

Credit Made EZ

Knowing what's on your credit report is the fastest way to gain the understanding of your current financial health. There are several ways to get your credit report but the [fastest is online access](#).

You can also receive different credit reports from each individual reporting agency. I prefer the [tri merge credit report](#) it shows you the blended results from all 3 of the major credit reporting agency.

If you are totally unfamiliar with credit you can look at the dictionary meaning summed up as this...

- A contractual agreement in which a borrower receives something of value now, with the agreement to repay the lender at some date in the future. Also, the borrowing capacity of an individual or company.

[For more definitions go to dictionary.com](#)

Credit is a very useful and necessary financial tool. Use it wisely and exercise great caution. It can be your greatest asset or your worst enemy.

Just like the rise and fall of the Roman Empire you can rise to the top of your financial game or become crippled by the armies of creditors just waiting to bury you in debt.

We live in a society where instant gratification is at an all time high. People are living so dangerously over extended that one minor setback can be the platform for a spiraling financial ruin.

I look into people's financial lives everyday. As a mortgage broker I can assure you I have a great depth of understanding of credit, debt, finance and leverage.

I've seen the best and the worst of times in people's lives. I love consulting and planning but before I can perform my duty as your [mortgage and credit advisor](#) I must have you on board 100%.

I've found the best way to keep my clients is to provide them with information. So let's begin, as I stated credit is your biggest tool in building wealth.

You must understand it fully before you use it. Your credit report is divided into many sections. [Here is a sample report for you to view](#). For review it's okay but I must insist that you obtain a [copy of you/ or you and your spouse's credit report](#).

The report has detailed information about all of your accounts (open, closed and derogatory). Also all of your public information (divorce, foreclosure, bankruptcy, and judgments). Most importantly it must have your credit or Fico score.

The fico score is a complex algorithm that calculates your creditworthiness to a lending institution. **This number is as important as your social security number**. Did you read that it's very important!

Your credit score is weighed heavily on these factors.

- Length of time the account has been open.
- Amount of available credit vs. credit limit.
- Type of credit Major or Minor
- Length of time your debt has been carried.

The longer an account has been open and kept paid current the better for you as a consumer or business. **I am not saying** to spend on your credit card and then pay the minimum payment for the next 20 years.

Your credit balance is one of the largest factors to your credit score. If you had a credit card with a spending limit or "high balance or limit" of \$1000.00 and you had \$500.00 worth of charges on it, your credit card would be at the 50% capacity.

Simply stated do not spend over 50% of your "high credit limit" for the least impact to your credit score. Preferably do not go over the 30% threshold for maximum benefits to your credit score.

Never carry debt on a credit card for more than 30 calendar days. When you carry debt on a credit card it negatively impacts your score. The only debts you should carry over month to month are mortgage and automobile financing.

When you get in the habit of paying off your credit cards every month, your life will be extremely simple and stress free. The last major factor in determining your credit score is types of credit.

Do you know what the different types of credit are major vs. minor. Let's make this a no brainer.

Major

- Mortgages
- Automobile Loans
- American Express, Discover, Master Card and Visa

Minor

- Department Store Charge Cards (JC Penny's, Macy's, Target)
- Retail Installment Contracts (Seminars, Home Depot, Lowe's)
- Personal Loans
- Recreational Vehicle Loans

When it comes to your credit report you must have a strong knowledge of your personal situation. The scoring system is not built with your best interests in mind.

Over 79% OF CREDIT REPORTS IN THE USA CONTAIN ERRORS! That's a lot of problems for a lot of people. [I highly recommend using a credit monitoring service to assist you with these times of identity theft and crimes against the unknowing consumer.](#)

Now for the good stuff, your score in the banks eyes shows how responsible of a bill payer you are. Just think that one small number makes all of the difference between a good deal and a great one.

That same number can keep you from getting health care insurance, or a job, auto insurance & pretty soon who knows what is will control. I do know for a fact that the Fico system is being changed.

The Canadian's are adopting our current system and we are coming out with a new one to try to stabilize the score variances. I see credit report sometimes with a 40-70 point variance between the 3 scores. (I feel sorry for them)

When you [review your credit report](#) the most important areas are the open and derogatory account sections. Don't overlook the other areas review them carefully for errors. Remember over 79% contain errors.

If you have errors you can [dispute them quite easily](#) don't panic. Also if you are swarmed with debt; [debt elimination & consolidation](#) are effective ways of reducing your outstanding balances.

You know how you live and what your means are. My means are to help you live financially comfortable, stress free and have healthy finances.

Credit is pretty straight forward if you follow some simple rules. There are several fundamental steps to creating a strong credit background. You can obtain these steps at www.raise-my-fico-score.com.

Here you will find the truths about credit and finance, simple money management tips and much more. If you have problems understanding your credit report I can review it for you free of charge.

Contact <mailto:ryan@raise-my-fico-score.com>

Links in this document

Mortgage <http://tinyurl.com/r77wc>

Credit Monitoring <http://tinyurl.com/nnvfp>

Disputing <http://tinyurl.com/oszmp>

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