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*Empowering You Online*



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## Make a resolution to redeem your home-buying potential



If you're looking to buy a house within the next 12 months, why not make your resolution one that will improve your financial situation and position you as an ideal home buyer? That's right – we're talking about your credit score.

The lending world has changed considerably since the boom days and so has the credit score required to qualify for a loan, not to mention a low interest rate. "About two years ago, you could have had a score of about 620 or so to get a lender's best rate on something. Now, lenders are really looking at a rate of 760 at the least," said Kelli Grant with SmartMoney.com. First-time homebuyers fare much better, needing a credit score of at least 660 unless they try for an FHA loan. The truth is, to be a "good" buyer in the eyes of lenders you need to keep a close watch on the state of your credit score. Here are several tips to maintain and improve upon your current number.

**Get copies of your credit report--then make sure the information is correct.** Go to [www.annualcreditreport.com](http://www.annualcreditreport.com). This is the only authorized online source for a free credit report.

Under federal law, you can get a free report from each of the three national credit reporting companies every 12 months.

**Pay your bills on time.** One of the most important and easiest things you can do to improve your credit score is pay your bills by the due date. You can set up automatic payments from your bank account to help you pay on time, but be sure you have enough money in your account to avoid overdraft fees.

**Understand how your credit score is determined. Do you pay your bills on time?** The answer to this question is very important. If you have paid bills late, have had an account referred to a collection agency, or have ever declared bankruptcy, this history will show up in your credit report. **What is your outstanding debt?** Many scoring models compare the amount of debt you have and your credit limits. If the amount you owe is close to your credit limit, it is likely to have a negative effect on your score. **How long is your credit history?** A short credit history may have a negative effect on your score, but a short history can be offset by other factors, such as timely payments and low balances. **Have you applied for new credit recently?** If you have applied for too many new accounts recently that may negatively affect your score. However, if you request a copy of your own credit report, or if creditors are monitoring your account or looking at credit reports to make prescreened credit offers, these inquiries about your credit history are not counted as applications for credit.

**How many and what types of credit accounts do you have?** Many credit-scoring models consider the number and type of credit accounts you have. A mix of installment loans and credit cards may improve your score. However, too many finance company accounts or credit cards might hurt your score. To learn more about credit scoring, see the Federal Trade Commission's website, [Facts for Consumers](#).

**Beware of credit-repair scams.** Sometimes doing it yourself is the best way to repair your credit. The Federal Trade Commission's ["Credit Repair: How to Help Yourself"](#) explains how you can improve your creditworthiness and lists legitimate resources for low-cost or no-cost help.



Each year, on the third Monday in January, citizens in the United States honor Martin Luther King, Jr. for his incredible contributions to the Civil Rights Movement. Today, many participate in a Day of Service. Initiated by Congress in 1994, King Day of Service builds on that that legacy by transforming the federal holiday honoring Dr. King into a national day of community service grounded in his teachings of nonviolence and social justice. The aim is to make the holiday a day where people of all ages and backgrounds come together to improve lives, bridge social barriers, and move our nation closer to the “Beloved Community” that Dr. King envisioned.

[Visit MLKDay.gov for more information.](http://MLKDay.gov) ...

## You've moved! Now what? --- How to tackle the daunting task of unpacking

As you gaze upon your empty, just-purchased home, endless possibilities abound. Of course, the sofa, the fridge and the washer and dryer all have their place. But that new guest room in the back could be perfect for two twin beds.

\*POP\* That's the sound of your perfect dream bubble being burst as the moving van drives up with all of your STUFF. It's inevitable. Throughout the years and two houses later we all gather a random assortment of furniture, lamps, wall-décor, wires, old computer monitors ... the list goes on depending on your degree of hoarding. While we could all be envious of those families who easily rid themselves of the extras – the task of sifting through all of our STUFF and separating cherished memories from the old junk can be difficult. With a little effort and some dedicated time, however, unpacking and organizing can be a cinch. Follow these tips for making sense of your stuff.

### Where to start

It's tempting to get frazzled as you look around the large stacks of boxes invading your new home. The best place to start is with your families' basic needs. Think of it like Maslow's Hierarchy of Needs: Air, water, food, shelter and sleep come first. Then you can move into more complicated wants and desires. Be sure to tackle one room at a time.

### Unpacking the Kitchen

The kitchen is a great place to begin the unpacking process. Start with the basics and the must-need items only. Resist the urge to unpack everything as it will only clutter up your box-free space. Move those boxes to another area until they are ready to be unloaded. Once you've unpacked the kitchen with the necessities, make it your families' break room, fully stocked with food and water.

### Unpacking the Bathroom

The bathrooms are the second areas to unpack once you've unloaded the necessities into the kitchen. Make sure that all systems are functioning correctly while bringing in the toiletries. Now, take a breather ... you've unpacked the most important boxes for basic needs. The rest of the rooms can be unpacked at a slower pace.

### Unpacking the Living Room

Before you begin all the heavy-lifting usually involved with unpacking a living room, draw a sketch of the room and organize your furniture in pencil. It's always easier to erase a couch if you decide it doesn't look good in your original vision for the room. Keep electrical outlets in mind as you make decisions about the placement of the T.V., lamps or any other items that might need electricity.

### Unpacking Bedrooms

Bravo if you're able to get this far in one day! But don't feel bad if you can't. Drag out the mattresses and make it a move-in slumber party – you'll probably be so worn out at this point that you won't even notice. When you are ready to unpack the bedrooms, share the task of putting together furniture and then let each bedroom dweller unpack personal items.

**If the idea of unpacking an entire house seems too daunting, many moving companies offer services to make all those boxes disappear. If that's the direction you'd like to take, let me know! I'd be happy to put you in touch with several companies. I can also recommend several credible movers.**

Source: <http://www.moving.com/articles/unpacking.asp>

