

# A Recipe For a Better Credit Rating!

The only way to recover from bad credit is to start rebuilding as soon as possible. You don't need a miracle to prep your finances for a mortgage application — just a little discipline and organization.

Television chef personalities Rachael Ray and Giada De Laurentiis, for example, have earned their fame by providing how-to instructions for the preparation of virtually everything edible from spring salads to sautéed pork chops. Even if you don't know much about cooking, you can whip up these delectable dishes just by following a recipe. Believe it or not, the same holds true for credit repair — if you can follow instructions, you can successfully rebuild your credit profile.

## A Recipe for Better Credit

The primary ingredients in the recipe for overhauling bad credit are a dash of discipline, a pinch of organization, both sprinkled with a little time. Follow these steps and be on your way towards achieving a higher credit score.

### 1. Make a plan

Write down your income and expenses, including a detailed list of required debt payments. Decide realistically what you can afford to pay monthly on each account. If you have access to an automatic bill-paying system, set up your checking account to make these payments automatically. Otherwise, create an alternate system to keep all of your accounts current and up to date.

### 2. Check your credit report

Improving your credit score may be as easy as reviewing your credit report for errors and omissions. Pay particular attention to credit limits — in other words, where the credit limit hasn't been updated because your credit score might be understated. Then, look at the type of credit listed and the number of accounts shown on your report. If you have only one revolving charge account, get one or two more to satisfy your credit worthiness needs. A gas card or department store card are good options. Make small purchases and pay off the balances every month or at least within a few months. The addition of an installment loan to your credit profile can also raise your score. Always remember to incorporate any new debt payments into your budget and bill-pay plan. Continue to pay your bills on time and begin building a reputation for financial responsibility.

### 3. Pay down or transfer your charge card balances

Ideally, the outstanding balance on each charge account should be less than 30 percent of that account's credit limit. If you can't pay off balances right away, consider transferring debt from a maxed-out account to an under-utilized account. This strategy can actually raise your credit score, but be sure to consider the fees and long-term costs before proceeding. Also, keep in mind that robbing

Peter to pay Paul will only get you in further credit trouble down the road.

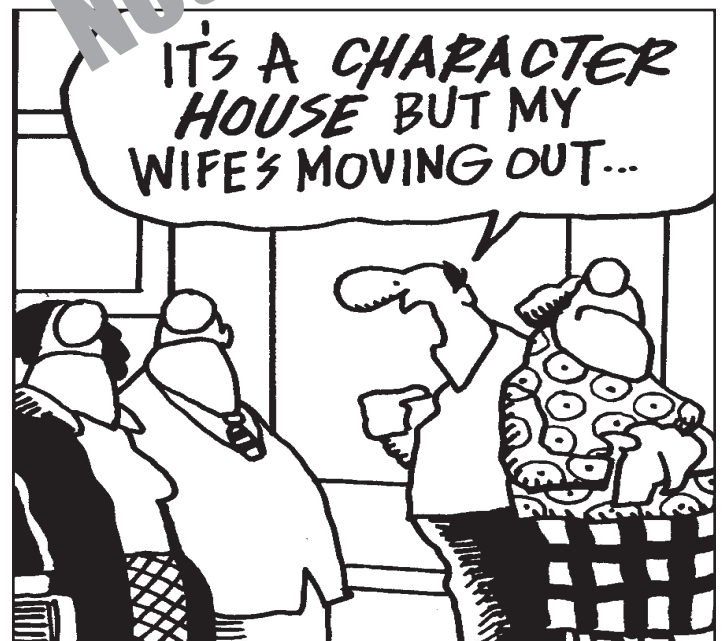
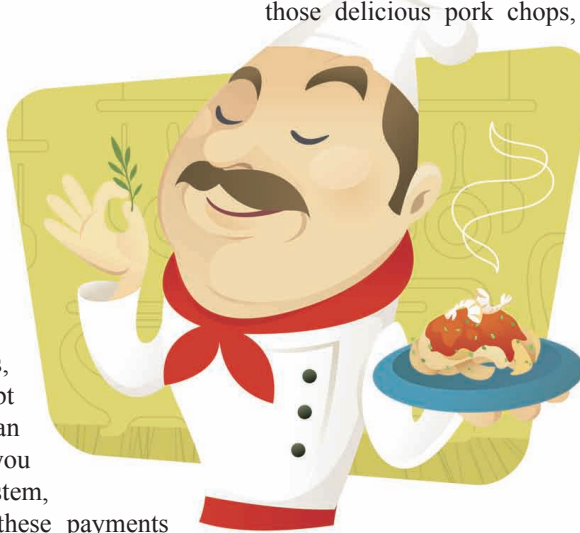
### 4. Be patient

It might take several weeks or a few months for corrections, credit limit updates, and balance transfers to be reflected on your credit report and FICO score. Let this process run its course as you continue to make your debt payments on time.

Once you have optimized your credit score and funded your mortgage, you can focus your attention on perfecting Giada's or Rachael's spring salad. Maybe you can even serve it, along with those delicious pork chops, when you invite friends over for dinner to celebrate your newly mortgaged home.

For more information and tips on improving your credit score, contact our office today!

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# Home Energy-Saving Tips Can Save You Big Money!

**S**ure, you've heard about energy-saving appliances and you've seen the new florescent light bulbs. But you're still not sure if the whole energy-saving effort will actually pay you back. If that sounds like you, you're in the right place. Read on for all the easy tips and tricks to make your home more energy-efficient, plus the insight you need on how that energy translates into dollars.

## Take the burn out of your heating bill

With winter months approaching, there's no better time to cool the burn of a high heating bill. Did you know air leaks are the biggest energy wasters and account for 39% of the energy loss in a home? The solution: You can easily reduce your energy bills by weatherizing your home. Here's how:

- Caulk around windows, doors and other cracks to eliminate air escape.
- Secure weather stripping (available at home stores) at the foot of your door to stop drafts.
- Use plastic window sheeting on the interior of windows for extra insulation.
- Remove or cover window A/C units.
- Hire a professional to inspect and clean your chimney to avoid poor ventilation.
- Turn down your thermostat! It's the easiest way to save money and energy. Lower the temperature to the lowest comfortable level during the day, and down to around 55 to 60 at night. You can save up to 3% in energy costs per degree! Also consider investing in programmable thermostats. They only cost \$50 to \$100 and they can cut your heating/cooling costs considerably.
- Keep blinds and drapes open during the day to capture sunlight.
- Have your furnace inspected now — before the heating season begins — for optimal efficiency. In the meantime, make sure your furnace is running efficiently.

## The energy-thrift's guide to appliances

When it comes to your appliances, the trick to saving energy is simple: awareness. Avoid giving in to your old household habits and assumptions and become conscious of how you use your appliances. Chances are with a few easy changes in the name of preservation, you'll shave some dollars off your energy bill.

### Dishwasher

- Only run your dishwasher with a full load. You can't control the amount of water your dishwasher uses, but you can control the number of loads you have to do.

## From the Inside: What Is a Home Equity Line of Credit?

**D**id you know that if you have a home that you've been paying on for years, you may have a lot of usable money right under your nose? What's more, a home equity loan just may be the perfect way to get your hands on that money!

**Here's how it works:** Let's imagine that your home mortgage is for \$250,000, but after many years of paying on that note, you only owe the mortgage company \$100,000. In this instance, you would have \$150,000 in equity in your home. A home equity loan is a specific type of loan that will allow you to borrow against that equity.

Why would you want to do this? The number one reason that people take out home equity loans is as a means to consolidate their debt. Because a home equity loan is a secured loan, the interest rates are considerably lower than that of credit cards or personal loans. And so if a person had \$10,000 in credit card debt, they could substantially reduce the total amount owed — as well as their monthly payments — by taking out a home equity loan and using the cash to pay off their credit card debt.

- Avoid using heat dry and pre-rinse features. Instead, use your dishwasher's air-dry option.
- Make sure your dishwasher has the Energy Star label. Visit the Energy Star website at [www.energystar.gov](http://www.energystar.gov) for more information.

### Laundry

- Switch your wash temperature from hot to cold to cut your energy use in half and reduce your bill.
- Wash and dry full loads for optimal efficiency.
- Dry towels and heavy-weight articles in separate loads.
- Don't overload the dryer or over-dry clothes.
- Clean the dryer's lint trap after every load to improve circulation.
- Use a cool-down cycle to finish drying your clothes with residual dryer heat.
- Do your laundry all at once to take advantage of a warm dryer.

### Light fixtures

- Switch out your incandescent light bulbs for the new florescent bulbs. They're affordable, just as bright and they'll save you a lot of money. Consider this: the average U.S. household has 45 light bulbs — replacing that number of 75-watt incandescent bulbs with CFLs would save \$180 per year!

### Refrigerator

- Refrigerators 15 years old or more cost twice as much to run as today's energy efficient models. Invest in a new model to cut spending in half.
- Having a top freezer model can reduce energy use by 10-25% more than side-by-side models, and refrigerators without automatic ice makers and through-the-door dispensers could save you 14-20% energy usage.

### Energy Savings Equals Big Tax Credits

The government offers tax breaks for tax payers who participate in the energy saving effort. Consult your tax advisor to see if you qualify for these tax breaks that may pay you back, big.

These energy savings tips have one last advantage — many of them make your house more appealing and increase the value if you put it up for sale. Especially the big projects, like insulating and installing energy-saving appliances. And in today's real estate market, that can be the difference between your house sitting on the market for months or selling quickly! So get energy-thrifty and start saving money today!

Another great reason for taking out a home equity loan is to make improvements on your home and thus increase the home's overall value. Have you been thinking about adding a swimming pool or maybe a nice greenhouse to your yard? ...Perhaps a new bedroom or bathroom addition? A home equity loan is a great way to finance those types of projects.

That brings us to our final point. A home equity loan is secured by your home. So make sure that you are in a position to pay back any amount you borrow against your home.

Your next step should be to contact our office and learn more about the options available to you. And if you decide to go with a home equity line of credit, we will help you through every step of the process. That's why we're here. Call us today!

