

Build Your Net Worth

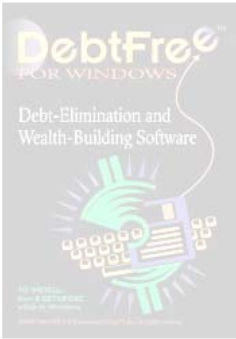
News & Tools ~December 2007



Tina Woods wins a

FREE copy

DebtFree™ for Windows®



In just a few moments, DebtFree™ for Windows® will calculate and display your complete *Debt-FREE & Prosperous Living®* debt-

elimination plan - year by year, month by month, and payment by payment.

Last issue we asked for cost cutting ideas to share with our readers, the response was overwhelmingly successful. Those that shared ideas were put in a raffle to win a FREE copy of our DebtFree™ for Windows® software. Tina Woods from Mchenry, IL was the winner. Below are just a few of our subscribers cost cutting ideas.

We will bring this promotion back in our next issue.

Cost Cutting Ideas
from our subscribers...

Summer Activities: This past summer we saved \$483.67 in activity fees by using our Entertainment Coupon book. We paid \$20 for the book and it more than paid for itself. We used discount movie tickets, my husband and I saved \$40 on the price of lunch cruise in Chicago,

and we saved hundreds of dollars in free or discounted lunch/dinner costs. The coupon book really does save you money.

Tina W.

Parents of college

students: "IF" for college you have to get a student loan as a parent, do it through the government. You essentially get "free" life insurance. For my daughter, who just graduated from the University of Kentucky, I do have debt, that's in my debt elimination plan. If something happens to me the debt is forgiven and my daughter and/or spouse are not burdened with the debt. Kind of like mortgage insurance, but it's FREE. All the other private student loans don't have it to my knowledge.

There's nothing like free insurance. Hope this helps.

Howard M.

Tip on Taxes:

Never use a credit card or home mortgage to pay off student loans!!

The interest paid on student loans is deducted directly from your income on your taxes. This is not the case for credit or mortgage interest. Contact your tax account for more detailed information.

Pet owners: Check your local health department, our Lake County Health Department with 4H offers dog and cat shots and rabies tags every May for a cost of around \$6.00. The health



department also offers a free spray/neuter for dogs and cats one per household.

Carole L.

Buying in Bulk with a friend:

Once a month I get together with a close friend for grocery shopping, we buy in bulk and split the cost. That way we make sure we save some money, get plenty of food for the family and at the same time spent time together for a "me time".

Shelley M.

Buy clothes off season: This works best with young children, whose growth rate has remained constant. Now is the time to buy spring and summer clothes for 50-75% off the regular price. I just bought my 6 year old son's wardrobe for next spring at a fraction of the price. It works well with adults who do not have major fluctuation in clothes size.

Pattie W.

Improving Your FICO Score

By Sherry Ridge

Years ago I would *sometimes* be asked about FICO scores. Students in our Transforming

Debt Into Wealth™ workshops would want to know what it is, how they could improve it and what exactly they were being rated on. Today, with the television, print and online ads at what seems at an all time high, from companies wanting you to pay for getting your score, I'm now asked these questions frequently.

I still maintain that the reason we want a high score is so that when we go to create new debt, we will be get a better interest rate. If we are not creating new debt, our FICO score is not that important.

But for many that are on their way to a debt free life, this score could help them if they use it to decrease payments and use the difference towards their debt. So let's look at what you can do to improve your FICO Score.

You are rated on the following:

- On time or late payments
- Credit availability
- Requests for new credit
- Longevity

On time payments will increase your FICO score and late payments will do just the opposite. Your payment history is one of the biggest factors used to rate you. **Make your payments on time, consistently.**

Your total credit available compared to how much you owe is the second biggest factor used to rate you. If you have \$20,000 available and your balance is \$8,000 your score will be better than someone that has \$40,000 and their balance is \$35,000.

Paying down your credit card balances helps with this. Also when you pay off your debts, do not close the accounts so that this ratio is lower. The lower this ratio the better.

Do not take advantage of every credit card offer you get, **only open new accounts when you absolutely have to.**

When you apply for new credit, your credit report is



checked and that stays on your record for about 24 months. What this means is that too many request shown does not look good for you. It can actually cause you to be denied credit, because your creditors could be wondering why you are requesting so much credit. This can really turn around and bite you when purchasing a home using a mortgage.

Your credit history, longevity is a plus for you, of course as long as it is a pleasant history (on time payments, etc.) Closed or paid off accounts will still be on your report and any late payments you made to those accounts will also be there. I recall the last time I requested my credit report, a Montgomery Wards (remember them) credit card I had from my early twenties was still on there. **Opening and closing accounts will affect the aging used to rate you for your FICO score.** So work to keep these to a minimum. Working with

what you already have would be best, again paying down the credit you already have.

As always your credit score can improve by what you choose to do. Contact the consultant that sent you this email for more information or help on improving your FICO score.

Sherry Ridge a National Sales Manager with Tower Financial Services™, conducts Transforming Debt into Wealth® workshops all over Lake County, Illinois. She eliminated over \$150,000 in debt in 7.3 years.

NEWS YOU CAN USE: Buying a Home

By Terie Garza

These days, anything you listen to, read or watch on TV, the media is talking about the real estate market as being the worst in the last seven or so years. While there is truth to what's being said, however, I would like to share with you some positive points. Below are comments from the *Illinois Association of Realtors* about today's market:

- The mortgage markets will calm further in the months ahead, but it's important to underscore the fact that conventional loans—the vast majority of available financing—are available to credit-worthy borrowers.

Terie Garza is a Real Estate Consultant in northern Illinois. While specializing in residential real estate, she is part of a team that includes new construction, waterfront homes and foreclosures. Her clients' best interests are a priority...always.

- Home prices are performing favorably in Illinois yet sales continue to track lower compared to a year ago and there are many factors at play in the marketplace. We certainly are seeing effects from some tightening in lending standards but this should only hold back sales in the short term.
- Homebuyers continue to act cautiously waiting for things to stabilize, but now is when they truly have an advantage with so many homes available in many markets.
- Local market conditions are oftentimes different from what's happening nationally, so it's best to work with a real estate professional to determine timing, pricing and the best value.
- Well-maintained homes with curb appeal that are priced for today's market continue to sell.
- Fundamental factors—including solid growth in incomes and relatively low mortgage interest rates—will support demand for housing.

In order to assist this specific buyer, it makes sense to provide valuable information, as well as introduce the key players in the home buying process. If you or someone you know, would like to learn more about how to become a homeowner, please contact me about our no-cost First Time Homebuyer Seminars. They are held in Grayslake, Illinois. Seating is limited, therefore reservations are strongly recommended.

Please feel free to contact me with any questions at (847) 223-0505.

5 Tips for saving money this Christmas
Staff Writer

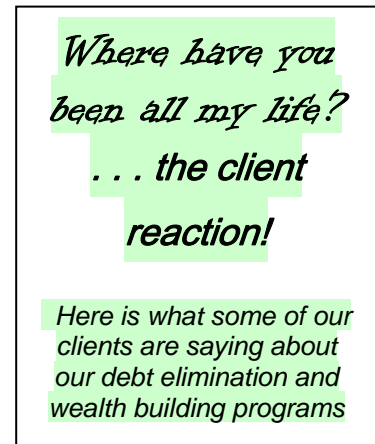
USA Today published that each American spent over \$795.86 on Christmas in 2006. This spending is expected to increase 5-8% this holiday season.

What will you spend? Here are some tried and true tips to keeping you spending down.

1. PAY CASH ONLY!! Do not buy gifts with a credit card.
2. START EARLY. You will be more able to accomplish number one, and you can also pay less for items, since you

will have the time to comparison shop.

3. MAKE A LIST...of those you will buy for and set a dollar limit.
4. SHOP ONLINE. Amazon, ebay, Wal Mart and many others offer lower prices and many times shipping is free.
5. GIVE GIFTS OF SERVICE. Give of your time and/or talents to those you care about. The rewards far out rank the cost, if any.



I'm working hard and can see achieving my personal goal of being debt free by age 55. I know it is reachable, hard, but possible.

*Molly S.
Vernon Hills, IL*

Its official I only have my mortgage left to pay off and I will accomplish that goal before Christmas!! I owe you a dinner.

*Robin P.
Skokie, IL*

Your system is so helpful; I can't believe that we aren't taught this in school. I will be completely out of debt in 6.1 years. Thank you for teaching John's system!!

*Wilma R.
Round Lake, IL*

In addition to the above, from what I am experiencing in my office, first time homebuyer are driving today's market. And why not? Prices of homes are reasonable, interest rates are still low and without a home sale contingency, they have leverage when negotiating the purchase.

