Crown Credit and Debt Solutions

Credit Secrets That You Should Know!

Legal Credit Repair With A Biblical Perspective

www.Crown.Credit

These "Secrets" Aren't Really Secrets...

That's right, you're 100% able to find this information on your own. The reason we call them secrets is because even though anyone can find this information, most people don't or won't seek out this information.

Instead of making you do your own research, we're putting all the information together for you in one easy-to-read e-book so you, too, will know the credit "secrets" that most of your friends and family probably don't.

Our goal with this e-book is purely to educate you on what the Bible says about credit, give you information on your FICO score, and show you how you can become a good steward of what the Lord has blessed you with.

You might even find that this information changes your thinking and therefore your life. We hope that it does.

About The Author

I am Daniel Isaiah Shalach, a full-time pastor, International author, influential business strategist, inspirational public speaker and co-founder of Crown Credit and Debt Solutions.

As a Pastor I was tired of seeing my congregants being stuck in a rut? I was less than excited when they came for financial counseling and shared the high interest rates they paid.

They were tired of being denied or worst, embarrassed when they needed something and were unable to get it due to poor, weak or non-existent credit. Others needed help with basic utilities like electricity, water or gas because their bad credit demanded they pay a deposit. Some upwards of $500.00USD

Many felt desperate for a change, but simply did not know where to start!

With few credible choices and even fewer choices that Christians could trust, I was led to invest in my own credit repair education by some of the best legal credit repair minds in the country and to train my staff as well.

After becoming an authority, myself in the home loans business and creating an unshakeable reputation over 15 years, I realized that helping Christians live a debt free life was my paramount objective, however, a great credit score qualified them for lower payments, less interest and helped them avoid utility deposits, down payments and much more.

Driven by a deep desire to help people thrive in their personal lives and careers, free them from the bondage of debt, and help them become better stewards of their finances, I have envisioned Crown Credit and Debt Solutions as my own way of giving back to the community, while following the path that God has selected for me.

Together with my team we collectively have close to 25 years of experience. We will work closely with you to show you how to achieve the goals you desire in a time-frame that is honest.

Get Great Credit AND Support at Risk Teens Get a Second Chance In Life!

Being a dedicated advocate for humanity and a supporter of our at-risk youth, I am passionate about helping people in need, which is why we donate 100% of our profit to support at risk teens across the country and help them make a new start in life.

With every dollar invested in your credit repair with Crown Credit and Debt Solutions, are also able to do your part in making the world a better place! This is my personal vision of success in sync with God's Love.

It is my personal hope that you will join us in having great credit and impacting the community around us daily.

- Daniel Isaiah Shalach

CHAPTER 1

The Secrets Behind The FICO Score

Your credit score is the secret number behind everything in your life. How much you pay for insurance, your car, rent and mortgage payments, utilities, and even whether you get a job or not, are ALL based on your credit score.

As important as your credit score is, do you really know how it works?

Well the good news is you are about to learn the hidden secrets behind your credit scores…

Payment History - 35%

Your payment history is the largest aspect of your credit score accounting for 35% of your overall score.

This aspect of your total score calculation is based on your prior payment history with your creditors. Late payments, defaulted accounts, and all other NEGATIVE information on your credit report have the greatest effect.

The more paid-as-agreed accounts you have and the less negative accounts, the higher the credit score.

Percentage of High-Credit Used - 30%

The second largest factor in your credit score is the amount you owe on your individual accounts relative to your high credit limits on those accounts. This accounts for 30% of your total score.

You will be scored higher if you owe 30% or less of the high credit limit.

If you are carrying high credit card balances, you can actually hurt your credit scores almost as much as paying the account late every month.

Length of Credit History - 15%

Your"time in the bureau" accounts for 15% of your credit score. The longer you have had credit accounts for, the higher the score.

As you have more accounts throughout your life and your credit history grows over time, your scores will naturally increase due to this factor.

These are the highest-ranking factors on your FICO score, but it only accounts for 80% of your score. Keep reading to find out what's left...

Accumulation of New Debt - 10%

This aspect of your credit score is composed of how much new debt you are applying for. It considers how many requests you have for new credit within a 12 month time period.

If you go out today and apply for credit, that creditor requests information from the credit bureaus. This counts as an inquiry on your report.

If you have a lot of inquiries in a short period of time, your scores will be impacted.

Healthy Mix of Credit Accounts - 10%

Your credit score takes into account the “mix” of credit items you have on your report.

This part of your credit score is affected by what kinds of accounts you have and how many of each.

The bureaus will score you higher if you have an open mortgage, 3 credit cards, 1 auto loan, and a small amount of other open accounts.

If you have a lot of credit cards, your scores will be lowered. If you have several mortgages, your scores will be lowered. Any, “unhealthy” account mixes lower your scores.

So, to obtain the best credit score make sure you pay your accounts on time, do not keep high balances on your open accounts, keep a healthy mix of credit accounts open always, and do not apply for too much new credit in a short period of time.

If you follow these steps you will be on your way to an exceptional credit score.

Hey! Before You Continue Reading Credit Secrets...

Schedule your Professional Credit Report Analysis right now. Let one of our Credit Repair Advocates go over your credit report with you and explain what's on it and what it means to you.

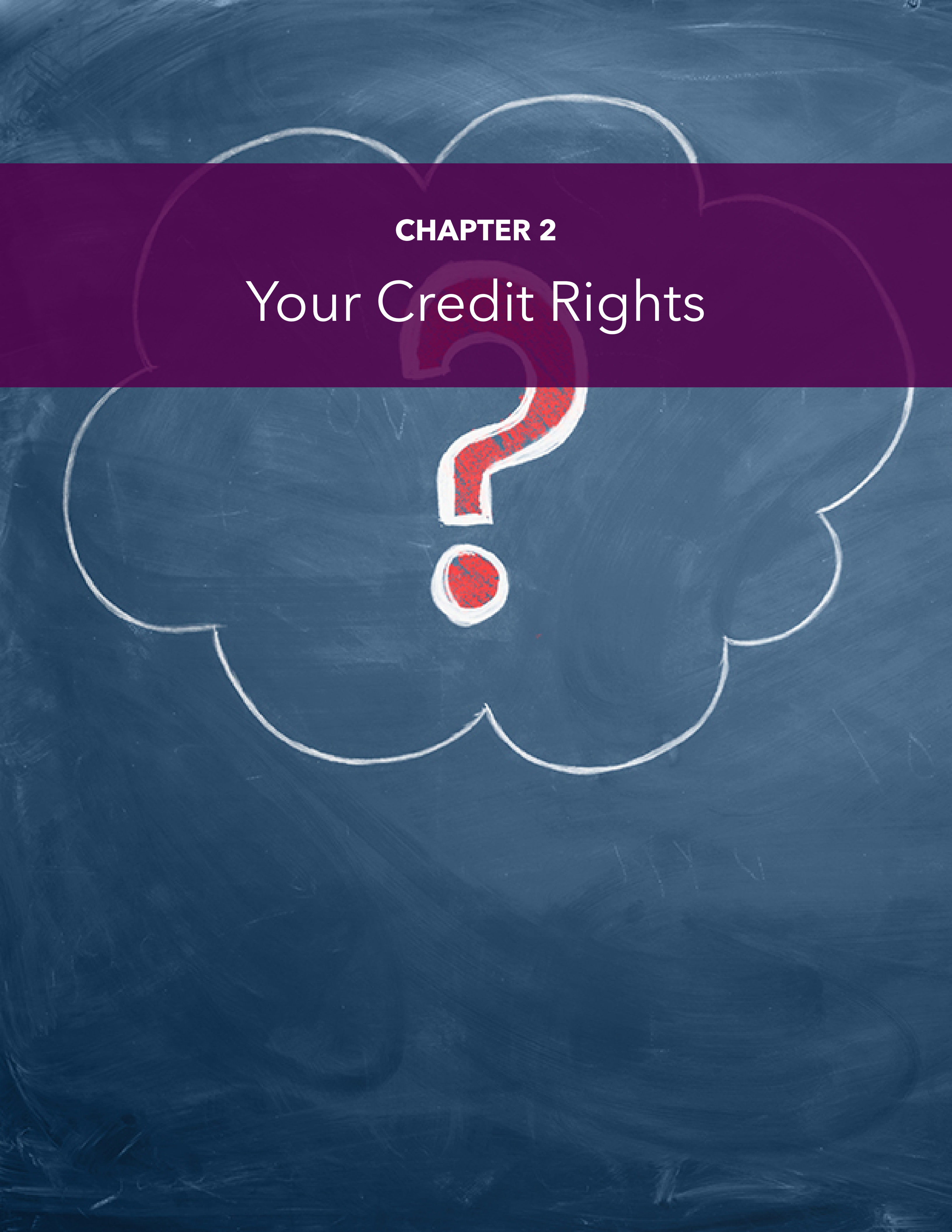
At the end of our Analysis, you will know exactly where you stand and what your next step should be.

Yes, I want a Professional Credit Report Analysis

Make sure that you lock in your time before it's gone. We have limited availability.

CHAPTER 2

Your Credit Rights



The Fair Debt Collection Practices Act

Many consumers have their legal rights violated by collectors without even knowing it. The Fair Debt Collection Practices Act is designed to stop harassing, unfair, and abusive debt collection practices.

Knowing the important details of this act will help you stand up against abusive collection practices and stop collection companies from violating your rights.

There are many requirements debt collectors must abide by per the FDCPA.

Debt collectors are not allowed to tell others details about the consumer including that they owe a debt, they cannot communicate with anyone other than the consumer more than once, not communicate through post card or have ANY markings on the outside of their envelope indicating they might be a debt collector.

Basically, collection companies cannot use the fact that they are a debt collector to bully you into paying.

They cannot identify themselves as a debt collector to your employer, and they cannot send things in the mail to identity they are a debt collector with the intent of embarrassing or causing other hardship to you.

Debt collectors are also not allowed to call a consumer at an unusual time or place. This includes before 8 a.m. and after 9 p.m. A debt collector cannot contact a consumer at their place of employment if they have reason to believe this is prohibited by the employer.

They are also required to immediately cease and desist contact with you if you are represented by and attorney, or if you notify them to do so in writing or notify them that you refuse to pay the debt.

There are many restrictions of abusive and harassing practices in the FDCPA also. Debt collectors are prohibited from using the threat of violence or other criminal means to cause harm to the consumer.

The use of obscene language is prohibited along with the publication of information that the consumer allegedly owes the debt.

Debt collectors cannot cause a consumer's phone to ring repetitively with the intent to annoy or harass any person. And they have to clearly identify themselves on every phone call.

False and misleading representations are also prohibited per the FDCPA.

These include the debt collector identifying themselves as an affiliate of the United States government, miss- representing the legal status of a debt, or that they are an attorney if they are not.

Your debt collectors cannot falsely represent that the nonpayment could result in the arrest or imprisonment of the consumer or the seizure of their property or garnishment of their wages unless such action is lawful and the debt collector intends on taking that action.

Debt collectors are not allowed tocommunicate to anyperson credit information which is known to be untrue or in dispute. They also cannot falsely issue you documentation representing itself as coming from the courts.

They also are prohibited from using any false representation or deceptive means to collect a debt. They must identify themselves to the consumer as a debt collector and that the nature of the call is for that purpose.

Debt collectors are NOT directly affiliated with the credit reporting agencies, and they cannot claim that they are per the FDCPA.

They cannot accept post-dated checks of more than 5 days, or attempt to collect more than what is owed due to the original contract.

They must also send a statement to each consumer within 5 days of contacting the consumer. This letter must contain many things including the amount of the debt, creditor's name, and many disclosures specific to FTC language.

Any violations within this act can be costly to the debt collector, especially in the civil and class action aspects.

Schedule Your Professional Credit Report Analysis

CHAPTER 3

The Best Way To Buy A House

FHA Loans: Good Credit History Makes It Easier To Qualify

FHA loans provide great assistance to many first time home buyers by offering mortgage loans with lower down payments. While this is a benefit for many people, recent changes in policy may have put the loans just out of reach for some would-be homeowners with questionable credit history.

For those interested in applying for an FHA loan, applicants are now required to have a minimum FICO score of 580 to qualify for the low down payment advantage, which is currently at around 3.5 percent.

If your credit score is below 580, however, you aren't necessarily excluded from FHA loan eligibility. Applicants with lower credit scores will have to put down a 10 percent down payment if they want to qualify for a loan.

So if you're planning to buy a house, and your credit score doesn't meet the minimum, you should weigh the advantages and disadvantages of putting down a larger down payment or using those funds to try and improve your credit score first.

Benefits of an FHA Loan:

The reason why FHA loans are so popular is because borrowers that use them are able to take advantage of benefits and protections unavailable with most traditional mortgage loans. Loans through the FHA are insured by the agency, so lenders are more lenient.

Here are a few benefits you can enjoy with an FHA loan:

- **Easier To Qualify.** While most loans exclude applicants with questionable credit history and low credit scores, the FHA makes loans available with lower requirements so its easier for you to qualify.
- **Competitive Interest Rates.** You've heard the horror stories of subprime borrowers who couldn't keep up with their mortgage interest rates. Well, FHA loans usually offer lower interest rates to help homeowners afford housing payments.
- **Lower Fees.** In addition to lower interest rates, you can also enjoy lower costs on other fees like closing costs, mortgage insurance and others.
- **No Credit.** The FHA usually requires two lines of credit for qualifying applicants. If you don't have a sufficient credit history, you can try to qualify through a substitute form.

- **Bankruptcy / Foreclosure.** Just because you've filed for bankruptcy or suffered a foreclosure in the past few years doesn't mean you're excluded from qualifying for an FHA loan. As long as you meet other requirements that satisfy the FHA, such as re-establishment of good credit, solid payment history, etc., you can still qualify.

For many home buyers, using an FHA loan can really make the difference between owning your dream house comfortably or turning it into a financial nightmare. The FHA provides a wealth of benefits for applicants that qualify, so make sure you're making full use of them.

Higher Credit Helps You Get A Loan

Take steps to keep your credit rating high.

Home buyers looking to take advantage of great FHA loan benefits should already know they need to establish the best possible credit rating. Applicants with a better credit rating increase their options for mortgage or refinance loans. In order to qualify for the low 3.5 percent FHA loan down payment, applicants will need a FICO score of at least 580. Those that don't meet that criteria will have to put a down payment of 10 percent on the mortgage they want.

FHA loans are designed to help home buyers, so these government-insured loans usually come with more lenient requirements than typical mortgages or refinancing terms from traditional lenders. While the benefits don't vary much between someone with good credit and excellent credit, there is a very noticeable margin for those with bad credit and average to good credit.

Why You Need a Better Credit Score

While the 580 FICO score threshold is a major factor in how an applicant will pay for a mortgage, your credit score isn't the only thing the FHA takes into account. Payment history, bankruptcies and foreclosures are also issues that the agency looks at. While these factors may hurt your credit score, they don't necessarily eliminate you from loan eligibility.

That doesn't mean, however, that you can neglect your credit. While the FHA is lenient enough to help those with bad credit ratings, they also require recent credit history to be in good standing.

Extenuating circumstances like job loss, injury or anything else that prevented you to pay in a timely manner can, and most likely will, be taken into account. However, if you have demonstrated you purposely neglected payments or your credit rating, your chances of qualifying for an FHA loan will be reduced.

Be Safe, Not Sorry With Your Credit

Obviously, it's better to have good credit than bad credit when applying for any loan. Don't take your credit history for granted, though, because you might find an error or inaccuracy that could hurt your chances of qualifying for an FHA loan.

Instead of going through the headache of disputing your application with your agency and holding up the process, be proactive and make sure your credit score and ratings are where they should be before approaching the FHA.

Why You Should Get A Pre-Approval Letter BEFORE You Shop For A New House

A pre-approval letter, or an approval letter from a lender is an important part of the home buying process, and doing it sooner rather than later can be the deciding factor between getting the house you want, and missing out on what might be a sweet deal.

Why do you need one at all? Think about it from the seller's standpoint; you show up and say you want to buy their house, but unless you can show the seller you have cash in hand, what assurance does the seller have that you can really get a loan? If you were the seller, would you want to accept an offer and take your home off of the market without some assurance that the buyer can actually go to closing?

But why do you need it BEFORE you start looking for a house?

First, without speaking with a lender before you start looking, how will you know how much house you can afford? You don't want to buy too much house, potentially stretching yourself financially, but you also don't want to miss out on a house because you think it is out of your price range, and it really isn't.

Second, today's market is ultra competitive, and time can often be of the essence when it comes to putting in an offer. I put a listing on the market here in Fredericksburg, Virginia on the market last Wednesday, and by Thursday morning I had 5 offers, and before it was all over there were 7 offers submitted. With that kind of activity in the marketplace, if you have to run around trying to get lender approval after you have seen the house, you are potentially setting yourself up to be dissapointed, and you are probably going to lose a bidding war that you never even got to participate in.

The good news is that getting a pre-approval letter from a lender can be relatively easy; it can often be done over the phone in a matter of minutes.

Now that you know your rights and what it will take to buy a home...

Schedule Your Professional Credit Report Analysis Now!

We're offering you a **Professional Credit Analysis** for free. We can go over your current credit report, what it means for you, and what steps to take next. After your Professional Credit Analysis, you are under ***no obligation*** to work with us or use our services.

We just want to help you understand more about your credit, how it affects you every day and how you can take control right now.

What are you waiting for?!

Schedule Your Credit Report Analysis Now

CHAPTER 4

What About Buying A Car?

What Credit Score Is Needed To Buy A Car?

If you need to finance a new or used vehicle, pay close attention to your credit score. Lenders use it to determine the rate you'll get on a loan or whether you'll get a loan at all.

Those with higher scores generally receive the best rates, and finding the cheapest possible financing is becoming more important as the amount and length of auto loans continues to grow.

The average loan amount for a new vehicle in the third quarter of 2018 was $30,022, growing nearly 4 percent from the same period a year prior, according to data from Experian. For used vehicles, the average loan amount was $19,227, growing nearly 2 percent from the year prior.

At the same time, average loan terms for new and used vehicles hit 68 and 66 months, respectively. There is a scary "norm" of 72 months being offerd and WORSE… so many people are suffering from bad credit that many lenders have pushed extensions up to 84 months…

Who wants a car loan for 7 years?!?!

If you're a super prime borrower with a credit score of 781 and above, you can expect to get the lowest rates. In the third quarter, super prime borrowers received a new car loan rate of 2.6 percent on average.

But if you're a deep subprime borrower with a credit score of 500 and below, you can expect to pay around five times more for a new car loan. Deep subprime borrowers received a new car loan rate of 13.53 percent on average.

Average Car Loan Rates by Credit Score

Credit Score Range	New Car Loan	Used Car Loan
Super Prime: 781 to 850	2.6 percent	3.4 percent
Prime: 661 to 780	3.59 percent	5.12 percent
Nonprime: 601 to 660	6.39 percent	9.47 percent
Subprime: 501 to 600	10.65 percent	15.72 percent
Deep Subprime: 300 to 500	13.53 percent	18.98 percent

What You Can Expect To Pay

The average payment in the third quarter on a new loan was $495 per month. For a used vehicle, the average was $362.

Super prime borrowers financing a new vehicle will pay a little less. If that's you, expect your monthly payment to land somewhere around $475, assuming you're financing a $30,000 loan for 68 months at a rate of 2.6 percent.

Deep subprime borrowers can expect to pay around $634, or $159 more for the same loan. They'll also pay nearly $10,900 more in interest over the life of the loan.

Before You Shop…

If you fall in the subprime or deep subprime category, you'll need to take some steps to improve your credit score if you want to receive the cheapest possible financing.

Here are just a few ways to start improving:

- Pay all of your bills on time, every time.
- Keep your credit balances low.
- Open new credit only when you need it.
- It's also important to check your credit report consistently for errors, regardless of which credit tier you fall into. You can pick up a credit report for only a dollar ($1) at https://crown.credit/report
- ***Look for the best financing.*** Once you start shopping, get quotes from multiple lenders and aim to get the lowest rate possible. Even a small difference in interest rate can have a significant impact on the amount you pay over the life of the loan.

The bottom line…

While it's possible to get a car loan with subprime or deep subprime credit, you'll be better off financially in the long-run if you can wait out purchasing a vehicle until your credit improves.

Putting a hefty down payment on a vehicle can also lift some of the financial burden of financing. Overall, prime and super prime borrowers receive the most car loans and the best rates.

CHAPTER 5

Divorce & Your Credit

Divorce can affect many aspects of your life, but one thing you may not have considered is how it affects your credit score.

Here's what you need to know about credit and divorce.

Will Divorce Hurt My Credit?

Divorce doesn't directly hurt your credit, because your creditworthiness isn't dictated by your marital status. However, there are several indirect effects of divorce that can bring your score down.

Your Ex-Spouse Doesn't Pay Your Joint Bills

Problem: If you have any joint credit accounts with your ex-spouse – mortgage, credit cards, etc. – someone has to pay them. The judge may have ruled that your ex-spouse has to pay X, Y and Z after the divorce, but it's important for you to make sure this is happening.

Let's say your ex-spouse isn't as concerned with his or her credit as you are. What would be the incentive to pay bills, especially unsecured bills or secured bills with assets that belong to you? Answer: There isn't any.

The kicker is, if these bills don't get paid and they're in your name, your credit will suffer. It doesn't matter who is supposed to pay them, whoever's name is on the account is going to deal with the credit issues.

Solution: Ideally, you and your ex-spouse are on decent enough terms that you'll both hold up your end of the deal financially. But if that's not the case, you need to make payments on any bills your ex-spouse isn't covering, regardless of who's responsible for them according to your divorce agreement.

You can try to recover this money later by reporting the nonpayment to the courts – just don't let it hurt your credit now.

Solution: Ideally, you and your ex-spouse are on decent enough terms that you'll both hold up your end of the deal financially. But if that's not the case, you need to make payments on any bills your ex-spouse isn't covering, regardless of who's responsible for them according to your divorce agreement.

You can try to recover this money later by reporting the nonpayment to the courts – just don't let it hurt your credit now.

You're Unable To Pay Your Bills

Problem: If your divorce was messy, you may have spent a significant amount of money on an attorney, rendering you insolvent. Or, if your ex-spouse was the primary breadwinner, you may have trouble covering the bills on your own. These scenarios can hurt your credit score if they cause late payments or high credit usage.

Payment history is the most important factor in credit scores, and anything less than 100% on-time payments may hurt your credit. If your current financial situation makes it impossible for you to pay your bills on time, your credit score may decrease.

If you're supplementing your income (or lack thereof) with credit cards, you may be using too much of your credit. High credit utilization — basically any balance-to-limit ratio over 30% — can decrease your credit score and limit your options financially.

Solution: There are two ways to free more cash to pay bills — increase your income or decrease your expenses. Ideally, you'll be able to do both.

To earn more and spend less, think about working overtime, taking a second job or freelancing during your free time. Cut or limit unnecessary expenses by evaluating your discretionary spending. Some common examples include cutting cable and subscription services, and limiting restaurant and personal care spending

Your Ex-Spouse Is Vindictive & Has Access To Your Credit Accounts

Problem: While some spouses are able to split with a minimum of drama, many divorces aren't so amicable. And if your ex-spouse is angry and has access to your credit accounts, he or she may rack up debt in your name.

This is most common with authorized users, as they are not liable for payment. So if your spouse is an authorized user on one of your credit cards, he or she can essentially spend away without consequences. If you're unable to pay off this debt, it can hurt your credit score.

Solutions: Remove one another from all individual credit accounts as soon as possible. Even the most reasonable people may act out when grieving the end of a marriage, so don't assume your ex-spouse will handle your divorce gracefully.

Bottom line…

If you're going through a divorce, work to minimize its negative impact on your credit. Make sure all joint bills are being paid one way or another, stretch your budget to ensure your personal bills are being paid in a timely manner, and remove your spouse from your accounts wherever possible.

Most importantly, stay civil — the better your post-divorce relationship, the less likely your ex-spouse is to try to trash your credit.

How To Improve Your Credit Score After Divorce

When Tammye's husband walked out with the money and credit cards, the financial life for the stay-at-home mom quickly became an urgent priority. With no steady income of her own, a husband who didn't want to pay the bills any longer, and few financial accounts in her name, Tammye (who asked that her last name not be used) was able to pull from a background of sound financial education and training as an accountant to keep her credit score high.

But she had to be proactive. And Tammye says she was fortunate to have an attorney friend warn her that more often than not divorce ruins credit scores, wreaking havoc on people's abilities to buy or rent a home, keep interest costs at a minimum, find the best insurance rates, or even find a job. As mortgage adviser, certified life coach, and author Patti Handy says, *"After all, your credit score is your report card to the world."*

Not everyone facing a divorce has the sort of financial savvy and education as Tammye. But if you are the non-primary wage earner in the midst of a split, keep these tips in mind in order to protect your credit score and your chance for a fresh start bright.

Establish New Credit

One important step to protecting your credit score in a divorce is establishing new accounts and closing joint ones. This will mean that your credit score will begin reflecting your own personal handling of credit and bills. According to Patti Handy,

"The tricky part is when you close a bunch of credit cards, your credit score will likley go down initially because you now have less credit available to you because you've closed those accounts, but it's a temporary dip. And if you reestablish credit, that will pop back up."

Here's some simple steps that will hopefully have a positive impact on your credit score (a similar process is used to rebuild credit after bankruptcy):

Pull Your Credit Reports From All 3 Bureaus For Only $1 At
https://crown.credit/report

Read every line so you know every account held in your name and whether you are a joint holder or what's known as an authorized user.

Unfortunately, in some situations, a spouse may have opened an account with your name as a joint or authorized user and is allowing someone else access to that account. ***Since it's your credit score that will be impacted by how your spouse or anybody else uses the account, make sure you close it.***

- Get organized. Patti Handy recommends creating a spreadsheet listing all institutions, account numbers, and dollar amounts for everything from investments to assets to debts.
- Call all credit card companies and banks where you have joint accounts and let them know there is a pending divorce.
- Open a new checking account in your name.
- Ask current credit card companies if they will issue you a new credit card in your name alone.
- Or apply with new credit card companies, being careful not to apply for more than one or two cards at a time because too many applications can also negatively impact your score. Secured credit cards are a great way to build or rebuild credit.
- Close joint accounts and have your name removed as an authorized user. In more difficult cases, your lawyer may be able to issue a letter to credit card companies to have your name removed.

Keep Paying Bills On Time

First things first, pay those bills on time. Patti Handy reminds people that even one 30-day late payment on a credit card will send credit scores plummeting. And one late mortgage payment? If you're hoping to buy a new house after a divorce, just one late payment could make it very difficult.

James Tripcony, a divorce and family law attorney in Arkansas and founding partner of Tripcony, May & Associates, offers the following list of priorities for paying the bills held solely in your name:

1. Credit card and installment loan debts, including a mortgage and car loan
2. Apartment or house lease payments
3. Utilities

Tripcony also advises if the money just isn't there either through a new job or spousal support, you may be allowed to borrow from a retirement plan, such as a 401(K). Some people in need also seek the help of family and friends.

Another suggestion that worked for Tammye to pay several utility bills was calling the company, explaining the family crisis, and asking for a one-month extension. Not all companies will allow it (and it helps if you and your spouse have a high credit score to begin with) but it's worth asking to avoid late payments and a hit on your credit score.

Find A Lawyer That You Trust

Tripcony says to make sure to find a lawyer who specializes in family law, also known as matrimonial law or domestic relations law. A good family law attorney will know the best way to protect you and your financial health.

Also key is not letting the inevitable and sometimes-overwhelming emotions involved with a divorce drown out your lawyer's voice. Tammye says at times she just had to trust her lawyer had her best interests in mind. So, if he said to pay a certain bill, then she paid the bill; and if she didn't understand why, she kept the lines of communication open and asked for an explanation.

A good lawyer can also help when finances are especially tight. When Tammye's husband stopped paying utilities and other bills, her lawyer was able to schedule an emergency hearing with a judge who ordered Tammye's ex to continue paying the bills for a set period of time. This gave her time to search for a job, and protected her credit score from being hit by late payments and the stain of collections.

Get Money Savvy! Get Empowered!

Knowing how to handle money and credit scores is very empowering as you move through and beyond a divorce. So if you weren't the money person in your marriage it's time to start educating yourself. Patti Handy encourages people to "reach out, get help, understand credit scores, understand credit cards and how they work, understand how to invest money and who to talk to. Gather information, read, talk to people, get educated. That becomes a very empowering place!".

Get valuable information on credit (just like this + more) on our blog at https://www.Crown.Credit/Blog

Spending & Your Emotions

Last, but certainly not least, divorce can be emotionally devastating, and it's important to take care of yourself and those emotions. But it's also important to take a careful look at how you are taking care of yourself.

The euphoria from buying something new when you're not feeling your best is undeniably powerful. But Handy reminds that *"retail therapy backfires on us because we're racking up credit card debt or going through our savings account - both of which are dangerous."*

Ask, *"Why do I want to buy this? Will I be worse off financially?"* Handy recommends waiting 3 days before purchasing anything or even calling a friend before making an impulse buy.

Sometimes it takes only five minutes for the exhilaration to subside and pass, though the debt can last for months or years. Instead, realize that taking care of yourself means making smart choices that won't devastate your ability to begin afresh.

Going through a divorce can be incredibly hard, but it doesn't have to be financially devastating!

Joint Accounts Will Still Appear On Your Credit Report

Accounts are reported for each individual associated with that account, so if you are listed as a joint owner, cosigner, or authorized user, you must deal with that account prior to the divorce. That means closing the account completely or ensuring that one name is totally removed from the account.

Many divorcing couples are confused by the role of the divorce decree. A divorce decree may specify who is responsible for accounts opened during the marriage, but it doesn't break the contracts with the lenders.

If the spouse responsible under the divorce decree is unable or unwilling to pay and the contract has not been changed by the lender, the late payments still will appear on both credit reports and will have a negative impact on credit scores for both individuals.

The missed payments can occur years after the divorce and still will be reported for all individuals associated with the account. That certainly can be an unpleasant surprise if you haven't dealt with the account appropriately.
In some cases, vindictive behavior during the divorce by one or both spouses can have a very direct, very negative impact.

Sadly, an angry spouse may try to hurt their soon-to-be former wife or husband by making large credit purchases on joint accounts with the intent of punishing the other person with huge debts or wrecking their credit history.
What they usually do not understand is that by doing so they also likely will destroy their own credit history at the same time.

How To Deal With Joint Accounts During And After Your Divorce

If at all possible, maintain a civil relationship during the divorce process so that you can avoid the pitfalls of a vindictive split. Working together to pay off and close existing joint accounts is the best possible approach. If that is not possible, try to convert the account to an individual account when possible.

Contact each creditor and explore the options available with that lender. Doing so will help you make a clean separation without financial burdens that could haunt you even after the divorce is final.

Schedule Your Analysis Now

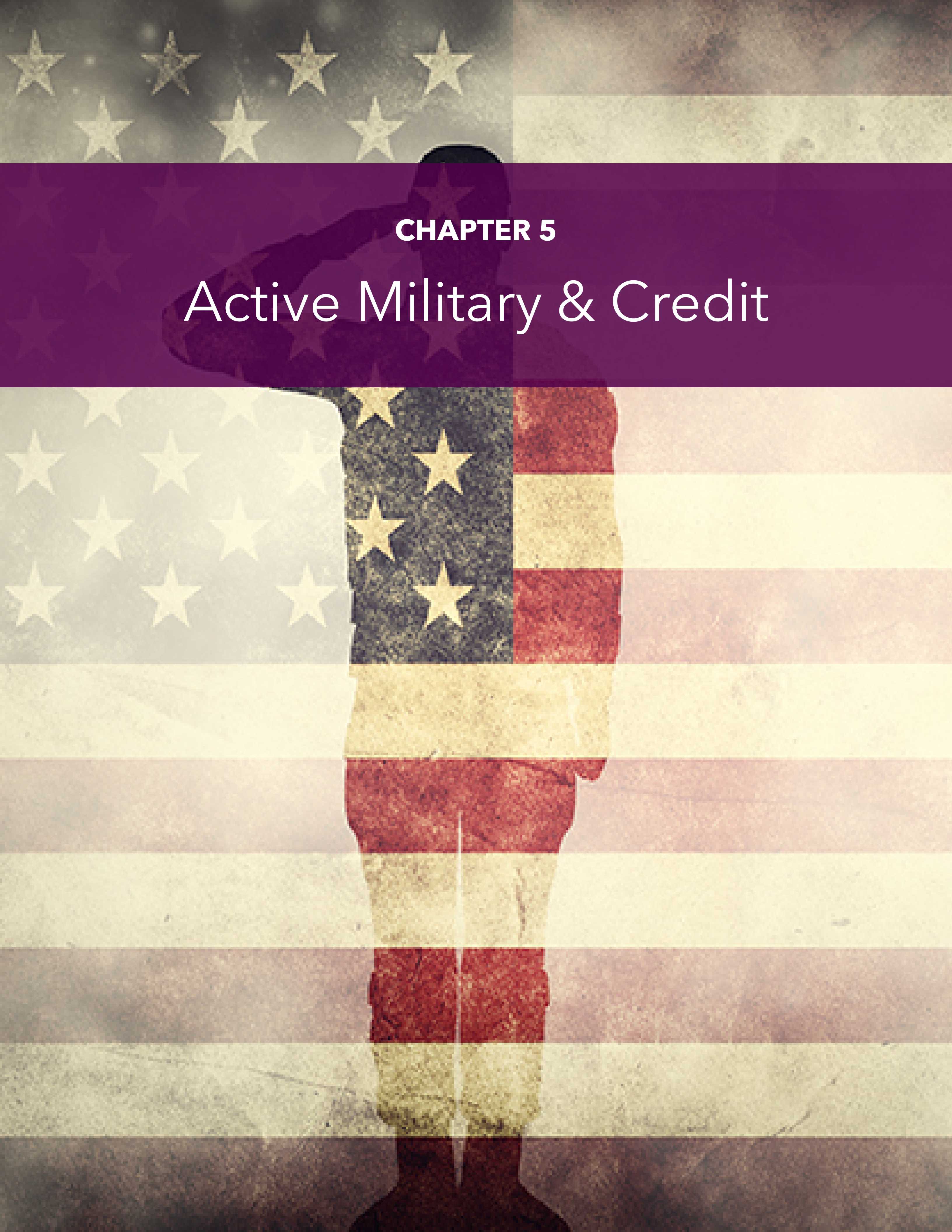
Whether you're looking to buy a home, a car, you're going through a divorce OR you just want to know where your credit is at...

We've got you covered!

Schedule Your Free Credit Report Analysis Now

CHAPTER 5

Active Military & Credit



Military Families Remain Easy Prey For Identity Theft

A quiet war on the homefront is being waged against U.S. military members, veterans and their families, targeting their bank accounts, credit histories, and identities.

A Federal Trade Commission study found that military consumers reported identity theft at twice the rate of the general public. In retaliation, experts are urging military members and their families to adopt both a stealthy defense and firm offense against identity thieves.

How Thieves Obtain Service Member Identities

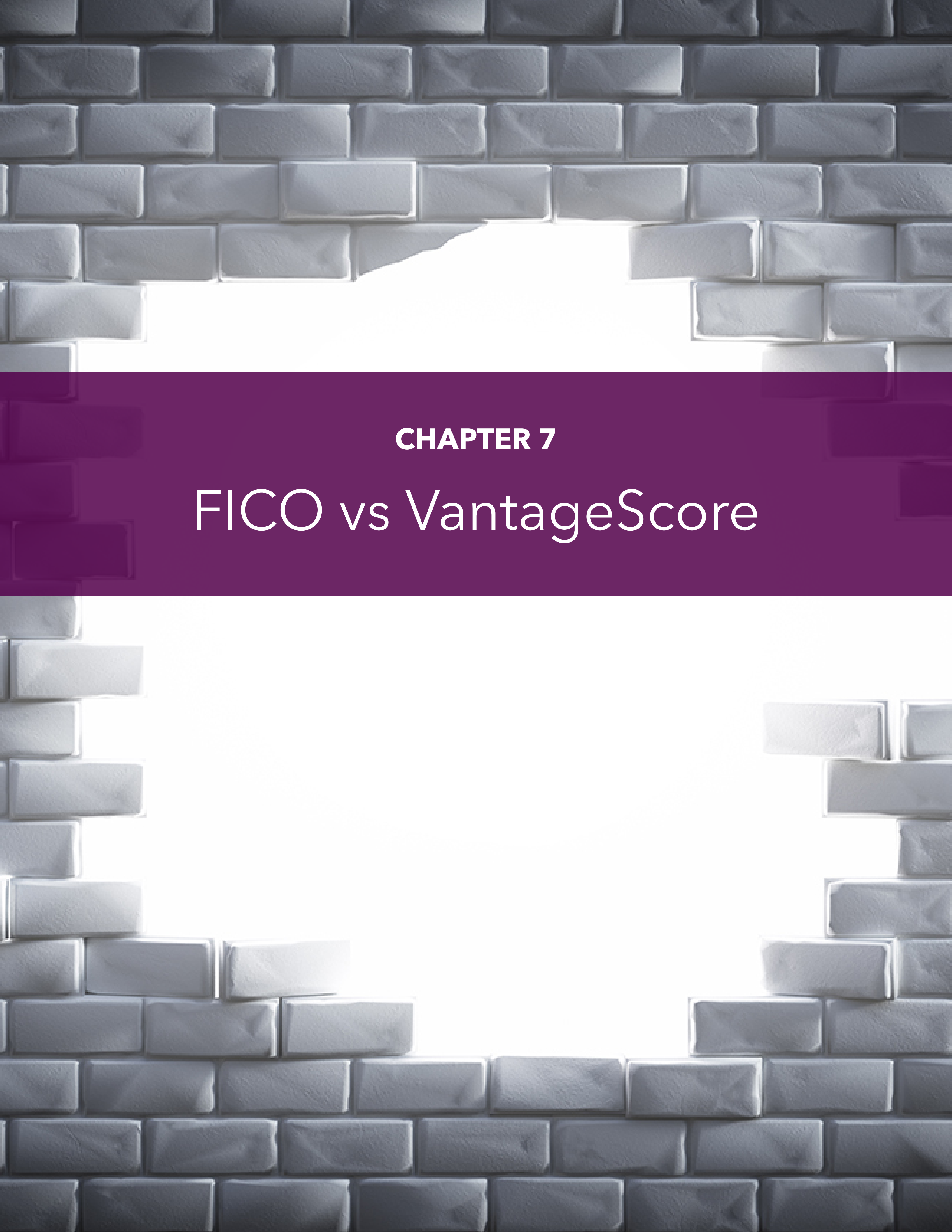
Thieves employ several methods with which to rob service members and their relatives of their identities. One is to lure them into retail establishments with promises of deep military discounts. Disreputable employees request the person's government ID and then make a copy or write down the numbers. If it still has the SSN printed on the card, they'll either sell it to a ring of criminals or use the numbers themselves.

Online shopping is becoming especially problematic. "Recently there has been a proliferation of Internet startups that directly advertise military discounts for veterans," says Higgins. "Most are, in reality, data grabs." Such companies set up false retail websites, advertise directly to the military and instruct the service members to type in their military ID number in order to receive the deal. If the ID still reflects the service member's SSN, at that point their identity is compromised, and new account fraud typically follows.

Identity theft crimes against the military population can go undetected for years. Holly Petraeus, assistant director of the Consumer Financial Protection Bureau's Office of Servicemember Affairs, cites a typical service member's existence: "Military personnel live a mobile lifestyle punctuated by combat deployments, and that makes it hard for them to keep a close eye on their finances – or to fix the fallout from an identity theft. They may not even realize their identity has been stolen for some time, giving the fraudster ample time to do significant damage."

For more information on identity theft and how to stop it for Active Military members, click the button below to read the full post.

Learn More Here



CHAPTER 7

FICO vs VantageScore

When you think credit score, you probably think FICO.

Since the Fair Isaac Corporation introduced its FICO scoring system in 1989, "What is my FICO score?" has become a common question. FICO scores have burrowed their way into all kinds of lending decisions, most notably mortgages, credit cards, and rentals.

But over the last decade or so, FICO's market dominance has been challenged by a newcomer called VantageScore. As the result of a collaboration between the three major credit reporting agencies (CRAs) — Experian, Equifax, and TransUnion — VantageScore uses similar scoring methods to FICO but with slightly different results.

So what are the differences, and more importantly, do they really matter to you, the consumer? The short answer: usually no. But you might want to look at different scores for different needs or goals.

In this article, we'll cover the five main differences between FICO and VantageScore and tell you which one to watch.

Difference In Scoring Models

FICO and VantageScore aren't the only scoring models on the market. Lenders use a multitude of scoring methods to determine your creditworthiness and make financial decisions. But despite the numerous options, FICO and VantageScore are likely the only scores you'll ever personally see.

How do FICO and VantageScore rate you? Both use the same basic criteria:

1. Payment History
2. Length of Credit
3. Types of Credit
4. Credit Usage
5. Recent Inquiries

Although both FICO and VantageScore consider much of the same information, they gather their data in different ways.

FICO bases its scoring model on credit reports from millions of consumers at once. They gather these reports from the three major credit bureaus and analyze the reports' anonymous consumer data to generate an accurate scoring model.

Alternatively, VantageScore uses a combined set of consumer credit files, also obtained from those same three credit bureaus, to come up with a single formula.

Variance In Scoring Requirements

If you don't have a long history of credit, VantageScore is the score you want to monitor. Before it's able to establish your credit score, FICO requires at least six months of credit history and at least one account reported to a CRA within the last six months. VantageScore only requires one month of history and one account reported within the past two years.

Because VantageScore allows a shorter credit history and a long period for reported accounts, it's able to issue credit ratings to millions of consumers who wouldn't qualify for FICO scores. Considering how everyone from employers to landlords wants to see your credit score these days, if you're new to credit or haven't been using it recently, VantageScore might be able to prove your trustworthiness before FICO has enough data to issue a rating.

The Significance Of Late Payments

A history of late payments will impact both your FICO score and your VantageScore. Both models consider these factors:

1. How recently the last late payment occured
2. How many of your accounts have had late payments
3. How many payments you've missed on an account

However, while FICO treats all late payments the same, VantageScore judges them differently — it penalizes late mortgage payments more harshly than other types of credit.

If you've had late payments on your credit cards, they will have about the same impact on both your FICO and your VantageScore. But if you've had late payments on your mortgage, you might find you have a higher FICO score than VantageScore.

Impact Of Credit Inquiries

You've probably heard you shouldn't open too many credit cards in a short period of time. One reason for this is every time you apply for a credit card, the lender does a "hard inquiry" to check your creditworthiness.

VantageScore and FICO both penalize consumers who have multiple hard inquiries in a short period of time, and they both do "deduplication."

Deduplication is important for things like auto loans, where your application may be sent to multiple lenders, thereby resulting in multiple inquiries. Both FICO and VantageScore don't count each of these inquiries separately – they deduplicate them, or consider them one inquiry. However, the timespan they use for deduplication differs.

FICO uses a 45-day span to deduplicate your credit inquiries. VantageScore limits its focus to only a 14-day range. VantageScore also looks at multiple hard inquiries for all types of credit, including credit cards. FICO considers only mortgages, auto loans, and student loans.

Inquiries aren't your biggest concern when it comes to your credit score, but they do have an impact. If you want to buy a house or a car, restrict hard inquiries as much as possible to avoid lowering your credit score.

The Influence Of Low-Balance Collections

VantageScore and FICO both have penalties for accounts sent to collection agencies. However, FICO might give you a bit more of a break when it comes to low-amount collection accounts.

FICO ignores all collections where the original balance was under $100. It also doesn't count collection accounts you've paid off. VantageScore, on the other hand, ignores only paid collection accounts, regardless of the original balance amount.

Keep Your Credit High

Regardless of the differences between FICO and VantageScore, the essential advice for keeping your credit score high remains the same:

• Avoid late payments. Pay your bills, and pay them on time.
• Keep your credit balances low. Don't max out your credit cards, and try to keep your cumulative balance to less than 30% – the lower the better.
• Apply for new credit only when you have to. Don't open a bunch of new cards in a short period of time, and don't close old accounts without good reason.

CHAPTER 8

What Does The Bible Say?

What Does The Bible Say About Credit Cards?

The Bible contains more verses about money than it does about Heaven and Hell combined. Why? Because God created us and knows the role that money plays in our lives.

But across all 2,350 verses about money, not one of them says that borrowing, or being in debt, is forbidden. The Bible does not contain a direct mandate to never borrow money. It does, however, clearly indicate that borrowing comes with burdens and negative consequences. Scripture is clear that while debt itself may not be sinful, it's also not God's best for His people. This is because when we choose to borrow money, we are putting our trust and confidence in a credit card or a lender instead of in Christ.

As it says in Proverbs 22:7, "The rich rules over the poor, and the borrower becomes the lender's slave." Borrowing can easily turn into a habit or cycle very quickly, pulling us further away from the Lord and the freedom He offers. These biblical principles about borrowing and debt haven't changed, even if the currency by which we borrow has. Credit cards are not evil, they are neutral. Credit cards are a resource, a form of currency, and by themselves can neither do good nor bad. But the way you choose to use your credit card determines its positive or negative impact.

When used wisely, credit cards can help you earn rewards and benefits. credit cards can kind of get you free money. Depending on the card, you can earn cash back points, flyer miles, and other perks by making purchases with your card and paying it off in full at the end of each month. But remember – *no reward or perk is worth carrying a balance on your credit card*.

But when used wrongly, you trap yourself in a cycle of debt, unable to make progress and thus wasting money on interest charges and incurring more debt to try and stay afloat. Paying off any debt requires discipline and sacrifice that unfortunately many people no longer have.

Over the last decade, overall household debt in the US has increased by 11%. The average household carries a credit card balance of over $16,000. Including all debt (like mortgages), the average household owes $135,284. Because of the increasing acceptance of relying on debt for survival, it opens a wonderful opportunity for the body of Christ to look, and spend, differently than the rest of the world.

Here are general biblical principles to keep in mind as you pray about the use of your credit card:

AVOID SURETY.

The Bible is explicitly clear about avoid surety (depositing a pledge in either money, goods, or partial payment for a greater obligation). Proverbs 11:15 tells us to not be surety for someone else – "He who is surety for a stranger will surely suffer for it, but he who hates going surety is safe."
And Proverbs 22:26-27 remind us of more dangers associated with borrowing, "Do not be among those who give pledges, among those who become sureties for debts. If you have nothing with which to pay, why should he take your bed from under you?"

AVOID A BALANCE.

If you use a credit card for the points or rewards, pay it off in full at the end of each month. Romans 13:8 says, "Owe nothing to anyone except to love one another…" It also doesn't actually help your credit score to carry a balance month to month and the interest charges tend to be outrageous. Be sure to do your research and find a card that has a great rewards program. Remember Psalm 37:21, "The wicked borrows and does not pay back, but the righteous is gracious and gives."

AVOID LONG-TERM DEBT.

If you do incur charges on your credit card, stop using it until you have paid off all your charges and work diligently to pay them off as quickly as possible. Your home mortgage should be the only long-term debt you have, if any, and even that you should work to pay off as quickly as possible.

REPAY WHAT YOU OWE.

For Christians, bankruptcy should not be an option. When you borrow, you are making a vow or a promise to repay what you borrow. Even if the law says bankruptcy is an acceptable option, God still expects us to repay all our debts and fulfill our promises. Ecclesiastes 5:4-5 explains, "When you make a vow to God, do not delay to fulfill it.

He has no pleasure in fools; fulfill your vow. It is better not to make a vow than to make one and not fulfill it." It may take time, hard work, and a lot of sacrifice, but you can pay off your debts and honor the Lord while you do it. Read the story of the widow in 2 Kings 4 to find encouragement, and imagine the power of your testimony after working to pay off your debts!

HAVE AN EMERGENCY SAVINGS FUND.

This may be one of the most important principles to follow when it comes to achieving any financial stability. Most Americans don't even have $500 saved. Couple that with the staggering amount of debt owed by each household and it's no wonder credit card debt is a growing epidemic.

Proverbs 21:20 says, "There is precious treasure and oil in the dwelling of the wise, but a foolish man swallows it up." Protect yourself from having to depend on your credit cards to pay for an emergency or unexpected expense by having a healthy savings account. Start with a $1,000 and work your way up to a year's worth of living expenses.

CREATE A BUDGET.

This applies to those with and without debt. Following a budget is the absolute best way to see where your money is going and what purposes it's serving. You can get started here.

Remember that not everyone should have a credit card! Be honest with yourself and pray about the decision before you continue to use yours or get one. It takes wise management and discipline to use it the right way, so spare yourself the debt and pain if you know you won't handle it the right way.

What Does The Bible Say About Debt?

The borrower is slave to the lender. When you are in debt to another, you enter into a slave/master relationship with your creditor. (Proverbs 22:7)

God wants us to lend to others. Obviously, this is difficult if you don't have anything to lend. (Deuteronomy 15:6, 28:12, Matthew 5:42)

We are required to pay back what we borrowed. It is easy to take this lightly, but if we borrowed it, we should pay it back.

"Pay to all what is owed to them: taxes to whom taxes are owed, revenue to whom revenue is owed, respect to whom respect is owed, honor to whom honor is owed." Romans 13:7

"The wicked borrows but does not pay back, but the righteous is generous and gives;" Psalm 37:21

"It is better not to make a vow than to make one and not fulfill it." Ecclesiastes 5:4

What The Bible Does NOT Say About Debt

That it is a sin to be in debt. Like mentioned above, it is not God's best for us, but the Bible does not say that it is a sin.

That God will provide through a loan. He provided for His people in many ways but loans were not his preferred method. That is something to think about next time you get tempted to reach for the credit card.

What are the Biblical promises about debt?

The way I look at it, Jesus came to set us free from the bondage of sin. We were slaves to sin, until He set us free. If He wanted to set us free in one area, why would He want us to be slaves in another?

I also love **Deuteronomy 28:12:**

"The Lord will open for you His good storehouse, the heavens, to give rain to your land in its season and to bless all the work of your hand; and you shall lend to many nations, but you shall not borrow."

This verse is one of the promises that I stand on when praying about my debt. The prerequisite listed in Deuteronomy 28:1 is that we *"diligently obey the Lord your God."*

God can NOT keep us out of debt.

I believe God would love to see His children living debt-free lives. But, as stewards of the money that He has entrusted to us, we have a free will to do what we wish with it. We can choose to give it, save it, spend it, or even spend more than we have.

I also believe that God will work on our behalf to help get us out of debt, but we have a big part to play – to stop spending more than we have! It doesn't matter how much God provides – as long as we are spending more money than we have, we will always be in debt.

It's bigger than us.

As Christians we have the opportunity to use our finances to build God's Kingdom. Every decision we make with our money may be much larger than we realize.

Don't Let Bad Credit Ruin Your Plans...

Schedule your Professional Credit Report Analysis right now and find out what's on your credit report and what it means for you.

DO NOT let this opportunity pass you by!

Yes, I Want A Professional Credit Report Analysis