

YOUR CREDIT SCORE

Everything You Wanted To Know But Were Afraid To Ask!



Everyone knows your credit score dictates how much you pay on loans, or if you are even approved for one. But did you also know, your credit score is used to decided how much you pay for auto insurance? Yes! Incredibly, some people with excellent credit scores as FICO scores. There are 3 but lousy driving records pay less than those with excellent driving histories but not so stellar credit. Let's take a look at what a credit score is, how it is composed and what you can do to raise it!

What is it?

Your credit score is a 3-digit number that determines your "creditworthiness". It was developed originally by the Fair Isaac Corporation, now known as FICO. Hence, credit scores are also known as FICO scores. There are 3 main credit bureaus that provide scores on individuals: Equifax, Experian and TransUnion.

What's a good score?

Your credit score may also determine the size of deposit

required to get a smartphone, cable service, utilities, or even to rent an apartment. FICO scores range from 300-850. A credit score can significantly affect your financial life. It plays a key role in a lender's decision to offer you credit. Lenders are more likely to approve you for loans when you have a higher credit score, and are more likely to decline your loan applications when you have lower scores. Here are the brackets on how the credit scores can be grouped:

Excellent: 800-850

Very Good: 740-799

Good: 670-739

Fair: 580-669

Poor: 300-579

You can check your score with your credit card company, as many share your FICO score with you.

How is your score calculated?

Determining factors to evaluate your score include the following:

Payment History: 35%

Amount Owed: 30%

Length of Credit History: 15%

Types of Credit: 10%

New Credit: 10%

Payment History:

Do you pay your bills on time? How many late payments do you have, and how late were they?

Amount Owed:

Percentage of the credit you've used compared to credit available to you.

Length of Credit History:

If you have a long credit history, it

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September features Labor Day, the first Monday of the month. When I was a kid, we always started school the following day. Nowadays, kids are well into the school year. Labor Day lets adults get away from the rat race (IDIOM ALERT!) for a day and many take advantage of the holiday for a long weekend away. For those of you into trivia, it became a federal holiday in 1894. Oregon was the first state to adopt it a few years before in 1887.

October is right around the corner and I can't wait for the cooler temperatures to get here. There's something about the first morning where the temperature is nice and cool that screams Fall. This has definitely been the hottest summer I can remember in a long time. I hope everyone enjoyed their summer with friends and family.

Respectfully,
Alexis Hongamen, CFP®, CRPC®

Factors That Impact Your Credit Score



Payment history



Total debt owed



Length of credit history



New or recent credit



Types of credit

Boston: Visit to Beantown!



Mara and I dropped off our daughter for her sophomore year in early September. There are an incredible 70 colleges and universities in the Greater Boston area. And they all seem to start school at the same time in late August or early September. So you can imagine the congestion. This is our second go around, so things were a little easier when you have the working knowledge of how things operate.

New England

Boston is in the heart of New England, so I was ready for a little cooler weather, lobster rolls, clam chowder and the Boston Red Sox. Well, I got one of the four. While not hot, it certainly wasn't cool. But I did get a little relief from

the hot Florida summer. The Red Sox were away so I couldn't catch a game at Fenway Park, but that is on my to-do list for another future visit. I was able to try a famous lobster roll at Faneuil Hall in downtown and it was very good. I'll get the clam chowder next time.

Charles River

When it is nice outside, the Charles River is an attraction that locals like to enjoy. They have regattas

as well as rowing races between the many universities as crew is a popular competitive sport. Many also jog along the riverfront parks and enjoy the nice weather before the New England cold sets in.

We'll be back soon!



"...Continued from page 1"

is considered less risky since you have more data to determine payment history.

Credit Mix:

A variety of types of credit shows lenders you can manage various types of credit. These can include car loans, credit cards, mortgage etc.

New Credit:

A new credit application is often viewed as a negative. Are you desperate for more credit?

How to improve your score:

Your score rises and falls based on new information. Here's how you can boost your score:

1. Pay bills on time

2. Increase your credit line: You can call your credit card company to have them raise your credit limit. This will reduce the % of credit you are utilizing and help your score.

3. Don't close a credit card account: This will reduce the % of credit you are utilizing.

Just like everything in life, the more information you have, the better decisions you can make. There is generally no quick fix for credit. You can enroll in Experian Boost which will give you credit for paying certain bills on time like rent or your utilities but it only impacts your score from Experian. Remember that slow and steady wins the race, and that saying applies here as well.



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Flashback 10 Years Ago This Month



MUSIC

"Wrecking Ball" by Miley Cyrus was the #1 song on the Billboard Hot 100. "Roar" by Katy Perry was #2. Miley was very controversial with the video for her hit song as she left little to the imagination with her outfit. Katy became Queen of The Jungle with her music video.



SPORTS

Major League Baseball was entering the playoff stage for the 2013 season. The Boston Red Sox and St. Louis Cardinals finished the season with the best record and ended up meeting in the World Series in October. The Red Sox won in a six game series.



NEWS

The country was stunned when a woman was kidnapped for many years, and later committed suicide in jail on September, 2013.

Questions? Call Alexis 407-729-8516



Tip Of The Month

Have you ever wanted to start a business as a side-hustle?

I know it can be intimidating and the unknowns hold many people back. Here, I will walk you through the steps you need to take to make it happen.

1. Decide what you want to do.

An assumption is this will be a business where you perform a service and not a retail store, or something that requires a lot of money up front.

2. Select a name for your service.

Something descriptive or has what your are doing in the name helps for people to remember.

3. Get your LLC and EIN.

LLC is Limited Liability Company and provides you some tax protections. You can file with the Secretary of State online. The IRS website will give you your EIN, which is the business tax ID.

4. Design a Logo.

There are graphic designers on FIVER that can help you or there are AI logos that generate logos for you given the name of your business.

5. Get online presence.

A website or even just a free instagram page nowadays will work. There are some economical webpages you can put together yourself.

6. Get a bank account and fund it.

Some smaller banks have no-fee accounts you can have as you get started.

7. Get online bookkeeping and billing

You need to track how much you are spending and of course how to invoice your customers.

8. Work!

That's it! As hard as it is to believe, you are set up and ready to make money!

Idiom Of The Month

“Raining Cats and Dogs”



17th century Europe. One possible explanation involves the drainage systems in cities. Of course they were poor compared to modern day engineering. People threw all sorts of garbage and even dead pets like cats and dogs into them. When it rained a lot, all that garbage would come back out as the system was overwhelmed and couldn't handle all the water. This included the dead pets. Hence, a heavy rain produced “cats and dogs”.

Another internet theory was that some village stray cats in old Europe would climb up and hide in the thatch-roof of peasant homes, seeking refuge from the elements. During a heavy rain, they would fall through and into the home as the thatch would get water-logged.

In Spanish, the saying is “its raining buckets”. In Portuguese, they say “its raining penknives”. Go figure!!

It rains during the summer in Florida. A lot. Well, it rains year round here but during the summer particularly, we can say it “rains cats and dogs”. I’ve always wondered where that saying came from. Some research on the internet reveals there is no definite answer as far as the origins of the term! There are some theories, though. It sounds like the most likely term comes from

Dad Jokes (with a \$ twist)

Here are this month’s jokes. Read on at your own risk!!

“Why do warehouse clubs ask to see your receipt before you leave the building?” They want to make sure you’ve spent \$200 before they let you leave.

“Why did the accountant fall out of bed?” He didn’t have his balance sheet!

“Why is the gas station now charging for air for your tires?” Inflation!

“Why are Irish bankers so successful?” Their capital is always Dublin!

“Why was the guy investing in apples making so much money?” Turns out he was “in cider trading”.

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