

# REAL ESTATE



**THE FINANCE LADY**  
**Problem Solver**  
 Laure Feld, President  
 American Mortgage Lending, Inc

## WHAT DO YOU KNOW?

*How to Scrub Your Credit Score*

You know a higher credit score can mean big savings. But do you know what really affects your score? Take our test and find out.

1. First step: Find out your number. Luckily, you're now entitled to

one free credit score a year from the three big credit bureaus. True or False?

[A] True [B] False

ANSWER: B. It's true that three credit reports a year are now free for the asking, but you still have to pay for your credit score (you can get both at [annual-creditreport.com](http://annual-creditreport.com); a score costs \$5.95 to \$7.95, depending on the bureau). If you haven't ordered a free report recently (nearly half of Americans have never done so), don't delay. One in four contains errors serious enough to result in a denial of credit. As for your score, the scale ranges from 300 to 850; the median is 723. The higher your score, the lower the interest rate you'll be charged when you borrow.

2. You got your score and it's below 700. What can you do to raise it?

- [A] Get a higher paying job.  
 [B] Pay off fines for overdue library books.  
 [C] Pay your bills on time  
 [D] Make partial payments on past-due accounts.

ANSWER: B, C and D. You'll cer-

tainly enjoy the bigger paycheck, but it won't boost your credit score. Making timely payments is what matters most, accounting for 35% of the total score (yes, unpaid library fines count too, if they go into collections.) Six to 12 timely payments in a row should be enough for you to see a difference in your score. Can't clear your debts? At least make a partial payment on accounts in arrears; the longer the debt is overdue, the more it will drag down your score.

3. Which scenario will give you the better credit score?

- [A] A \$2,200 balance on a credit card with a \$3,000 limit.  
 [B] A \$3,000 balance on a total credit limit of \$15,000.

ANSWER: B. It's not just the total amount you owe that's important; it's how much you owe relative to how much you can borrow. This ratio, in fact, is another critical factor in determining your score. To avoid looking overextended to lenders, try to keep your debts to 30% or less of your available credit, and don't rush to close unused credit card accounts.

4. You hope to nab a better rate on a car loan by shopping among lenders for the best deal. Will that hurt your score?

[A] True [B] False

ANSWER: B. It's true that applying for several credit cards within a short time will ding your score, but lenders know that searching for the best rate on a loan is a smart strategy. With that in mind, credit score formulas simply ignore any rate shopping you've done in the 30 days before yours core is calculated; multiple mortgage or auto-loan applications within a 45 day period are treated as a single credit inquiry. And don't worry about possible fallout from checking your own credit rating-scorers

don't hold that against you either.

5. Okay, you're committed to improving your score. How much will you save annually on a \$250,000 30-year fixed-rate mortgage if you're able to raise your score from 630 to 720?

[A] \$360 [B] \$1,430 [C] \$2,780 [D] \$3,060

ANSWER: C. Better credit really is well rewarded. At recent interest rates, with a score of 720 you would save \$2,780 a year, or a little more than \$230 a month, on that mortgage, according to Fair Isaac, the leader in credit scoring business. Boost your score to 760 or more and you save another \$435 a year. And then there's the possible savings on credit card rates. Raising your score from 600 to 720 could drop your credit card rate from 18% to 9.6%. If you carry a \$3,000 balance, you'll save \$258 in interest charges each year. Not a bad payoff for good behavior.

6. How much will you save annually on homeowner's insurance if you raise your score from 550 to 620?

[A] \$50 [B] \$300 [C] \$850

ANSWER: C. I've seen as much as an \$850 annual savings on homeowner's insurance due solely to raising your credit score up. That's as much as \$71.00 per month! Almost all insurance agents price your policy for cars and homes based on credit score and your personal claim history. Credit scoring for insurance has been added in the last few years as an additional risk level.

You wouldn't go to a Heart Surgeon for an ear infection. Go to an expert in mortgage financing for your mortgage needs. You can find Laure Feld at American Mortgage Lending, Inc. 309-688-5568 or on the Web, at [WWW.FINANCELADY.NET](http://WWW.FINANCELADY.NET). Get your free report: "10 Mistakes to Avoid When Financing a Home"

## MISSOURI HUNTING/RECREATION LAND FOR SALE!

- Hunters dream! Log home on 95 ac., 3/4 wooded, 3 car garage, 30x45 pole barn, 2 stocked ponds, fantastic deer & turkey hunting! N.E. MO. \$299,900. Call Rick Bachman @ 660-341-0660 or Tim Crist @ 660-341-0735.
- 163 acres in Adair CO. 57 acres tillable, Lots of timber. Rustic house, great cabin! Fantastic deer & turkey hunting! \$301,550. Call Rick Bachman @ 660-341-0660 or Steve Taylor @ 573-434-6069.
- 72 acres, all woods with well maintained 4-wheeler trails, super nice 16 x 80 mobile home with a 104 x 40 heated machine shed. Outstanding deer & turkey hunting \$165,000. Call Rick Bachman @ 660-341-0660.
- 280 acres Great Hunting! Great income, 120 acres tillable, w/ 82.6 acres in CRP combined income of \$13,000 in 2006. Priced right at \$504,000. Call Rick Bachman @ 660-341-0660 or Steve Taylor @ 573-434-6069.



Rick Bachman,  
 Realtor/Associate  
 Call  
 660-341-0660  
 For other  
 properties  
 available!



**HERITAGE HOUSE REALTY (660) 341-0660**  
 2805 N. Baltimore • Kirksville, MO 63501  
 rbachman@cableone.net

(660) 665-5638

"Where Realty Means Reliability" • [www.kirksvillerealestate.com](http://www.kirksvillerealestate.com)



134 S. Sampson St • Tremont, IL 61568  
 309-925-2121 • 800-925-5335  
[www.tremontbank.com](http://www.tremontbank.com)



**See us to finance your outdoor fun!**

with branches in Hopedale & New Holland

**Hopedale Community  
 Banking Center**  
 115 NW Main St., PO Box 327  
 Hopedale, IL 61747  
 309-449-3393

**New Holland  
 Banking Center**  
 109 W. Lincoln St., PO Box 109  
 New Holland, IL 62671  
 217-445-2211

MEMBER FDIC



## BEAUTIFUL RANCH HOME ON THE KANKAKEE RIVER

4 Bedroom Ranch Home • Fully Furnished • Nice Fireplace  
 Oversized Garage • Boat Dock on the River • Many More Amenities

This spectacular piece of property is on a  
 3/4 acre lot next to the Des Plaines Conservation Area.

This is a steal for a great outdoor property...Only \$159,000!  
 The owner is retired and must sell!!!

**FOR MORE INFO OR TO SCHEDULE A SHOWING:  
 815-325-6324 (MOBILE) • 815-521-2909**