

DAIGLE LAW OFFICE - *after hours*

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Understanding and Improving Your FICO Credit Score

Your credit score is what lenders look at to decide whether to give you credit and what terms to offer you.

Virtually any time you apply for credit, whether a home mortgage, car loan, student loan, or credit card, the lender will evaluate your credit risk by looking at your score. A low score may mean you don't get the credit you need to buy a car or home. Even if the creditor decides to extend credit, your credit score can significantly affect the interest rate you are offered. The better your score, the lower the rate you will have to pay.

Lenders aren't the only people looking at your credit score. Potential employers, landlords, utility companies, and insurers may also consider it. A low score could mean lost job and rental opportunities, higher insurance rates, and a big deposit with the utility to get service started.

**Contact Daigle Law Office and ask about our program
REBUILD YOUR CREDIT SCORE TO 720: (508) 771-7444**

THE FICO RATING SYSTEM



The majority of lenders use FICO's rating system when determining creditworthiness. The name FICO comes from **Fair Isaac Corporation**, the rating system's creator.

FICO scores range from 300 to 850. A credit score of 800 or above is considered exceptional; 740 to 799 is very good; 670 to 739 is good; 580 to 669 is fair; while below 580 is poor.

Lenders use data on delinquency rates by FICO score to predict the likelihood of repayment problems.



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Delinquency rates rise sharply as FICO scores fall. Rates for borrowers with credit scores of 700 or above are 5 percent or less. Delinquency rates rise to 15 to 30 percent for scores in the 600s. They are 50 percent or higher for those with scores below 600. Rates of nearly 90 percent are reported for borrowers with FICO scores below 500.

If you can get your score over 700, you'll qualify for good rates. To get the best interest rates you'll need a score above 750.

FIVE FACTORS THAT MAKE UP YOUR FICO SCORE



The five factors that determine your FICO score are: (1) payment history (35%), (2) amounts owed (30%), (3) credit history (15%), (4) new credit (10%), and (5) type of credit used (10%).

1. Payment History (35%)

This is the most important factor, counting for 35% of the score of the average person. The last 12 months of payment history carries the most weight. A single recent late payment can lower your score by 15 to 40 points, and missing the payments on all your bills one time can drop your score 150 points.

Accounts that go to collection or judgment can lower your FICO score by more than a two-year old bankruptcy.

Consecutive late payments are weighted more heavily than individual late payments. For example, paying three different bills late does not hurt your FICO score as much as missing three payments in a row on the same bill.

2. Amounts Owed (30%)

The second most important factor is the credit balances you maintain. FICO analyzes your balance as a percentage of your credit limit. For example, a \$1,500 balance on a \$5,000 credit limit is 30%. The account with the highest balance relative to your credit limit is given the most weight.

Your FICO score is less negatively affected if your balances are spread among a couple of accounts rather than concentrated in one account. It is better to owe \$900 each on three \$5,000 limit credit cards ($\$900 / \$5,000 = 18\%$) than \$2,700 on one card with a \$5,000 limit ($\$2,700 / \$5,000 = 54\%$).

3. Credit History (15%)

The older your credit accounts, the more this factor will help your FICO score. At minimum, you must have one account that has been open longer than six months and that account must have been updated sometime in the last six months. Recent activity on your accounts helps.

4. New Credit (10%)

Every time you apply for credit, the prospective lender makes a credit inquiry. Each inquiry reduces your score. That means every department store card you sign up for in order to get a merchandise discount is initially reducing your FICO rating. Of course, a positive payment history on that department card will ultimately raise your FICO score.

Multiple inquiries in a short period, say when you are rate shopping, will only be counted as one inquiry. Making an inquiry yourself will not count.

5. Type of Credit (10%)

Borrowing from a lower quality lender like a finance company will lower your FICO score. As a general rule, FICO will downgrade you if you are paying higher interest rates than others.

10 TIPS FOR IMPROVING YOUR FICO SCORE

Here are some things you can do to improve your FICO score. The three most important are (1) pay your bills on time, (2) keep account balances low, and (3) open new accounts only when you need the credit.



1. Pay on Time and Keep Your Accounts Current

The longer you pay your bills on time, the more your credit score

will increase. Late payments, on the other hand, have a big negative impact on your FICO score. Recent late payments will lower your FICO score faster than you can raise it with other techniques, so you must pay your bills on time.

Put measures in place to make sure you never forget. If you get a paper bill, open the envelope immediately and note the due date. Then note the date by which you have to send the payment to get it there on time. If you don't get a paper bill, see if you can sign up for automatic email or text message reminders.

The best way to make sure you never have late payments is to automate them. But you must be sure to keep sufficient funds in your bank account. Sign up for overdraft protection just in case.

2. Pay Down Your Balances and Keep Them Down

Your debt to credit limit ratio is the second most important factor in determining your FICO score. A good target is to get your balances under 30 percent of your credit limit. If you can't manage that, try at least for 50 percent. Even if you pay the entire balance off each month, don't let the charges at any point exceed your 30 (or 50) percent goal.

3. Open New Credit Only When You Need It

Don't jump at every credit card or balance transfer offer you get in the mail. Paying down your debt is more effective than moving it to new "lower interest rate" accounts. Multiple credit inquiries within a short period of time will lower your credit score.

You may look risky to a lender if you open new low-interest accounts, but still have high debt levels. In addition, you will probably have to pay a balance transfer fee and after a set period—6 to 12 months or so, the teaser interest rate will soar. It may be even higher than the original rate you hoped to escape.

4. Raise your Credit Limits

To improve your debt to credit limit ratio, you can ask your creditors to raise your limits. Limits can usually be raised every six months. But be cautious. Don't use higher credit limits as an excuse not to pay down existing debt.

5. Be Sure Positive Information Gets Reported

Maybe you have an old installment, revolving, or student loan that does not appear on your credit report. If that loan is in good standing, obtain documentation from the creditor. Have the creditor send a letter to the credit bureaus and a copy to you.

6. Establish or Re-Establish Credit

If you've never had credit or don't have credit now because of a bankruptcy, you need to open an account. To generate a FICO number, you must have one credit account that's been open for at least six months and an account that's been reported by a lender to a credit bureau during that same time.

If you cannot qualify for an unsecured card credit card, obtain a secured credit card (a card that requires a cash deposit) and convert it to unsecured after the minimum period has passed (usually six months). Many providers report secured cards as unsecured; be sure yours does.

Open both checking and savings accounts, and use the checking account to timely pay your bills. Obtain overdraft protection if you are concerned about bouncing a check.

7. Use Creditors That Report to all Three Bureaus

Many creditors do not report to the bureaus. Especially if you are seeking to repair your credit, be sure to obtain new credit only from providers who report to each of the Big Three. Otherwise you are wasting your efforts at re-establishing a good payment history.

8. Don't Cancel Old Cards

The longer your accounts have been open, the better. If you pay off an older account, don't close it. Keep the card open, charge a little each month and pay off the balance so the creditor won't close the account.

9. Rate Shop within a Limited Time Period

If you need a loan, shop for rates within a limited time frame, such as 30 days. Your FICO score will recognize that you are searching for a single loan. Inquiries that occur over longer periods of time may be treated as a search for many new lines of credit, which will lower your score.

10. Check Your Credit Report and Dispute Erroneous Items

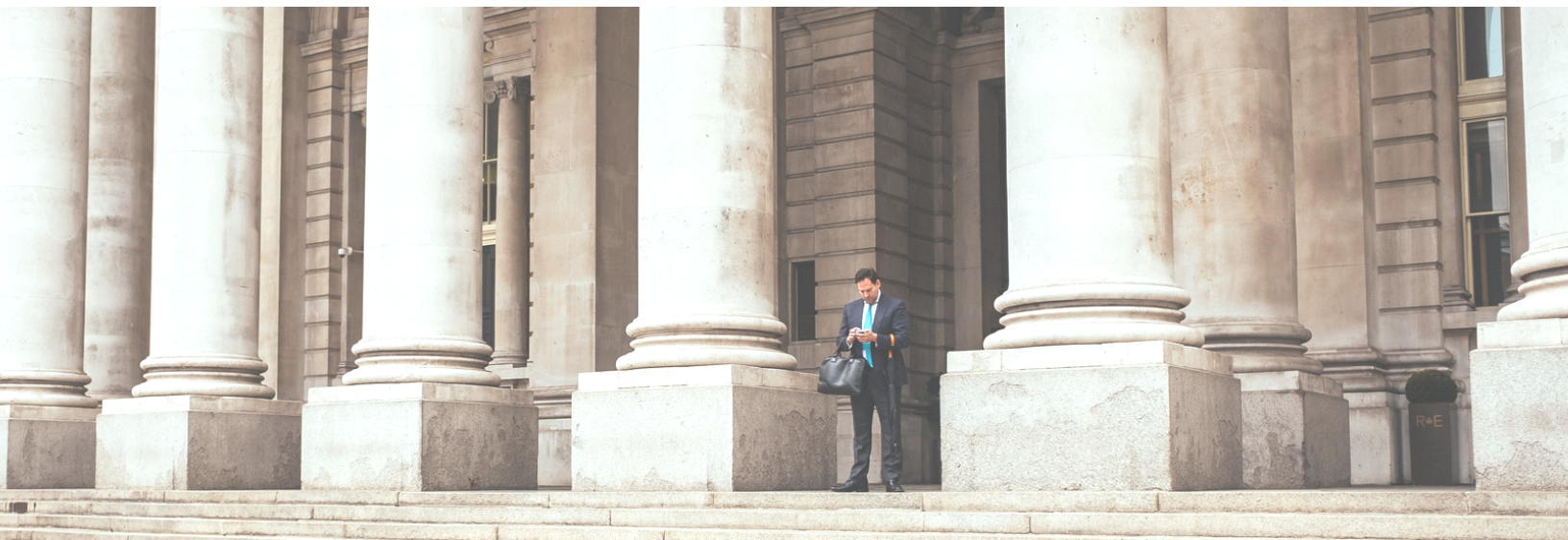


Get your free annual report AnnualCreditReport.com, 877-322-8228, or P.O. Box 105281, Atlanta, GA 3034-5281. Obtaining your credit reports yourself will not count against your FICO score as an inquiry.

Check it for these errors and inaccuracies that could affect your score:

- Late payment notations when you believe you paid on time
- Credit accounts that do not belong to you.
- Duplicate entries, e.g., a collection agency is listed separately from the original creditor.
- Closed accounts listed as open.
- Accounts closed by you that do not say “closed by consumer.”
- Credit histories for someone with a similar name.
- Premarital debts of your spouse.
- Paid accounts listed as unpaid.
- Negative entries more than seven years old.
- Credit inquiries more than two years old.

If you find any, you can dispute them online, by phone, or by mail. Contact information is available at AnnualCreditReport.com. Disputing a credit report entry is free. If you find an error at one of the Big Three reporting agencies, check with the other two to make sure they do not have the mistake on their reports.



5 Time-Saving Airport Hacks

Spending any amount of time in an airport can be a frustrating experience. Seemingly endless security lines, the ever-increasing possibility of delayed flights, and outrageous airline fees can make even the most seasoned traveler long for a reprieve. With airport passenger traffic anticipated to increase further in most regions during the coming years, these problems are likely to persist.

However, there are many different ways to improve a visit to the airport, whether it's smarter packing, using technology to keep apprised of scheduling changes, or choosing flights in off-peak times. Follow the useful tips below to streamline your journey and arrive at your destination with a smile on your face.



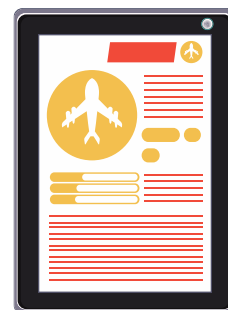
1. SCHEDULE SMART

If you've ever been in an airport on a Monday morning, you already know that attempting to battle a wave of business travelers can be exhausting and end up costing you additional time...even if morning flights are overall less likely to be delayed. Similarly, weekend adventurers love to fly out on Friday to get a head start on their plans.

If your schedule will accommodate it, you can save a lot of time by picking flights on days like Tuesday or Wednesday when airports are generally less crowded. Airlines

usually have cheaper rates in the middle of the week, as well. If midweek days aren't an option, scheduling a Saturday evening flight can provide a more relaxing airport experience than Friday or Sunday, and of course, there is always the overnight "red-eye" option for those looking to arrive at their destination bright and early the next morning.

2. DOWNLOAD USEFUL APPS



Most major airlines now offer free travel apps that can help you stay organized and informed while reducing time spent on various airport tasks. Why print out your boarding pass when an app can store a digital copy for you? No need to waste extra minutes looking at massive walls of arriving and departing flights any longer; your app will tell you if your flight is on time or if the gate has been changed.

Many airports also now offer their own apps that can alert you to any traffic or parking issues, relay information about new restaurants and stores, and provide maps to get you where you need to go in the quickest, most efficient way possible. If your airport doesn't have an app, check the ubiquitous Google Maps for photos and reviews. You may stumble upon a piece of advice that could lead to a time-saving epiphany.



3. ENROLL IN AN EXPEDITED SECURITY PROGRAM

The Transportation Security Administration (TSA) and Department of Homeland Security offer several programs that can decrease time spent in airport security and customs lines. They are not free, but many people would gladly pay a small fee rather than brave an hour-long security checkpoint.

TSA Pre-Check is currently utilized by over 7 million travelers and a five-year membership can be obtained for \$85. The TSA website states that 94% of its Pre-Check members waited five minutes or less to clear security in July 2018. As an added bonus, enrollees in the program do not have to remove their shoes, laptops, small liquids, belts, or light jackets as they pass through the checkpoint, which both saves crucial time and eliminates what can be an awkward experience. To learn more, visit www.tsa.gov/precheck.

For international travelers, the Global Entry program may be more enticing. Participants touching down on United States soil from international destinations will be able to use a simple kiosk to clear customs. To further streamline things, no paper forms like declarations need to be filled out. Global Entry's five-year membership costs \$100 and includes TSA Pre-Check, though membership does require more initial screening. For more information, visit www.dhs.gov/trusted-traveler-programs.

4. CHOOSE THE BEST LINES

If you don't have any interest in one of the aforementioned security programs, you'll inevitably get caught in a line at some point. However, there are ways to gauge which security lines will be the most efficient.

For example, security checkpoints in far-off corners of the airport are typically frequented far less than any in

plain view. While taking additional time to walk to one of these areas may seem counter-intuitive and inefficient, the shorter, quicker security check will save you additional minutes in the end. Use your newly acquired phone apps from Tip 2 to seek out sparsely populated access points.

Additionally, spotting a line with a single TSA agent will usually be the best option. Multiple agents at a single X-ray machine may indicate that one of them is a trainee, meaning that the supervising agent may stop the machine or reverse it in order to impart some wisdom. The lone wolf, on the other hand, will be all business and focused only on quickly analyzing luggage and getting passengers on their way.

5. AVOID CHECKED BAGS

While not always a possibility, particularly for longer trips, foregoing large suitcases that need to be checked will significantly speed up your airport experience and prevent unpleasant checked bag fees. You'll get to avoid the ticket counter as you depart (as long as you printed out your boarding pass ahead of time or added an electronic copy to your phone) and skip the burdensome baggage carousel upon arrival. You will also breathe easier without having to worry about airline staff losing your luggage.

To save space in your carry-on bag, try wearing large, bulky clothing like sweatshirts or jackets at the airport, thus freeing up precious cubic feet that can be used for other critical items. You can take them off and store them under your seat during the flight. Some travelers also swear by reusable vacuum-sealed bags that eliminate space you would otherwise waste on air within your carry-on. A quick Amazon search for "vacuum travel bag" or "compression travel bag" will get you started.



6 Easy Indoor Gardening Tips

Many of us struggle with properly caring for indoor plants, but keeping them happy and healthy doesn't have to be a mystery. With the correct application of water and light, along with selecting proper pots and soil, you can drastically strengthen any interior garden. Follow these quick and easy tips to bolster your green thumb.

1. POT PRIORITIES

It may seem counterintuitive, but plants can actually drown. To prevent this, select pots that have holes in the bottom. This allows for water drainage and will keep roots from becoming too hydrated. As for style, plants can grow in just about anything, but wood and unglazed clay containers will absorb more water than plastic or other non-porous materials, potentially robbing the soil of valuable moisture.



2. SOIL SELECTION

While gathering soil from your backyard may be tempting, avoid that urge and instead acquire potting soil from your local garden center. Normal ground soil can be tainted with insects, harmful fungi, and other nasty things that can damage often-delicate indoor

plants. Potting soil, on the other hand, is specifically tailored for plant health and sometimes contains built-in fertilizer.

3. LOVELY LIGHT

Some plants love sunlight while others prefer shade. Certain versatile plants and flowers can deal with varying light sources. Before purchasing anything, think about your house. Where will the greenery live? Set your plants up for success by reading about their light preferences and selecting accordingly. Ask your garden center for assistance if need be.

4. WHEN TO WATER

As noted above, it is possible to easily drown many types of indoor plants via over-watering, so avoid dousing them every day. In general, you will want to keep the soil moderately moist with light watering. Once water drips out of the holes on the bottom of the pot, the soil is fully soaked and no more water is needed. Though tempting, refrain from spraying flowers and leaves, as this can cause damaging fungal diseases.



5. FREQUENT FEEDING

Over time, potted soil is robbed of its nutrients as plants absorb some and water washes the rest away. To rectify this, begin a feeding regimen to ensure your plant is receiving the very best sustenance. A wide variety of easy-to-use fertilizers, including those that are time-released, can be acquired online or at any garden center.



6. TIMELY TRIMMING

If you want your plants to keep growing, cutting off dead or faded flowers and leaves is essential. This sends a message to the plant that it should produce new foliage. In some cases, a plant with many faded portions may even need to be drastically trimmed back to a fraction of its existing size. In such cases, reduce the plant to about 1/3 of its current proportions. It will thank you by roaring back in a week or two.

Super Easy Fish And Veggie Gratin

An easy weeknight fish that is good enough for entertaining and requires only 30 minutes of prep time. This fish gratin is built with layers of vegetable and panko-coated fish, then topped with a sprinkling of cheese that binds it all together.

INGREDIENTS

- 3 T unsalted butter
- 1 1/2 pounds mushrooms, sliced
- 3 cloves garlic, minced
- 2 pounds fish fillets, such as sole, mahimahi, tilapia or cod
- 3/4 cup panko or other bread crumbs
- 1 1/2 pounds tomatoes, sliced
- 6 ounces gruyere or swiss cheese, grated
- 2 T parmesan cheese, finely grated (optional)

INSTRUCTIONS

Heat oven to 350 degrees. Heat the butter over medium heat until melted and it begins to bubble. Add mushrooms and garlic and saute for about 10 minutes, stirring occasionally.

While the mushrooms are cooking, dry the fish and season the fillets on both sides with kosher salt and fresh cracked pepper. Put the panko on a plate and dip the fillets in the panko, coating each side of the fillets.

Spread the sauteed mushrooms in the bottom of a glass or ceramic 13" x 9" x 2" pan. Layer the fish fillets over the mushrooms. If you are using thicker fillets such as mahi mahi, the fish will not overlap. If you are using thinner fillets such as sole, the fillets may overlap a bit. Some overlap is OK.

Layer the tomato slices on top of the fish and sprinkle the grated cheese on top of everything. Add the optional parmesan cheese last. Bake for 30 minutes. Cut into squares and serve while hot.

