

# Take the Steps to Achieving a Good Credit Score!

If you plan on applying for a mortgage soon, you're going to have to deal with credit scores. Here's a primer on credit scores and some steps you can take towards improving yours.

## The Credit Report

Step one in the process is making sure that you have a current copy of your credit report. Congress recently amended the Fair Credit Reporting Act so that consumers may now receive one free credit report annually. There are three major credit bureaus: Equifax, Experian, and Transunion. Since entries can vary across bureaus, it is smart to request a free report from each of the three companies.

## Your Credit Score

It's also imperative to know just what a good credit score is. Most A-Paper scores typically begin around 680, although this number may differ slightly among lenders. Don't despair if you come up shy, there is always room for improvement. Increasing your score just 5 points can save a significant amount of money. For example, if your score is 698 and you increase it to 703, then you may save yourself thousands of dollars over time as a result of a slight improvement to your loan's interest rate.

While credit repair is necessary for some, it is not the panacea to increase your credit score. Even if you have stellar credit, you can enhance your score through these steps:

**Step 1.** Evenly distribute your credit card debt to change the ratio of debt to available credit. Let's say you have a credit score of 665. If you have debt on only one card, and four additional credit cards with zero balances, evenly distributing the debt of the first card could move you closer, and possibly into, that ideal bracket.

**Step 2.** Keep your existing accounts open and active. The average consumer is usually anxious to close credit card accounts that have zero balances, but doing this can cause them to lose the benefits of a long-term credit history and increase their ratio of debt-to-available credit. The bottom line is don't close those old accounts!

**Step 3.** Keep credit inquiries to a minimum. Each inquiry into your credit history can influence your score anywhere from 2-50 points. When it comes to mortgage and auto loans, even though you're only looking for one loan, multiple lenders may request your credit report. To compensate for this, the score counts multiple auto or mortgage inquiries in any 14-day period as just one inquiry, so try and stay within that time frame.

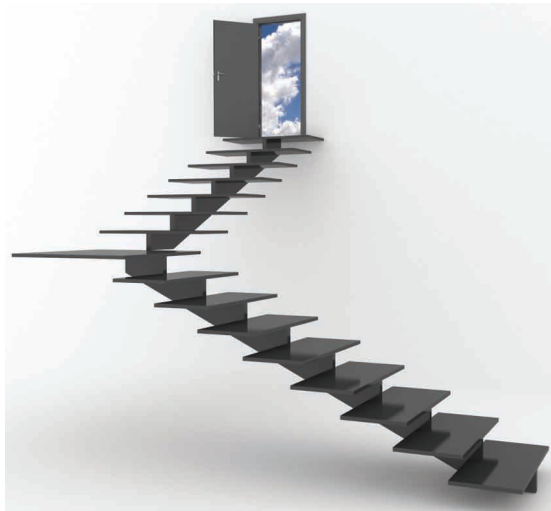
Remember, credit scores do not instantly get better. Improving them requires time and diligent effort on your part, so it's a good idea to start working at improving your credit at least three to six months prior to submitting your application for home financing.

If credit repair is what you need, you can either begin the process

yourself or seek out a repair service. If you decide to make your own improvements, visit as many websites as possible to get information regarding credit laws and consumer rights. Diligently search through them and educate yourself to ensure that you don't sustain any self-inflicted wounds. A good place to start would be the Federal Trade Commission's website, which contains a plethora of helpful literature. That website is: <http://www.ftc.gov/>

If you're facing severe or complicated credit issues, then you'll probably want to enlist the assistance of a professional credit repair company. Before you do, be sure to familiarize yourself with the FTC's regulations on credit repair. With over 1100 credit repair companies to choose from, it's important to be certain you are dealing with a reputable firm. Examine the FTC's information on fraudulent practices to avoid falling victim to credit repair scams. For more information on how to begin repairing your credit, contact our office today.

Addressing credit issues can be uncomfortable for some. By taking these steps now, however, you'll be that much closer to obtaining the home of your dreams. Remember, in today's mortgage market, a solid and good credit history is the first step to obtaining the loan that you need for the home that you desire.



# Top 10 FIX-UPS Designed to SELL Your House FAST!

When you're ready to sell your home, make sure potential buyers see it at its best. Here are the top ways to fix up the appearance of your home without investing a lot of money. A little time and effort now may pay big dividends at closing.

## Landscaping

Trim the grass (*and keep it trimmed*) and make sure all flowerbeds are freshly mulched and free of weeds. Prune overgrown shrubs, especially if they're hiding windows or blocking the entryway.

## Gutters and Fences

Reinforce sagging gutters and straighten crooked fences. Make sure the gutters are cleared of obstructions and the soil isn't washed out around downspouts. A quick power washing can brighten fences.

## Driveway and Walkways

Clear away clutter like bikes, tools and toys. Use weed killer on grass and weeds that are sprouting through pavement cracks. Keep edges neat with a weed eater or edger.

## Front Door

Freshen the door and trim with a new coat of paint. Tighten loose doorknobs, oil squeaky hinges and make sure the doorbell works. Clean any furniture or outside decorations. Add a colorful potted plant or a new doormat.



## Just Inside Entry

Shampoo the rug or scrub and wax the floor. Add a fresh area rug and make sure it has a nonskid surface for safety. Consider hanging a mirror to make your entry look larger and brighter.

## Kitchen

Set a warm, inviting mood by keeping countertops free of clutter and

adding decorative canisters or maybe a scented candle. Clean out the refrigerator, degrease the oven, wipe down cabinet doors and keep the sink shining.

## Bathrooms

Make sure your bathrooms sparkle. Clear countertops of unnecessary clutter. Replace discolored or damaged caulking. Fix all dripping faucets and leaky toilets.

## Closets

Organize the contents to make your closets appear larger. Donate unwanted items to charity and store what's left in stackable plastic totes to maintain a neat, tidy appearance. Strive to make the closet appear larger than it is.



## Garage, Basement and Attic

This is the time to sort through all the junk and decide what to keep and what to give away. Use easy-to-assemble storage shelves to stow tools and sporting goods; install wall hangers for garden hoses, blowers and other equipment.

## Lighting

Replace burned out bulbs and clean fixtures, inside and out, to get rid of dead bugs and cobwebs. Consider replacing dated fixtures in the most visible locations. Install indoor track lighting to highlight artwork and open drapes and blinds to let in natural light. Consider installing landscape lighting outside to accentuate any architectural features.

Most of these great fix-up items and helpful do-it-yourself advice can be found at your local home improvement center.

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## From the Inside: What Is a Debt Consolidation Loan?

If you are stressed by the sheer number of bills you receive each month, a debt consolidation loan may be a very useful tool. A debt consolidation loan gives you money to pay off your existing debt, resulting in just one monthly payment and a lot less stress. A debt consolidation loan makes it much easier to manage your budget since you only have to worry about a single payment schedule.

### Secured Debt Consolidation Loans vs. Unsecured Debt Consolidation Loans

There are two types of debt consolidation loans: secured and unsecured. A secured debt consolidation loan may allow you to secure a lower interest rate and borrow more because the loan is backed up by something that holds high value: usually your home. An unsecured debt consolidation loan does not have anything valuable backing it, and therefore, is usually considered more risky than a secured debt consolidation loan. An unsecured debt consolidation loan often comes with a list of restrictions on what the money you borrow can be spent on.

The number one factor that will determine how much your debt consolidation loan will cost is your credit score. If you have poor credit, you may have trouble finding a debt consolidation loan with a low interest rate. However, by making payments on time, you can help improve your credit score over time.

### Getting a Debt Consolidation Loan if You Have Bad Credit

Generally, when it comes to debt consolidation loans poor credit scores will probably mean higher interest rates and maybe some limitations on spending. While these may seem like unattractive qualities, the benefits of getting your debt consolidated *and* paid off may far outweigh the extra money you may be forced to spend.

*If you're thinking that a debt consolidation loan may be right for you, contact our office today!*

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