



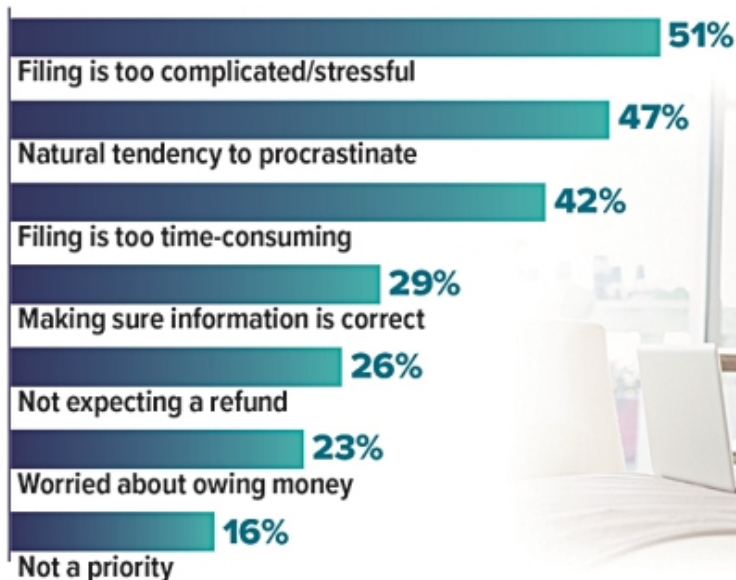
Cindy Menker, CFP®, CPA, MBA
Financial Planner
Contour Financial, Inc.
9031 W 151st Street • Suite 107 • Orland Park • IL • 60462
708-460-3800
egonmenker@gmail.com • ContourFinancial.com



Tax Time: Procrastination Is Common and Can Be Costly

April 15, 2025, is the tax filing deadline for most taxpayers. In a nationwide survey, three out of 10 Americans said they wait until the last minute to file their tax returns, and 50% rush to complete the filing process as quickly as possible. If you procrastinate, you might face an unexpected tax bill with little or no time to come up with the money. It may also be too late to act on opportunities to reduce your tax burden. In fact, taking a thoughtful approach to tax planning throughout the year could help you keep more of your earnings and improve your finances.

Top reasons taxpayers procrastinate



Source: Chamber of Commerce, 2024

ETFs Are Closing the Gap with Mutual Funds

Investor demand for exchange-traded funds (ETFs) has increased rapidly over the last decade due to attractive features that set them apart from mutual funds. At the end of 2024, over \$10 trillion was invested in more than 3,600 ETFs. This was equivalent to 36% of the assets invested in mutual funds, up from 21% in 2019 and just 12% in 2014.¹

Fund meets stock

Like a mutual fund, an ETF is a portfolio of securities assembled by an investment company. Mutual fund shares are typically purchased from and sold back to the investment company and priced at the end of the trading day, with the price determined by the net asset value (NAV) of the underlying securities. By contrast, ETF shares can be traded throughout the day on stock exchanges, like individual stocks, and the price may be higher or lower than the NAV because of supply and demand. In volatile markets, ETF prices might quickly reflect changes in market sentiment, while NAVs — adjusted once a day — take longer to react, resulting in ETFs trading at a premium or a discount.

Indexes and diversification

Like mutual funds, ETFs may be *passively managed*, meaning they track an index of securities, or *actively managed*, guided by managers who assemble investments chosen to meet the fund's objectives. Whereas active management is common among mutual funds, most ETFs are passively managed, which helps reduce administrative fees.

Investors can choose from a wide variety of indexes, ranging from broad-based stock or bond indexes to specific market sectors or indexes that emphasize certain factors. This makes ETFs a helpful tool to gain exposure to various market segments, investing styles, or strategies, potentially at a lower cost. Diversification is a method used to help manage investment risk; it does not guarantee a profit or protect against investment loss.

Tax efficiency

Investors who own mutual fund shares actually own shares in the underlying investments, so when investments are sold within the fund, there may be capital gains taxes if the fund is held outside of a tax-advantaged account. By contrast, an investor who owns ETF shares does not own the underlying investments and generally will be liable for capital gains taxes only when selling the ETF shares.

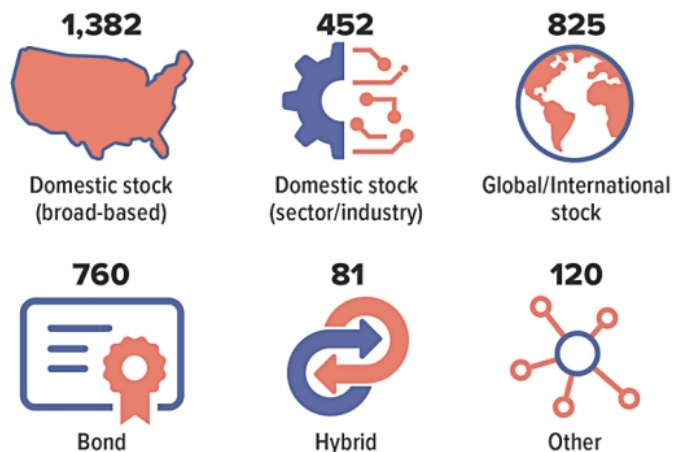
Trading, expenses, and risks

ETFs typically have lower expense ratios than mutual funds — a large part of their appeal. However, you may pay a brokerage commission when you buy or sell shares, so your overall costs could be higher, especially if you trade frequently. Whereas mutual fund assets can usually be exchanged within a fund

family at the end of the trading day at no cost, moving assets between ETFs requires selling and buying assets separately, which may be subject to brokerage fees and market shifts between transactions.

Plenty of Choices

Number of ETFs by type of underlying investment



Source: Investment Company Institute, 2025 (data for December 2024). Bond funds are subject to the same inflation, interest rate, and credit risks as their underlying bonds. As interest rates rise, bond prices typically fall, which can adversely affect a bond fund's performance. A portfolio invested only in companies in a particular industry or market sector may not be sufficiently diversified and could be subject to higher volatility and risk. Investing internationally carries additional risks, such as financial reporting differences, currency exchange risk, and economic and political risk unique to the specific country. This may result in greater share price volatility.

Mutual funds typically have minimum investment amounts, but you can generally invest any dollar amount after the initial purchase, buying partial shares as necessary. By contrast, you can purchase a single share of an ETF if you wish, but you can typically only purchase whole shares.

The trading flexibility of ETFs may add to their appeal, but it could lead some investors to trade more often than might be appropriate for their situations. The principal value of ETFs and mutual funds fluctuates with market conditions. Shares, when sold, may be worth more or less than their original cost. The performance of an unmanaged index is not indicative of the performance of any specific security. Individuals cannot invest directly in any index.

Exchange-traded funds and mutual funds are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

1) Investment Company Institute, 2025

Debt After Death: What Happens to Debt When Someone Dies?

Losing a loved one is never easy. In addition to the emotional challenges you may face, you might also be worried about what will happen to their debts once they are gone.

Generally, with limited exceptions, when a loved one dies you will not be liable for their unpaid debts. Instead, their debts are typically addressed through the settling of their estate.

How are debts settled when someone dies?

The process of settling a deceased person's estate is called probate. During the probate process, a personal representative (known as an executor in some states) or administrator if there is no will, is appointed to manage the estate and is responsible for paying off the decedent's debts before any remaining estate assets can be distributed to the beneficiaries or heirs. Paying off a deceased individual's debts can significantly lower the value of an estate and may even involve the selling of estate assets, such as real estate or personal property.

Debts are usually paid in a specific order, with secured debts (such as a mortgage or car loan), funeral expenses, taxes, and medical bills generally having priority over unsecured debts, such as credit cards or personal loans. If the estate cannot pay the debt and no other individual shares legal responsibility for the debt (e.g., there is no cosigner or joint account holder), then the estate will be deemed insolvent and the debt will most likely go unpaid.

Estate and probate laws vary, depending on the state, so it's important to discuss your specific situation with an attorney who specializes in estate planning and probate.

What about cosigned loans and jointly held accounts?

A cosigned loan is a type of loan where the cosigner agrees to be legally responsible for the loan payments if the primary borrower fails to make them. If a decedent has an outstanding loan that was cosigned, such as a mortgage or auto loan, the surviving cosigner will be responsible for the remaining debt.

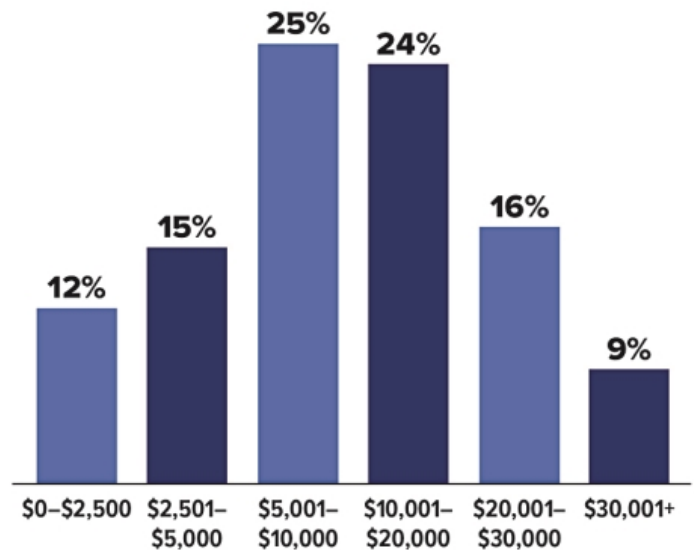
For cosigned private student loans, the surviving cosigner is usually responsible for the remaining loan balance, but this can vary depending on the lender and terms of the loan agreement.

If a decedent had credit cards or other accounts that were jointly held with another individual, the surviving account holder will be responsible for the remaining debt. Authorized users on credit card accounts will not be liable for any unpaid debt.

Are there special rules for community property states?

If the decedent was married and lived in a community property state, the surviving spouse is responsible for their spouse's debt as long as the debt was incurred during the marriage. The surviving spouse is responsible even if he or she was unaware that the deceased spouse incurred the debt.

How much debt Americans expect to leave behind when they die



Source: Debt.com Death and Debt Survey, 2024

What if you inherit a home with a mortgage?

Generally, when you inherit a home with a mortgage, you will become responsible for the mortgage payments. However, the specific rules will vary depending on your state's probate laws, the type of mortgage, and the terms set by the lender.

Can you be contacted by debt collectors?

If you are appointed the personal representative or administrator of your loved one's estate, a debt collector is allowed to contact you regarding outstanding debts. However, if you are not legally responsible for a debt it is illegal for a debt collector to use deceptive practices to suggest or imply that you are. Even if you are legally responsible for a debt, under the Fair Debt Collection Practices Act (FDCPA), debt collectors are not allowed to unduly harass you.

Finally, beware of scam artists who may pose as debt collectors and try to coerce or pressure you for payment of your loved one's unpaid bills.

The Lock-In Effect: Will It Ever Let Go of the Housing Market?

Since 2022, many homeowners have been reluctant to sell and move because they would have to finance their next homes at much higher rates than they pay on their current mortgages. According to a federal analysis, this widespread conundrum — known as the *lock-in effect* — has contributed to a nationwide housing shortage and a steep rise in home prices. Geographies with high home values, and affluent borrowers with larger mortgages, appear to be more sensitive to the lock-in effect.¹

In the second quarter of 2024, the average mortgage had a fixed rate that was 2.54 percentage points lower than the current market rate for similar loans. This was below the peak of 3.06 percentage points reached near the end of 2023 but still much greater than the 0.86 percentage-point difference in Q2 2022.²

Here's a look at several market trends that may influence the decisions of homeowners and buyers in the coming months.

Home prices

In 2024, the median price of an existing single-family home increased 6.0%, mainly because the supply of homes for sale was below normal levels.³ Home prices have risen more than 35% nationwide since the beginning of 2021.⁴

Mortgage rates

The Federal Reserve began to cut the benchmark federal funds rate in September 2024, a long-awaited

shift that many people hoped would usher in lower mortgage rates. But the rates for 30-year fixed mortgages (which tend to track the yield on the 10-year Treasury note) are influenced by a mix of complex factors that includes Fed policies, longer-term inflation expectations, and government bond market dynamics, so they could stay elevated for some time. The average rate for a 30-year fixed mortgage was still hovering above 6.5% in February 2025.⁵

Supply shift

Housing inventory is still tight in many markets, but October 2024 marked the 12th straight month of growth. In December 2024, the supply of homes for sale was up 16.2% from a year earlier.⁶ If this trend continues in 2025, qualified borrowers and downsizing or move-up buyers with plenty of cash may find more desirable options to choose from in their target price range and in some cases may wield more negotiating power.

The lock-in effect has already begun to ease because some households want or need to sell regardless of current rates. Although the lock-in effect may linger to some degree for years to come, it could fade more quickly if mortgage rates fall significantly.

1–2) Federal Housing Finance Agency, 2024; 3, 6) National Association of Realtors, 2025; 4) Dow Jones Indices, 2025; 5) Freddie Mac, February 2025

This is a resource that will answer your most important financial question, namely:

- If employed – When can I retire?
- If not employed – Can I stay retired?

Contour Financial will answer this question, suggest alternative scenarios, if needed, and implement investment strategies in order to reach your objectives.

Customized strategies are developed and implemented. Personalized service is provided by Certified Financial Planners (CFP) and/or Certified Public Accountants (CPA) to clients. Investment, retirement, tax planning & preparation, estate, insurance, cash flow and education planning are all integral parts to the process.

Contour Financial is a private wealth management business located in Orland Park, Illinois. We work primarily with middle income and wealthy clients. As a long-term National Association of Personal Financial Advisors (NAPFA) fee-only firm, all compensation is fully disclosed. For clients seeking investment management by our firm, assets are held at Charles Schwab Institutional, an industry leader.