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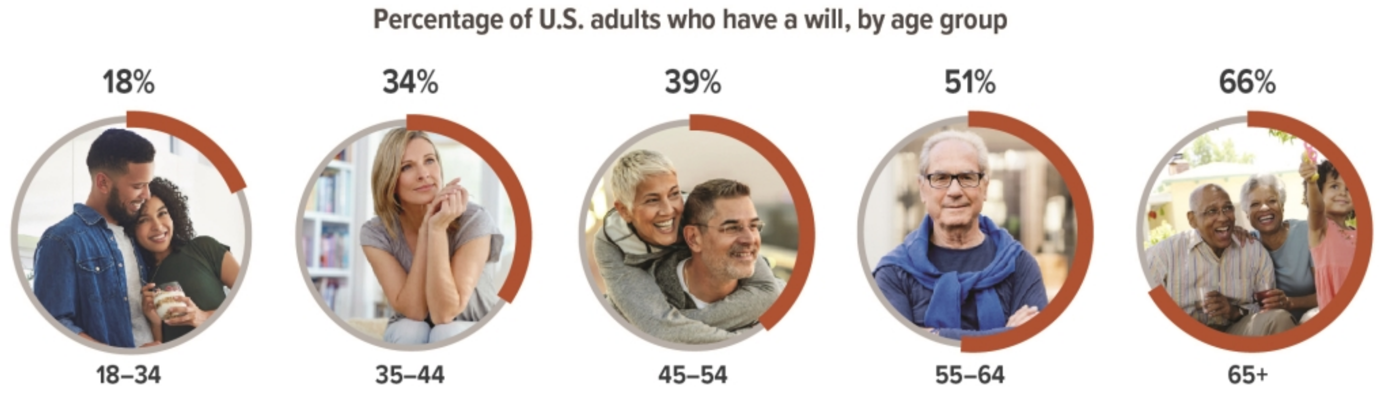
Please make sure to read John Stewart's article " Are Dividend Stocks the New Bonds?" below.

Do You Have a Will?

Although 76% of U.S. adults say having a will is important, only 40% actually have one. The most common excuse is, "I just haven't gotten around to it." It's probably not surprising that older people are more likely to have a will, but the percentage who do is relatively low considering the importance of this legal document.



Source: Caring.com, 2019

Are Dividend Stocks the New Bonds?

Since the modern investment profession was established in the 1950s (give or take), investors have been told to diversify their portfolios between stocks and bonds according to their tolerance for risk (fluctuation), as well as their need for income and/or liquidity. The 60/40 portfolio, that is 60% in equities (stocks) and 40% in fixed income (bonds), was established as the benchmark for most institutional investment portfolios. While much has changed over the years, including introducing various “alternative” investment categories including hedge funds, nothing has challenged the 60/40 portfolio to the extent of ultra-low (and in some cases zero or even negative) interest rates.

How can a buy-and-hold investor reasonably decide to buy a 10-year Treasury note yielding 0.5%, which is more than 1% below the current rate of inflation? What if inflation moves higher? Either way, this seems like a ridiculous use of precious capital. High-quality corporate bonds in the U.S. yield roughly 1% for 10 years and lower-quality (junk) bonds yield a bit more, but there’s no free lunch – they call them junk bonds for a reason; you might not get all your money back if the company defaults. Regardless, there isn’t much “income” left in fixed income investing at this point.

Enter the dividend-paying stock. Over the past few years, investors in many dividend-paying stocks have been disappointed as their holdings have been stuck in the mud while the likes of Apple and Amazon have returned investors multiples of their capital. Perhaps they have been looking at these holdings the wrong way. While most equity investors expect the prices of their stocks to rise, perhaps there is now a segment of the equity market where you can achieve what you used to expect from your bonds: the price stays relatively stable over a reasonable period of time while you collect your income. That is more or less what a large swath of high-quality dividend value stocks have been doing for the past few years. It might be time for some investors to consider moving a portion of their fixed income portfolio into companies that provide a good margin of safety while paying out a 3-4% dividend yield. No need to compare returns to the S&P 500 index.

Four Things to Consider Before Refinancing Your Home

Mortgage refinancing applications surged in the second week of March 2020, jumping by 79% — the largest weekly increase since November 2008. As a result, the Mortgage Bankers Association nearly doubled its 2020 refinance originations forecast to $1.2 trillion, the strongest refinance volume since 2012.[1]

Low mortgage interest rates have prompted many homeowners to think about refinancing, but there's a lot to consider before filling out a loan application.

1. What is your goal?

Determine why you want to refinance. Is it primarily to reduce your monthly payments? Do you want to shorten your loan term to save interest and possibly pay off your mortgage earlier? Are you interested in refinancing from one type of mortgage to another (e.g., from an adjustable-rate mortgage to a fixed-rate mortgage)? Answering these questions will help you determine whether refinancing makes sense and which type of loan might best suit your needs.

2. When should you refinance?

A general guideline is not to refinance unless interest rates are at least 2% lower than the rate on your current mortgage. However, even a 1% to 1.5% differential may be worthwhile to some homeowners.

To determine this, you should factor in the length of time you plan to stay in your current home, the costs associated with a new loan, and the amount of equity you have in your home. Calculate your break-even point (when you'll begin to save money after paying fees for closing costs). Ideally, you should be able to recover your refinancing costs within one year or less.

While refinancing a 30-year mortgage may reduce your monthly payments, it will start a new 30-year period and may increase the total amount you must pay off (factoring in what you have paid on your current loan). On the other hand, refinancing from a 30-year to 15-year loan may increase monthly payments but can greatly reduce the amount you pay over the life of the loan.

3. What are the costs?

Refinancing can often save you money over the life of your mortgage loan, but this savings can come at a price. Generally, you'll need to pay up-front fees. Typical costs include the application fee, appraisal fee, credit report fee, attorney/legal fees, loan origination fee, survey costs, taxes, title search, and title insurance. Some loans may have a prepayment penalty if you pay off your loan early.

4. What are the steps in the process?

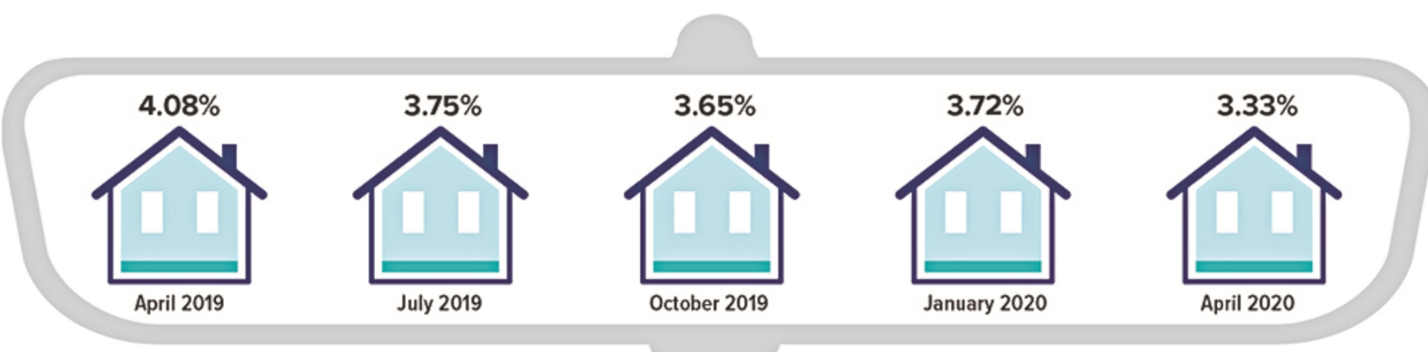
Start by checking your credit score and history. Just as you needed to get approval for your original home loan, you'll need to qualify for a refinance. A higher credit score may lead to a better refinance rate.

Next, shop around. Compare interest rates, loan terms, and refinancing costs offered by multiple lenders to make sure you're getting the best deal. Once you've chosen a lender, you will submit financial documents (such as tax returns, bank statements, and proof of homeowners insurance) and fill out an application. You may also be asked for additional documentation or a home appraisal.

1) Mortgage Bankers Association, March 11, 2020

Rear-View Look at Mortgage Rates

In a single year, the average rate for a 30-year mortgage fell by 0.75%. Low mortgage interest rates often prompt homeowners to refinance.



Source: Freddie Mac, 2020 (data as of first week of April 2020)

Three Things to Consider Before Your Next Trip

The health and economic crisis created by the coronavirus (COVID-19) pandemic will have a long-lasting impact on how we all will travel going forward. And though it may be difficult to think about planning a trip during these uncertain times, here are some things to consider if you do decide to travel.

1. Check your travel provider's cancellation policy. As a result of the coronavirus pandemic, many airlines and hotels have relaxed their cancellation policies by waiving traditional cancellation and change fees. The type of reimbursements will vary, depending on your travel provider, but may range from full refunds to vouchers/credit for future travel. It's important to contact your travel provider directly to find out their individual cancellation policies before booking.

2. Be aware of travel advisories. During the height of the coronavirus pandemic, global travel advisories were at an all-time high, and domestic travel advisories were issued for certain geographic areas within the United States. Your first step before planning any travel should be to check the travel advisories for your destination. Be sure to visit the U.S. Department of State website at state.gov, along with your state and local government, for up-to-date travel warnings.

3. Read the fine print. Before you purchase a trip cancellation/interruption insurance policy, read the fine print to determine what is specifically covered. Typically, it will reimburse you only if you cancel your travel plans before you leave or cut your trip short due to an "unforeseen event" such as illness or death of a family member. Most policies with cancellation and interruption coverage will exclude a "known event" such as COVID-19 once it's declared an epidemic or pandemic.

If you are concerned about having to cancel or cut short a trip due to the coronavirus pandemic, one option you may have is to purchase additional "cancel for any reason" (CFAR) coverage. This is usually an add-on benefit to certain traditional trip insurance policies and allows you to cancel your trip for any reason up to a certain date before your departure (typically 48 to 72 hours) and will reimburse a percentage of your trip cost.

CFAR coverage can cost quite a bit more than a basic trip cancellation/interruption policy and may have additional eligibility requirements. In addition, you usually have to purchase CFAR coverage soon after purchasing your original policy (typically within two to three weeks).

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