

The 411



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From the Office

Credit card planning may be an uncomfortable experience, but it doesn't have to be. In this article, I will provide essential information for you to combat your credit night-

mares. With informed knowledge, patience and effort, you can drastically improve your credit score. Contact me if you would like to obtain a free credit report today.

Know Your Credit Report

<http://www.betterbudgeting.org/2015/09/what-you-need-to-know-about-your-credit-report.html>

Your credit report contains vital information that lenders use to make decisions. Review your credit report annually to check for inaccuracies. Even though credit reports can be complex, learning to read them can be empowering. Be aware of what is contained in your report and take control of the factors that you can to make sure you put yourself in the best financial position.

Accuracy: Review your accounts.

Inquiries: Don't apply for credit that you don't really want.

Payments: Payment patterns are important factors so avoid late payments.

Number of Accounts: Close accounts that you will not use and avoid getting too near to your credit limit.

Credit Score: Your credit report will tell you about your score.

Collections-Charged Off Accounts: If the account goes unpaid, it will remain in your credit report for at least 7 years.

Settlements: Creditors may negotiate for a lower amount. Many creditors will report as "settled for less than full amount" and could damage your credit.

Dispute : Most credit reports will come with a dispute form. This is a form to report inaccuracies to the credit bureau.

Not I, nor anyone else can travel that road for you. You must travel it yourself. It is not far. It is within reach. Perhaps you have been on it since you were born, and did not know.

-Walt Whitman

Cope with credit card payments

1. Quit charging.
2. Set up a budget.
3. Increase your income.
4. Get creative.
5. Talk to your credit card company.
6. Consider credit counseling.

For more info, visit betterbudgeting.org

FSS Resource:

Obtain your FREE credit report today annualcreditreport.com

Money Tip: Set up your bills to pay each creditor incrementally according to your pay period.

For more info, visit betterbudgeting.org

For more info about FSS, contact Bow Lee at **530-895-4474 extension 234**

Credit Wise

<http://www.betterbudgeting.org/2015/06/what-to-do-with-old-credit-card-accounts.html>

If you're concerned about your credit score, you may be wondering about those old credit card accounts. Closing an old credit card account can negatively impact the "amounts owed" portion of your score if you have credit card balances. This portion of your score has to do with how much debt you owe. This calculation is based on your credit utilization ratio (how much of your credit you are using vs. how much you could be using).

The closer you are to your credit limits, the more it will negatively impact your credit score. So, if you close an account, you take away that available credit, thus, lowering your credit limits and raising your credit utilization ratio, if you have any credit card balances.

Closing a credit card account will also lower the "length of credit history" portion of your credit score but is not accurate in short-term. This credit history will continue to be reported for 10 years. After 10 years, it will be deleted and it is possible to experience a credit score drop at that time.

If you are concerned about keeping your score as high as possible because you plan to purchase a home or car in the coming months, it may be a good idea to leave the old account open. It can be an even better idea to charge a small amount on it and pay it

off the same month, just to keep it active. Many credit card companies are making the decision to close the accounts that customers haven't used in a while. The best way to keep this from happening is to use it occasionally.

If you aren't planning any purchases or concerned about your credit score, it may be a better idea to close the account. Your score may initially take a dip but with some active credit use on other accounts, it shouldn't take too long to recover.

The best way to avoid open, unwanted accounts is to never apply for them in the first place.



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Credit Scores

<http://www.betterbudgeting.org/2015/09/free-credit-reports-and-credit-scores.html>

Credit Score: Your credit score (also known as a Beacon Score, Emperica Score, or Fico Score), is an estimate of your CREDIT WORTHINESS.

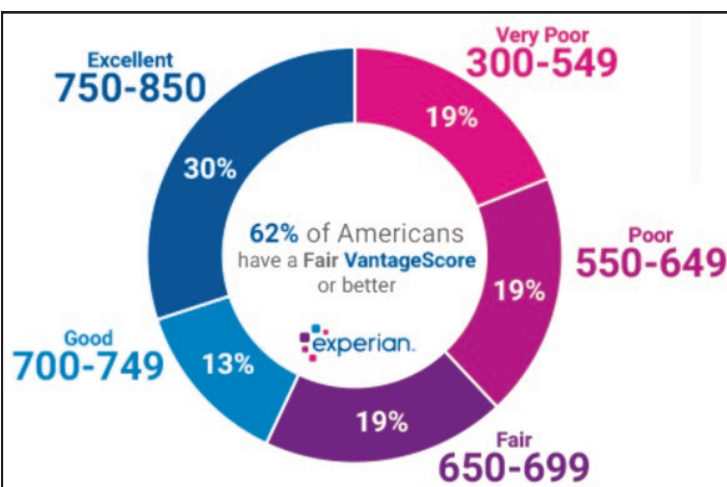


Photo by [Experian](#)

Positive Impacts: Bills and payments paid on time, active credit, using less than 80% of credit available and less inquiries.

Negative Impacts: Bills and payments are late or in default, too many inquiries, multiple credit card accounts, bankruptcy, collections, judgments, foreclosures, liens, defaults, small financial loans, using more than 80% of credit availability and total outstanding credit.

Scores Matter: Future employers, insurance companies, banks, credit companies, lenders, landlords, and rental agencies may all look at your credit score.