

# Do You Make These Money Mistakes?

By Leo J. Quinn, Jr.

[“How to Own Your Paycheck Again”](#)

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Like it or not our financial lives are governed to a large degree by 9 numbers.

These are your FICO scores from the three major credit bureaus. FICO scores are three digit numbers that summarize, in numerical form, the information on your credit report.

It's important that you know these numbers and how your credit report looks, particularly before you apply for credit. It will give you a quick idea how you look to potential lenders.

FICO scores range from 300-850.

The three major credit bureaus are:

TransUnion 1-800-916-8800 [www.TransUnion.com](http://www.TransUnion.com)

Experian 1-888-397-3742 [www.Experian.com](http://www.Experian.com)

Equifax 1-800-685-1111 [www.Equifax.com](http://www.Equifax.com)

Be aware that each bureau has their own scoring system that is different from a FICO score.

Be sure of getting the actual FICO scores by going to [www.MyFico.com/12](http://www.MyFico.com/12)

All Americans are now able to get a FREE copy of their credit report from each of bureaus once per year. To get more info visit [www.annualcreditreport.com](http://www.annualcreditreport.com)

You won't be able to get your scores as part of this but if you will be applying for credit in the near future it is a good investment to pay for your FICO scores.

## **Mistake # 1 Transferring Credit Card Balances To Get A Lower Rate.**

Doing this with a new credit card opened just for the purpose of doing this causes two and maybe three events that will lower your credit scores.

First it causes a credit inquiry on your credit reports. Credit score, down.

Second, if approved you'll open a new account which may lower your score.

If your new creditor requires you to close the one you've paid off, closing that account may lower your score.

Prior to 2009 my advice was...

“Better to gather all those offers you get in the mail for lower offers and call your current card and ask for a lower rate...using the offers as incentive.”

Now I'm getting reports that people who do this are being told yes or no as always. In some cases, however the credit card companies are using the opportunity of your call to lower available balances or close accounts all together.

So if you can transfer balances among credit cards you already have, that's one thing you may consider. Better I think these days to stay off the radar screen of the credit card companies and get them paid off fast.

## **Mistake # 2 Having Too Many Credit Card Inquiries In A Short Time**

Rate shopping is a good idea when looking for mortgages and car loans but having a lot of credit card inquiries in a short time is NOT a good idea.

It's a red flag to lenders. It may be an indicator that you are having or anticipating financial trouble and looking for easy money.

Mortgage and car loan inquiries within a 30 day period are counted as one inquiry by the bureaus. Credit card inquiries are counted individually. Each inquiry lowers your credit score.

## **Mistake #3 Debt Consolidation Loans**

A few problems with these...

1) You'll likely get charged a hefty fee to get into them which they'd be happy to roll into the new loan for you. So, you're going DEEPER in debt.

2) If you can't handle paid off credit cards and you run them up again you are now in twice as much debt.

Better to invest in my "How To Own Your Paycheck Again!" program and get everything paid off in a fraction of the normal time without any big fees or lowering of your credit score.

[www.OwnYourPaycheckAgain.com](http://www.OwnYourPaycheckAgain.com)

#### **Mistake #4 Not Investigating Mortgage Terms Less Than 30 Years**

Your 30 year mortgage payment is going to be \$800. If you got a 15 year mortgage what would your payment be?

Hmmm.

30 years = \$800

15 years is half the time so it must be double the payment or \$1600 right?

WRONG.

In my live classes I've had people tell me the difference between the 15 and 30 year payment was as little as \$19!

Generally the difference will NOT be that low. But it's no where near double.

Simply ask your banker to give you the payments for a 10-15-20-25 and 30 year mortgage.

If you can't swing the 15 year then a 20 or 25 year mortgage would be good too.

Every 5 years you can knock off a mortgage will save you thousands of dollars in interest charges.

#### **Mistake #5 Closing Credit Accounts**

This one has a caveat attached. If you can't handle having easy access to available credit then PLEASE close unused credit accounts.

However, if you can handle having unused credit cards, closing unused credit accounts can lower your scores needlessly.

How?

Let's say you have 4 credit cards with \$10,000 in total available credit each for a grand total of \$40,000.

Assume your total indebtedness is \$20,000 or 50% of your total limit.

By closing one of the \$10,000 cards that does not have a balance you now have \$30,000 in available credit, \$20,000 of which is used or 67% of the limit.

In credit scoring it is far better to use 50% or less of your total available credit and of course, make on time payments.

### **Mistake # 6 Not Knowing If You'll Qualify For A Loan Before You Apply**

Huh? Don't we just fill out an application and pray we get approved?

That's the way most people do it and it can often lower your credit score with unnecessary inquiries.

Every lender has credit guidelines they live by.

They pull your credit from one credit bureau.

You want to know which one and you'll want to know what YOUR score is with that agency.

They won't lend to people with credit scores below a certain number.

Ask them: What is that number?

Credit scores below a certain number don't get the best interest rates available.

Ask them: What is that number?

If you have something unusual on your report like a bankruptcy or a repossession or six months of late payments you'll want to ask how that affects their decision.

Get the answers to these questions BEFORE you apply for a loan and try to deal with companies that will pull your credit from the bureau where you have the highest score.

**Mistake # 7** Not making the investment in my "How To Own Your Paycheck Again!" program.

This program has helped 18,212 people from all over the world pay off their debts in a fraction of the normal time without pinching pennies!

You'll learn a better way to pay your debts using the money you already use to pay them.

Get all the details at: <http://www.OwnYourPaycheckAgain.com>