb. 16, 2009, and before Jan. 1, 2010, to qualify for the deduction.

The special deduction is available regardless of whether a taxpayer itemizes deductions on their return. The IRS reminded taxpayers the deduction may not be taken on 2008 tax returns.

For 2009 Home Purchases

The American Recovery and Reinvestment Act of 2009 expanded the first-time homebuyer credit by [increasing the credit amount to \\$8,000](#) for purchases made in 2009 before Dec. 1.

For home purchased in 2009, the credit does not have to be paid back unless the home ceases to be the taxpayer's main residence within a three-year period following the purchase.

First-time homebuyers who purchase a home in 2009 can claim the credit on either a 2008 tax return, due April 15, 2009, or a 2009 tax return, due April 15, 2010. The credit may not be claimed before the closing date. But, if the closing occurs after April 15, 2009, a taxpayer can still claim it on a 2008 tax return by requesting an extension of time to file or by filing an amended return. [News release 2009-27 has more information on these options.](#)

Residential Energy Property Credit (Section 1121): The new law increases the energy tax credit for homeowners who make energy efficient improvements to their existing homes. The new law increases the credit rate to 30 percent of the cost of all qualifying improvements and raises the maximum credit limit to \$1,500 for improvements placed in service in 2009 and 2010.

The credit applies to improvements such as adding insulation, energy efficient exterior windows and energy-efficient heating and air conditioning systems.

A similar credit was available for 2007, but was not available in 2008. Homeowners should be aware that the standards in the new law are higher than the standards for the credit that was available in 2007 for products that qualify as “energy efficient” for purposes of this tax credit. The IRS has issued [guidance](#) that will allow manufacturers to certify that their products meet these new standards.

Until the guidance is released, homeowners generally may continue to rely on manufacturers’ certifications that were provided under the old guidance. For exterior windows and skylights, homeowners may continue to rely on Energy Star labels in determining whether property purchased before June 1, 2009, qualifies for the credit. Manufacturers should not continue to provide certifications for property that fails to meet the new standards.

Residential Energy Efficient Property Credit (Section 1122): This nonrefundable energy tax credit will help individual taxpayers pay for qualified residential alternative energy equipment, such as solar hot water heaters, geothermal heat pumps and wind turbines. The new law removes some of the previously imposed maximum amounts and allows for a credit equal to 30 percent of the cost of qualified property. See [Notice 09-41](#).

ARE YOUR BENEFICIARIES CORRECT?

This year one of our goals is to double check all of your beneficiaries for you. During tax season we had two different events where the people were our tax clients but not our investment clients. First a husband and father of a little girl was killed in a car accident. He had

started his job prior to being married and had listed his mother as his primary beneficiary. Unfortunately his mother kept the life insurance proceeds and is not giving them to her daughter-in-law and grandchild. The second involved an ex-wife receiving the proceeds. Please set up a beneficiary review!

Thank You! *Referral Club*

We wanted to thank each of you who referred us to your families and friends during our tax season. We appreciate you telling others about our services. There is no greater compliment that you can give us. Due to the positive response that we had from you concerning this program we have decided to implement a new program beginning from now until December 1st.

Our **New Referral Club** will run through December 1st. With your first referral you will become a Referral Club member and be invited to our Holiday Appreciation Dinner on Friday December 4th in the evening with more details to come.

You may use the enclosed referral club cards to give to family and friends — remember to fill in your information OR you may call or email us with names, address and phone numbers of your referrals and we will contact them.



HEALTH INSURANCE

If you are without health insurance because you have been laid off, your employer no longer offers this benefit or you have lost your job please call our office so that we can help you look into some affordable options for you. The quickest way to bankrupt your family and your extended family is to not have health insurance. Please give us a call at 269-795-3387.

OUR SUMMER RECIPE

BAKED POTATOE SALAD

Ingredients: Boiled potatoes with skin on
Diced onions
Bacon pieces
Shredded Cheese

Dressing: Light Miracle Whip
Milk
Seasoning Salt
Sugar

Cut up cool boiled potatoes into pieces. Toss with onions, bacon pieces (I use Hormel Real Crumbled Bacon), and shredded cheese. Mix dressing in separate bowl and add a generous amount as the salad will absorb the dressing. Refrigerate. Stir before serving and add additional dressing if necessary.



Our Contact Information

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Send us your email address so that we can add you to our database. We will send updates regarding tax law changes and other financial matters. Thank you to all of you who have registered yours with us!

*Announcing Our
Summer Seminar Series:*

TUESDAYS WITH MONEY CONCEPTS

You are invited to join us alternate Tuesdays throughout the summer for an ice cold lemonade and a thirty minute workshop on a Timely Financial Topic that matters to YOU:

June 30: Life Insurance:

It's more important than ever to be sure you have the right coverage. But how much is enough? What's right for you? Is your employer's plan good enough? How will you know if you'll be "self insured" when your policy expires?

July 14: Taking Control of Your Financial Future:

Are you "Madoff Proof"? Do you *really know* what's in your 401(k)? Is your retirement account on track to do what YOU need it to do?

July 28: Drawing Income From Your Retirement Savings:

Investing for *income* is different from investing for *growth*. Especially now. What options are available? How has the landscape changed?

August 11: 401(k) Rollover Options:

When leaving an employer, you have 4 basic options for your 401(k). Learn the implications of each and why one may be better for you than the others. Learn how "In Service Distributions" may help you secure your retirement.

August 25: Putting The Pieces Together:

Learn the four major components of a comprehensive Financial Plan, and how to assemble them to fit your needs. TV, radio, and newspaper advice doesn't work for most of us. Learn what does a Financial Professional have to offer that will benefit YOU?

Workshops begin promptly at 7:00 PM
At the offices of Thornapple Financial Services at
4695 N. M-37 Highway, Suite C
Middleville, MI 49333
Call (269)795-3387 with questions!

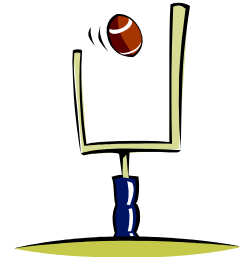


CELEBRATING OUR
30th YEAR OF EXCELLENCE
EST. 1979

Upcoming Events
Mark your Calendars

Friday, September 18th
2009 Money Concepts &
Thornapple Financial Center
Client Appreciation Event
4:00 to 7:00 PM

We will be holding a
Money Concepts tail-
gate event at our office.
Mark the date on your
calendar and watch for
more details to come!



Buy More Time



With QuickBooks Expertise

Let us Show You How To Use QuickBooks
Financial Software To Squeeze More Time out of
Every Day

Give Yourself the Gift of Time
Leave the Bookkeeping to Us

- Certified QuickBooks ProAdvisor
- Affordable
- Customized services to your needs
- Quick response time
- Experienced with 10 years in business
- Assisted many satisfied clients
- Expertise in setting up QuickBooks financial software to help save you time and money

Watch for upcoming QuickBooks seminars this fall.

Call Beth to set up individualized appointments to help you with your QuickBooks 269-795-3387 or 1-800-795-3287.



MONEY TALK

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Why Your Credit Score Is More Important During the Continuing Credit Crunch

It's always a good idea to be vigilant about your credit score, but even if borrowing loosens up a bit in 2009, you still need to do everything necessary to keep your credit score high. Fair Isaac, the company that created the FICO score, has been working on a new version of its credit scoring method that might have serious consequences for you if you're planning on borrowing for a home or opening any new credit line in 2009.

The new version of FICO is going to be particularly focused on your balances, not only on your on-time payment records. Your top priority under this new system: Get balances down. Reports say that the new FICO revision will actually allow a bit of lenience on late payment – something that might affect more than a few consumers with the downturn in the economy. Obviously, this won't mean that someone can chronically pay late, but once or twice won't make the same impact as in earlier FICO versions.

Yet credit utilization – essentially the amount of credit you're actually using relative to your credit limit – is a much bigger deal simply because high balances are so prevalent right now. From the lender's perspective, high balances mixed with a tough economy means a higher risk of default among customers. So what's a good target utilization rate for all your revolving credit accounts? No more than 50 percent of your credit limit, and if you can get it lower than that over time, that's a good plan. So, the lower your credit utilization, the better your score.

What does that mean for ordinary Americans who don't meet that under-50 percent goal? It means you shouldn't be applying for new credit or refinancing for awhile. But because most lending institutions may continue their strict lending requirements, you might as well defer borrowing goals in favor of reforming your credit behavior.

So instead of bemoaning your tougher chances of getting a loan for a home or a car, why not use the current environment to launch a credit makeover that will position you for a better shot six months to a year from now? Some ideas:

You'll need at least a 740 score for the best rates: You'll often hear that credit scores of 700 and up will get you best customer status with lenders. You should aim higher. For the lowest rates and best terms, you need to get your credit score above 740 (the top credit score, by the way, is 850), so keep that target in mind.

Budget: If you've never reviewed your spending and picked out areas where you can cut, you've never done a budget. Start tracking your spending either on paper or with financial planning software and start pinpointing what spending you can shift over to paying off debt.

One more time -- get those balances down: Get all your non-deductible debt under 50 percent of your credit line in each account. Go after your balances with the highest interest rates first, and once you hit 50 percent...keep trying and get those

balances down further.

Get some advice: It might not be a bad time to sit down with a tax professional or a financial adviser, to talk about the way you're going to manage your debt going forward.

Keep an eye on your credit reports: Remember that you have the right to get all three of your credit reports from Experian, TransUnion and Equifax once a year for free. You can do so by ordering them at annualcreditreport.com. Don't order all three of them at the same time, though. By staggering receipt of each of your credit reports, you'll get a continuous picture of how your credit picture looks because the three bureaus feed each other the latest information. You'll also be able to clean up errors as you find them and you'll also keep an eye out for identity theft. Keep in mind that not all "free" credit report sites are free – if they ask you for a credit card number, remember they're doing that because they want to charge you. Just go to the site above and you'll be fine.

Get on time and pay more than the minimum: Yes, we indicated above that you might get a bit of a break on late payments with the new FICO system, but that's a break you should consider only in a dire emergency. Electronic bill payment will allow you to save on postage while guaranteeing on-time postage, and the budgeting advice mentioned above will allow you to put a few more bucks toward getting that loan or credit card bill paid off.

Once you're paid off, don't close the account: In the world of credit scoring, closing accounts (even those that have not had balances for years) is a lousy idea. Lenders want to see a long record of credit management, and longtime accounts that you haven't touched in years may actually help your score because it shows you have some restraint.

This column is produced by the Financial Planning Association, the membership organization for the financial planning community, and is provided by Barry L. Dayley, CFP®, a local member of FPA.



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