

How to Manage Your Finances to Secure a Better Credit Rating!

In the world of finances it is all about managing debt to maximize one's buying power. Since a consumer's credit score has a direct correlation on any financing or loan authorization, reviewing the accuracy of a credit report is considered being consumer savvy. Consequently, managing one's personal finances for a better credit rating is critical.

Did you know that when financial institutions consider authorizing loan approval, they review your payment history? Even if you were unemployed when you were inundated with medical bills, the balance will appear on the credit report. **FACT:** Over thirty-five percent of American consumers are impaired with a low credit score—due to expensive hospital and medical bills.

About Your Credit Report Card

A credit report is very similar to an adult life quality report card. It details such personal information as:

- Where a consumer works?
- Where the individual resides?
- Have you ever been convicted of a crime?
- Has the individual ever been involved in a lawsuit or claim?
- How you pay your bills?

Credit reports or your life report card are kept by organizations referred to as consumer reporting agencies (CRAs). These credit bureaus collect, compile and sell consumers credit documents to businesses. Banks and lending institutions approve applications based on credit. Certain insurance companies and employers have been known to evaluate one's credit before writing a policy or even extending employment!

Subsequently, Americans should always review their credit score from time to time to ensure the information is accurate. Financial advisors recommend that all consumers should report any updated, omissions or inaccuracies. Specifically, for the person planning to apply for a mortgage, auto loan or other personal loans (secured or non-secured) an exact and truthful credit report is important. Moreover, the Fair Credit Reporting Act (FCRA) authorizes consumers the opportunity to submit corrections.

Another aspect of managing one's finances with a better credit score is by checking the accuracy of information detailed on the credit file. Nonetheless, it may drastically accelerate the credit-granting process.

On the other side of the spectrum, consumers who are denied credit have the right to acquire the following information:

1. The credit bureau's name (CRA).
2. The CRA's address and all contact information.
3. A copy of a free report within 60 days of a denial.
4. In lieu of fraud, being on welfare or unemployment, consumers are allowed one complimentary copy of their credit report annually. (Generally, the cost of a credit report usually starts at about nine dollars.) Check with your local lender today about obtaining a copy of your credit report.

Credit Reporting Agencies/Credit Bureaus

There are three major credit bureau agencies (Experian, Trans Union



and Equifax). All agencies may have different information about a consumer. To compare and check all your credit files from all the top agencies, here are their addresses:

Experian

P.O. Box 2002,
Allen, TX 75013
(888) EXPERIAN (397-3742)

Trans Union

P.O. Box 1000
Chester, PA 19022
(800) 916-8800

Equifax

P.O. Box 740241
Atlanta, GA 30374
(800) 685-1111

After you obtain a copy of your credit report, the first step to managing your finances begins with noting any discrepancies. Then, protect your rights under the FCRA Act by contacting the source of the erroneous information and the credit reporting agency by writing a letter.

Facts About Accurate But Negative Credit Report Information

There are scenarios where negative information may be accurate. Unfortunately, there is a general period of time that the information must remain on a credit report. Usually, the time limit is seven months; however the following list details the exceptions:

1. Any information regarding criminal convictions may be reported for an unlimited time span.
2. Any credit information provided as a response to an application for a salary position worth over \$75,000 does not have a time limit.
3. Bankruptcy information can remain on a report up to seven years or more.
4. All credit information reported as a result of an application worth over \$150,000 of credit or life insurance does not have a limit.
5. Any unpaid judgments or lawsuits have a credit report life of seven years or more—until the statute of limitations has expired (whichever is longer).

In conclusion, despite negative, although accurate information, paying your bills on time and regularly correcting any errors is a good way to manage your finances for a better credit rating.

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Easing the Transition to Your New Home

Use the right boxes, and pack them carefully. Professional moving companies use only sturdy, reinforced cartons. The boxes you can get at your neighborhood supermarket or liquor store might be free, but they are not nearly as strong or padded, and so can't shield your valuables as well from harm in transit.

Use sheets, blankets, pillows and towels to separate pictures and other fragile objects from each other and the sides of the carton. Pack plates and glass objects vertically, rather than flat and stacked.

Be sure to point out to your mover or plainly label the boxes in which you've packed fragile items, especially if those items are exceptionally valuable. The mover will advise you whether those valuables need to be repacked in sturdier, more appropriate boxes.

The heavier the item, the smaller the box it should occupy. A good rule of thumb is if you can't lift the carton easily, it's too heavy. Label your boxes, especially the one containing sheets and towels, so you can find everything you need the first night in your new home.

For Your Family's Safety and Comfort

Teach your children your new address. Let them practice writing it on packed cartons. You can lighten your load and reduce any storage space you need to rent by hosting a garage or yard sale.

Fill two "OPEN ME FIRST" cartons containing snacks, instant coffee or tea bags, soap, toilet paper, toothpaste and brushes, medicine and toiletry items (make sure all caps are tightly secured), flashlight, screwdriver, pliers, can opener, paper plates, cups and utensils, a pan or two, paper towels, and any other items your family can't do without. Ask your van

foreman to load one of these boxes last, so that it will be unloaded at your new home first. Why the second box? In case the movers are delayed getting to your house on the day of the move.

Keep your pets out of packing boxes and away from all the activity on moving day. Also, since you may need to call old neighbors or businesses from your new home, be sure to pack your local phone book.



Work Hand In Hand With Your Mover

Give the mover's foreman all your contact numbers as well as email addresses so that you can stay in contact.

Read the inventory form carefully, and ask the mover to explain anything you don't understand. Make a note of your shipment's registration number, and keep your Bill of Lading handy.

If you're moving long distance, be aware that your property might share a truck with that of several other households. For this reason, your mover might have to warehouse your furniture and belongings for several days. Therefore, ask your mover whether your goods will remain on the truck until delivered. If they have to be stored, ask whether you can check the warehouse for security, organization and cleanliness.

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How to Speed Up the Loan Approval Process!

Imagine this: you've found the perfect house, and feel lucky because the interest rates are still at a rate you are comfortable with. So you submit your mortgage loan application, and then...wait. The next week, interest rates go up a point, but you're still waiting. Another point would mean a significant amount in the monthly payment you will pay, and you groan when you open the newspaper and find that indeed it has gone up again.



Luckily, there are some steps that you can take to speed up the process of your loan application! Here are a few suggestions.

First of all, it is possible to be approved for a mortgage loan before you ever start looking and find your next home, and this will accomplish two things. It will allow you to lock in an interest rate, which will completely eliminate the "waiting" game mentioned above. In addition, if a seller sees that you are pre-approved, he will be more likely to negotiate with you *because* he will view you as a "serious" buyer.

You should be sure that anytime your mortgage company calls you, that you return their call as soon as possible, and then provide whatever documentation or data they need. Remember, if they call you for something that generally means that they won't be able to move forward on your loan until they receive it.

Next, you can make things easier for the mortgage company by providing them with a file containing all of the information that you know they will need—organized and easy-to-read. For example, you should include your tax returns, income statements, employment records, credit reports (including explanations of bad marks on your credit reports), bank and investment records, the contract for your new home, all bank records, and cancelled checks or other evidence of your current mortgage or rental payments. This will save the time of the mortgage company having to ask you for all of this paperwork.

Finally, it won't hurt to call and check the progress of your loan every now and then. Sometimes, not hearing from your lender can give the impression that nothing is going on. But rest assured your lender is probably dealing with many files and is working diligently on yours behind the scene to help you close on your potential dream home.

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