



*From the nation's most trusted credit restoration company,  
BlueWaterCredit.com*



**With a video introduction from  
Jeff Sipes, Founder and President**



# TABLE OF CONTENTS

1	Your 2023 Credit Score Handbook Brought to you by Blue Water Credit and your favorite mortgage professional!
2	Ways to improve your financial situation in 2023!
6	10 Ways to Prepare and protect your Finance During These Uncertain Times
9	How much money can you save with a good credit score?
11	How to Increase Your Credit Score in Just 30 Days(So You Can Get the BEST Mortgage Rate!)
16	What's the timeline for credit repair before a mortgage approval?
20	Understanding FICO Scores
25	Will applying for new credit hurt my FICO Score?
27	Skyrocket your credit score 100 points!
30	23 Credit Score stats you should know heading into 2023
34	50 Simple ways to save big money now!
46	The 7 biggest credit score mistakes...and how to fix them.

PRESENTED BY BLUE WATER CREDIT

**IN 2023, CREDIT SCORES  
WILL BE MORE IMPORTANT  
THAN EVER!**

**Brought to you by Blue Water Credit – the nation’s trusted leader in credit restoration.**

In 2023, our economy faces an unprecedented path as we all look towards a brighter future.



What is understood is that the average household or consumer is facing a lot of financial pressure, even as the economy grows and thrives. Stock market volatility, supply chain issues, home buyers being increasingly shut out, skyrocketing personal and revolving debt, cyber-hacks, and, of course, INFLATION, have all strained our budgets and investments.

And with prices seemingly rising every time we visit the grocery store and rates rising from the Fed to credit cards and even mortgages, it’s more important than ever to maintain a great credit score. Not only will a good score help you save money on credit cards, auto loans, and more, but a strong FICO will allow you to qualify for the best mortgage loans available.



**CLICK TO WATCH A PERSONAL VIDEO  
INTRODUCTION FROM JEFF SIPES, FOUNDER  
AND PRESIDENT OF BLUE WATER CREDIT.**

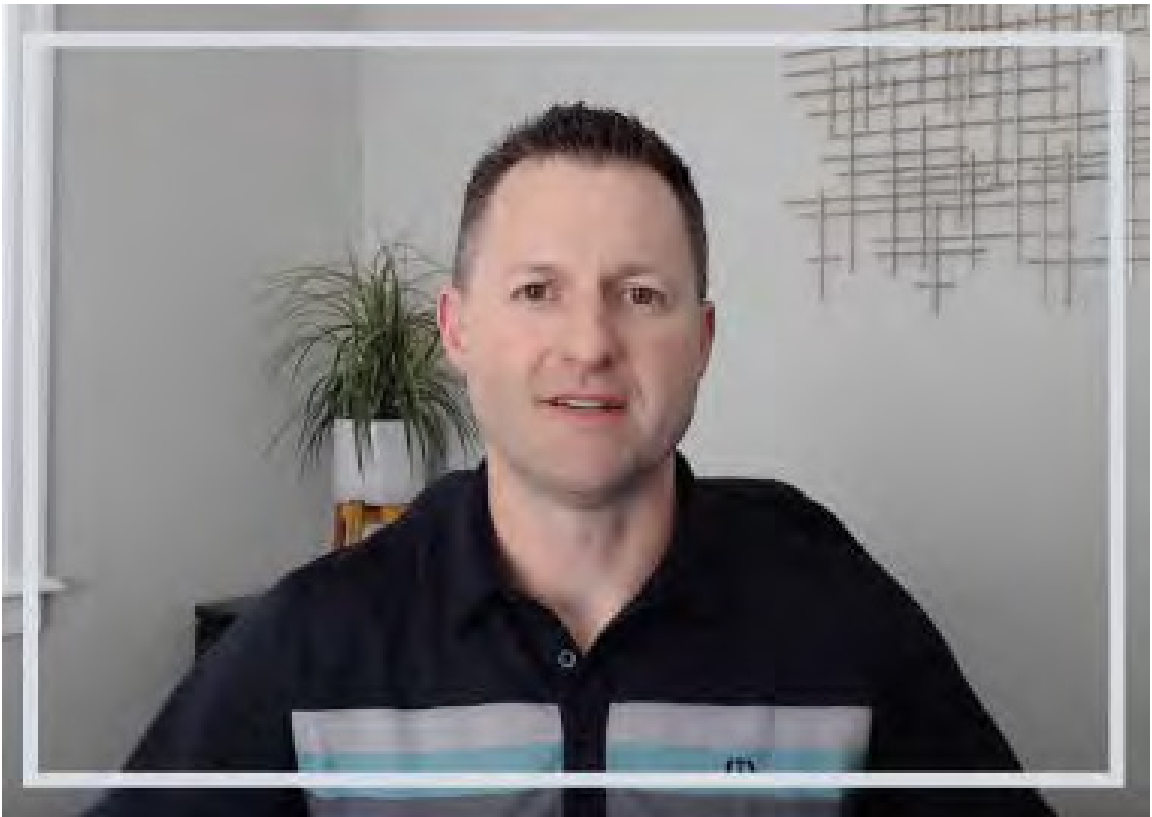
**In fact, a 40-point increase in your  
credit score can save you \$40,000  
on your next home loan!**



Thanks to your preferred lender, Blue Water Credit Repair would like to offer you this 2023 Credit Score Handbook to help you reach your financial goals.

**Blue Water Credit is the nation’s leader in legal and ethical credit repair, and always ready with a free credit analysis.**

Enjoy this guide, trust in the advice of your mortgage professional, and contact Blue Water Credit to boost your score!



## 23 WAYS TO IMPROVE YOUR FINANCIAL SITUATION IN 2023

it's 2023 and we're all looking forward to rebuilding and getting back to normal – and that includes adjusting our personal finances to the tumultuous economy. If you want to make 2023 one of the most financially beneficial years yet, there are things you can do.

Don't wait – get started on this checklist today and contact us if you need any help!

### 1. Track spending

The first step to a better financial picture in 2022 is to track everything you spend, recording and itemizing over a few weeks or even a month.

### 2. Budget

Once you know exactly how much you're spending, it's time to sit down and map out a careful, comprehensive budget. Of course, address areas where you feel you're spending too much.

### 3. Build an emergency fund

As these last two years have proved, life can throw you some unexpected problems that set you back financially. So, it's recommended you have six months' worth of total expenses sitting in reserve, just for a rainy day.

### 4. Pay yourself first!

If you really want to get ahead financially in 2023, you'll have to pay yourself first – meaning you pay bills, pay off debt, invest, and save BEFORE you start spending on non-essentials.

### 5. Automatic savings

To that point, the easiest way to stay disciplined with paying yourself first is to set up an automatic deduction, so a chunk of savings comes out of your paycheck automatically.

### 6. Pay off high-interest debt

Getting ahead financially is darn-near impossible if you're paying minimum payments on high-interest credit cards and other debts. So, make a plan to pay off your high-interest credit card balances first, going down the list as you gain momentum once the first is paid off – a strategy called Debt Snowballing.

## 7. Switch credit cards to personal loan

Som people are opting to consolidate their high credit card debt using personal loans. That may be a good option that pencils out for some people, so check with your local bank.

## 8. Refinance home loans

Sure, rates are not at all-time lows anymore, but after a scary spike to end 2022, they're coming back down nicely. A refinance may help you save a couple of hundred dollars or more off of your current home loan, so why not talk to your mortgage broker and see if you qualify for any savings?

## 9. Look at a 15-year loan

While you're looking into a refinance, consider a 15-year amortized mortgage. With today's record-low rates, you'll be amazed at how much you can save - probably on you monthly payment, but even more so by chopping into your total interest.

## 10. Check your credit report x4 year

Typically, anyone can access their credit report once per year from each if the credit bureaus, Equifax, Experian, and Trans Union at, AnnualCreditReport.com. No matter what, you should be checking your credit report as often as possible, looking for inaccuracies, duplicates, or errors.

## 11. Stay safe from fraud, hacks, and ID theft!

Sadly, identity theft and financial fraud is on the rise, and scam artists are taking advantage of our current challenges. Likewise, cyber hacks and data theft are more threatening than ever, so it's important to take measures to protect yourself and your finances!

## 12. Analyze beneficiaries

Are your beneficiaries all up to date on insurance, annuities, oensions, and other financial instruments? Making sure you set beneficiaries and alternate beneficiaries can save your family and loved ones on a lot of hassle - and cost.

### 13. Write a will and medical directives

Far too few people have a certified will, trust and clear medical directives, and that comes back to cause precarious (and, again, costly) situations for their heirs.

### 14. Refinance student loans

If you're one of the many Americans with student loans, you may have been within some sort of forbearance or amnesty period lately. But there will come time again very soon when your student loans are due every month, so check with your bank, lender, or other education loan programs about options for refinancing to save.

### 15. Organize your taxes

Unemployment benefits, PPP loans, grants, debt forgiveness, and mortgage forbearance will seriously cloud the tax picture come April 15th (unless that date is extended). So, get organized now with paperwork, pay stubs, 1099s, donations, and other documentation, because the word is already out that the IRS plans on increasing audits by 50%!

### 16. Purchase an investment property

If you really want to make a colossal leap forward financially in 2023, consider purchasing a rental property. There are plenty of ways to invest, including going in with partners, but the opportunity to buy with today's low rates is a golden one.

### 17. Max out contributions

If your employer matches any contributions to your 401k or retirement plan, you better take full advantage by maxing out what you put in!

### 18. Educate yourself!

Financial awareness is a lifelong pursuit, and you should commit to read a certain number of books, listen to audiobooks, delve into courses, etc. every week or month. Educating yourself about money is also something you can share with the whole family!

### 19. Side hustle

2023 may be the year you finally add some part-time income to your budget, whether that means taking on consulting, over-time, freelance gigs, starting an online store, or any other passion projects.

20. Stay close to your CPA, financial planner, and mortgage advisor

During uncertain, unprecedented financial times, it's crucial you stay abreast of the most up-to-date and accurate advice possible. And that means leaning on your tax professional, financial planner, and any other trusted sources for information and sage advice

21. Improve your credit score!

Your credit score is more important than ever in 2023, as so much of our financial picture is tied to our scores, from qualifying for a mortgage, credit card interest rates, auto and student loans, insurance, and even maybe getting your dream job. As the nation's leader in legal and ethical credit repair, Blue Water Credit is always here to help!

22. Review other loans

Auto loans, personal loans, and even student loans may be costing you dearly every month, so make sure to review them with your lender or financial institution to see if there are better options available.

23. [Contact Blue Water Credit for a complimentary credit assessment!](#)

We'd love to get started with a complimentary consultation so we can go over your credit profile and see where there's room for improvement – and savings!

# \$201,712

That's the lifetime cost  
of bad credit  
according to  
Liz Pulliam Weston,  
best-selling author &  
MSN Money columnist.





## 10 WAYS TO PREPARE AND PROTECT YOUR FINANCES DURING TOUGH ECONOMIC TIMES

The economy is getting back on track in some ways ( jobs, low interest rates), but in some ways it's presenting monumental new challenges ( inflation, market volatility). And no matter what the greater economy is doing, people often face financial challenges in life with job losses, divorces, illness, or accidents (medical bills are the leading cause of bankruptcy) or even just the car breaking down or the roof leaking.

So, no matter what financial challenges you're facing, we wanted to let you know that there is a help. Here are 10 ways to prepare and protect your finances during any difficult times.

Please note that these programs, resources, and information are changing rapidly, so contact Blue Water Credit no matter what type of help you need!

### 1. Help is available for your credit issues

Understand that you're not alone - there are plenty of programs, resources, and even amnesty for people who are going through hard financial times. So, if you're facing financial setback, don't suffer in silence-talk to your bank, lender, credit card company, insurer, financial planner, and others. And when it comes to your credit score, Blue Water Credit is always here to help!

### 2. Get on board with digital banking

If you aren't set up to bank digitally yet. It's time to get on board. For many of us, we do bank online but maybe don't take full advantage of all the resources available to use. From checking balances to paying bills, transferring money, and even depositing checks with a mobile app, there's really no good reason to drive down to the bank branch and put yourself at risk right now.

### 3. Protect yourself from scams

Scammers, hackers, and thieves are coming out of the woodwork, looking to cash in. Please be smart, stay safe, and confirm before you ever give up sensitive financial information-including password.

#### 4. Set up direct deposit

To simplify the process and eliminate the need to go out in a crowded public place, set up direct deposit with your employer. It may be a great time to allocate some towards saving or investments before you even see the money hit your account!

#### 5. Build cash reserves

We always stress the need to build up a significant savings account or cash reserve, and this is the time to make sure you have at least a few months' worth of bills and expenses (or, ideally, six months' worth).

#### 6. Keep paperwork up to date

While you're at home and (trying) not to stress out following the news, it's a good opportunity to get organized. Go through old files, shredding what you don't need, and also check expiration dates on passports, drivers' licenses, bank and credit cards, and the like.

#### 7. Support local businesses

So many businesses will be impacted by a financial slowdown or even recession, but we can make a huge difference to help our local communities. Make sure you shop, dine, and patronize local businesses, even if it's delivery or pick-up services, and spread the word via social media.

#### 8. Take advantage of low mortgage interest rates

It's not all bad news, as these unprecedented times have also led to near all-time low mortgage interest rates. A refinance may save you significant money long-term and help your monthly budget now! Even if you just purchased your home a year or two ago or don't think you have a lot of equity, talk to your bank or mortgage broker about qualifying for a refinance.

#### 9. Don't liquidate your investments

Investing in stocks and the financial markets works well when you stay the course and invest without emotion, but that means we have to quell our primal nature and NOT sell or cash out during troubles times. The markets always come roaring back, and your investments are for the longterm, so stay the course and let the trusted professionals manage your money.

## 10. Boost your credit score!

Boost your credit score! Your credit score may have been important when the economy was booming, but it's CRUCIAL that you keep a great credit score now, and if the economy dips further. Record-low interest rates on auto loans, credit cards, mortgages, and more are only helpful if you can access them, and that means making sure your FICO is first-rate.

If you'd like to save and need some financial help, contact Blue Water Credit for a complimentary credit score consultation!



**A +**  
**RATING**  
BBB's Business Review rates Blue  
Water Credit LLC **A+** as a non-  
accredited business

## HOW MUCH MONEY CAN YOU SAVE WITH A GOOD CREDIT SCORE?

A little number won't make a big difference, right?

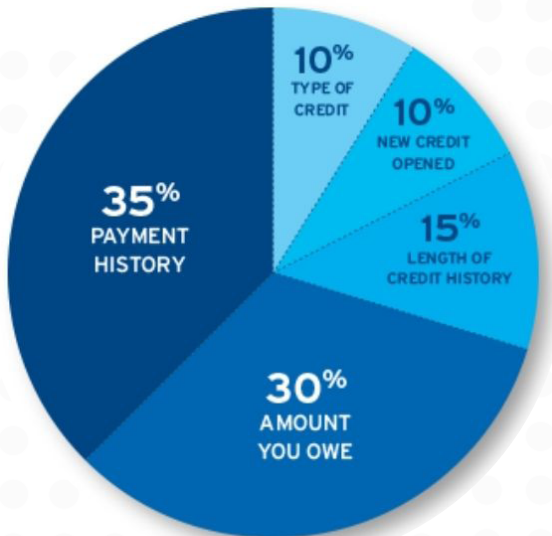
Too often, that's the mentality consumers have when purchasing things and using debt to pay for it, whether it's a new car, putting that big vacation on a credit card, or even taking out a mortgage loan for their house.

Wrapped up in the minutiae and excited about the purchase, consumers often take the first loan that is given to them or don't adequately research or shop around for the best interest rates. But difference in payments you make over the life of the loan can be HUGE!

***Let's start by taking a look at this chart that shows the incredible financial savings with better credit scores:***

To check current estimated rates based on FICO Scores,

Go to: <https://www.myfico.com/loan-center/home-mortgage-rate-comparison/>



***In another scenario, let's look at the savings with auto loans based on your credit score.***

As you can see in the chart above, the difference between a score in the 500s or mid 700s and up can mean paying 15% or 3% interest on a car loan.

On just a \$26,000 car loan, you'll pay a total of \$28,020 total (with interest) if you have a 750+ credit score, but a whopping \$37,140 if your score is mired in the low 500s.

That's a difference of an extra \$9,120 you're paying for the same car - on just a \$26,000 purchase!

How about with credit cards - does a good credit score really save you money?

Credit Card Savings:

Loan amount: \$20,000

Interest Rate: 18.0%

Monthly Payment: \$500

Total Payments: \$31,000

Total Interest Paid over Life of Loan: \$11,000

Or...

Loan amount: \$20,000

Interest Rate: 10.0%

Monthly Payment: \$500

Total Payments: \$24,500

Total Interest Paid over Life of Loan: \$4,500

**Total Savings: \$6,500**

As you can see, increasing your credit score before making a big purchase or taking out a loan can add up to huge savings.

## HOW TO INCREASE YOUR CREDIT SCORE IN JUST 30 DAYS (SO YOU CAN GET THE BEST MORTGAGE RATE!)

Your credit score is all-important these days, the gateway to achieving wealth and financial independence for your family.

That's never more critical than when a consumer is 30 days out from applying for a big loan like a purchase loan or a refinance, as well as car and student loans, obtaining some types of insurance, or even applying for a job.

For that reason, it sometimes becomes critical to boost your score in a hurry to save money by taking advantage of the best interest rates – or even get approved at all. While it's recommended that you monitor your credit and keep a good score all year long, here are seven industry insider strategies to give it a jump start in short order if you need to achieve that goal of 30 points in 30 days. Knowing and following these valuable strategies can help you save hundreds of thousands of dollars in lower interest rates over the life of your loans, helping your family achieve the financial comfort they deserve!

### Strategy # 1 Don't trust the credit bureaus to do their job!

There's a high risk of erroneous credit reporting, which jeopardizes your credit score.

Ordering and scrutinizing your credit report is the #1 thing people need to do if they want to see a 30-point increase in 30 days.

You'd be surprised how many people neglect to obtain and review a copy of their credit report. Why is that so important? A study by the Federal Trade Commission reported that at least 20% of consumers have an error on at least one of their three credit reports (which largely determine your credit score.)

That's 1 in 5 of you who have something glaringly wrong on your credit reports! Those mistakes will cost you dearly – you might not qualify for that home you're trying to buy or even pay hundreds of thousands of dollars more in higher interest rates – all for no reason but the bureau's errors! The same reported estimated that 13% of consumers had credit-report errors that impacted their credit scores. These days, identity theft also impacts about 8%

of the population per year, so it's essential you review all three credit reports thoroughly and address any errors. If you don't know exactly what's hurting you and what needs improvement, it's going to be hard to achieve a 30-point increase within 30 days!

**Bonus Tip:** Blue Water Credit can obtain a copy of your full credit report and examine it with you during their no-risk consultation, which could lead to a huge credit score increase. Contact Blue Water here to schedule your no-risk credit report evaluation here.

**Strategy #2** Fico's top-secret scoring ratios.

Fico's credit utilization ratio accounts for 30% of your score!

The surefire way to increase your credit score in a hurry is to pay down your debt, which improves your credit utilization ratio. But it's so important you do this correctly, because knowing which accounts to pay down and how much makes all the difference between a skyrocketing score and one mired in mediocrity. It's usually wise to focus on paying off credit card debt because the algorithms used to compute credit score weigh credit card debt more negatively. By paying your debt down, you'll improve your "credit utilization ratio," which is the amount you owe versus the total spending limit. While general wisdom is to pay down your debt lower than 30% of your total limit (about \$3,000 or less for a \$10,000 limit), that's actually inaccurate information. It's recommended you pay down to 10% or less. Remember that car loans, mortgages, utilities, and student loans are not counted against the credit utilization ratio, so focus on paying down your credit card debt below 10% for the best quick score boost!

**Bonus Tip:** FICO reports that borrowers with the best credit scores - 785 or higher - usually keep an average of only 7% of their credit card limit!

**Strategy #3** The shockingly simple tactic to increase your credit score by up to 100 points...without paying off debt!

Who in their right mind would tell you to add credit when you're trying to increase your score? We would!

If you don't have the means to pay down your credit card debt immediately, you may want to consider another effective option

A consumer can call up their credit card company and ask for an increase of their spending limit. If approved, the account will immediately show the higher available credit, and your credit utilization ratio will be greatly improved, even without paying down your debt at all! In fact achieving a very low or zero debt utilization ratio can improve your credit score up to 100 points in most cases!

**Bonus Tip:** Make a case to your creditors why you're a good candidate for a credit line increase!

Strategy #4 The counterintuitive trick to paying off harmful revolving debt.

FICO loves installment debt, so use personal loans to pay down your credit cards!

Most people don't have enough money in savings to immediately pay down their credit card debt to boost their score. But there is another option - taking out a personal loan. Your bank or credit union will let you apply for a personal loan based on your total financial picture.

If approved, you can easily use that money to pay down credit card debt. Why is that helpful? Personal loans are factored as installment debt for the credit bureaus, not revolving debt, so your credit score won't take a hit. In fact, it should shoot up as you reduce your "bad" credit card debt and improve your ratios. Additionally, private loans usually have fixed interest rates on average 2% less than credit card debt!

**Bonus Tip:** Ask the bank or lender what their guidelines are for approving installment loans before you apply, which will result in a "hard" inquiry showing up on your report.

Strategy #5 What you don't know WILL hurt you!

Be careful because paying off and closing the wrong accounts can do more harm than good.

Even though you have great intentions, be careful when paying off or closing various accounts from your credit report.



Focus on paying down credit card debt first, but you don't necessarily want to close accounts, which might erase an established account and actually hurt your score! The same thing applies for paying off collections and other accounts - if items are very old, inactive, or certain kinds of installment debts, paying them off could actually make them re-report to the bureaus, and therefore hurt your score. To achieve a 30-point increase in 30 days, we need to make sure you pay off the right debt so you don't move backward!

**Bonus Tip:** Have a professional credit repair company like Blue Water Credit review your credit score with you to find out exactly what you should pay down or off before you do anything!

Strategy #6 The #1 credit score hack FICO doesn't want you to know!

Let someone else do the work while you take the credit! (Pun intended.)

One of the most efficient ways to increase your credit score in a short time is by becoming an authorized user on someone else's credit card. Once you're authorized, the new positive trade line will show up on your credit as if you've had it for the duration. It's important you don't do this correctly - it has to be a credit line in great standing. FICO knows a lot of parents do this to build their teen or college-aged children's credit - and it's perfectly legal practice.

**Bonus Tip:** When becoming an authorized user, choose a credit card that's been open at least 36 months, paid down below 10% of the available credit, and with a perfect payment history.

Strategy #7. Do you hate your cell phone, Internet, and utility bills? We all do... but there's a secret strategy to make them work for you!

Do you hate your cell phone, Internet, and utility bills? We all do... but there's a secret strategy to make them work for you!

Adding unconventional bills and accounts to your credit report can help your score shoot up. A surefire way to build your credit is to add positive accounts that aren't currently being reported. It's your right to request that unreported accounts start being reflected on your credit.

For instance, cell phones, the Internet providers, utility companies, and medical billers often don't bother reporting credit (because it's not mandatory.) But if you ask them to do so, they very well might comply - posting a well-seasoned, positive new trade line on your credit score.

Bonus Tip: Be organized and maintain all records so you can easily fax or email your account information over to the companies you want to report.

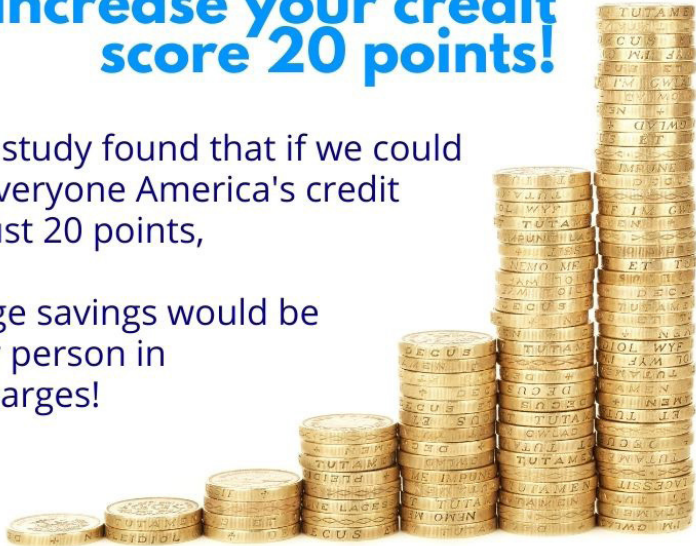
Follow those seven strategies to the letter, and you'll see a huge credit score increase in a short time - maybe even 30 points in 30 days or way more!

## Want to save \$5,000?

### Increase your credit score 20 points!

A national study found that if we could increase everyone America's credit score by just 20 points,

The average savings would be \$5,000 per person in interest charges!



**BLUE  
WATER  
CREDIT**



## WHAT'S THE TIMELINE FOR CREDIT REPAIR BEFORE A MORTGAGE APPROVAL?

Homeownership is still the bedrock of the American Dream, and the simplest path to building wealth that can be passed on for generations.

In fact, the net worth of the average homeowner is exponentially higher than that of the average renter. However, despite that telling statistic, homeownership rates are also near 30-year lows right

**SAVE**  
**\$41,000**  
**ON YOUR MORTGAGE**

That's the amount you can save on your next home loan by boosting your credit score according to a study by a well-known national lender.

**BLUE WATER CREDIT**  
BlueWaterCredit.com



now with rising prices, stagnant real wages, and mounting debt levels holding millions of would-be homeowners exponentially higher than from buying.

Additionally, too many people don't understand how important their credit score is when it comes time to qualify for a mortgage - the first step to buying any home. Even the timing of your credit repair is paramount during the process, as many people start far too late, only to be denied a loan approval or priced out of the real estate market.

So, today we'll map out an ideal timeline for repairing your credit, so you can get approved for a great mortgage and achieve your dream of homeownership.

First, let's start with the fun part: the home. In fact, people often focus on the house when they're just getting started, when they should be worrying about the financing (the mortgage) as well as what's on their credit report.

Sure, looking at photos of listings online and going to open houses is fun, but you're not even close to ready for that step if you haven't sat down with a mortgage broker or lender and gotten preapproved for a loan. And what's

the first thing that mortgage professional is going to have you do? Probably authorize a credit check (as well as gather income information), so they can see what credit score you're working with and what else is popping up there.

Of course, mortgage lenders understand that you can't really make an offer on a home if you don't have a solid loan prequalification or preapproval. Even if a seller would take your offer seriously without one, you'd have a hard time closing on the loan - and the home - within the allotted 30-day escrow period, as it's just not enough time to start from scratch, as there are just too many things that could go wrong.

So, it's crucial that you always talk to a mortgage broker or bank in advance of your home hunting. While this step is absolutely necessary, it also doesn't have to take long, as a lender can get you squared away within a single consultation or appointment if you have your paperwork all organized. However, you should be working on improving your credit score well before that. Although each borrower and home buyer is different, it's recommended that you start reviewing your credit and invest in credit repair at least one year prior to any house purchase.

There are some loans geared towards first-time buyers and people with average or even subpar credit. The Federal Housing Authority (FHA) guarantees certain loans that allow low down payments and much looser credit standards (sometimes even as low as 580!), but they can get expensive as they usually come with Primate Mortgage Insurance (PMI), other restrictions, and a whole lot of hoops to jump through to qualify.

But no matter if you're a first-time buyer or have owned for decades and just looking to refinance your existing mortgage to save money, your credit score is the #1 factor in determining what interest rate you'll be eligible for. Numerous studies of real estate and mortgage data show that the better your credit score, the lower your mortgage interest rate will be, and also the more loan options will be available to you.

So, why should you have the foresight to start looking at your credit report and come talk to us a whole year ahead of any purchase?

Well, the first thing to remember is that even though you may pay all of your bills on time and THINK you're score is excellent, a whole lot of consumers fall victim to identify theft, financial fraud, or just plain mistakes these days. In fact, about 1 in 6 American are affected by data hacks and financial fraud at some point, and about 1 in every 3 credit reports contains duplicates, outdated information, or mistakes.

So, credit repair can help clean up those items (and bring your damages score back up), but that takes time.

Additionally, credit repair before applying for a mortgage consists of two things:

1. Disputing negative information on your report, and
2. Rebuilding positive tradelines and good habits

Number one on that list takes the most time, as each dispute follows a formal process that could take months before we get resolution and the positive effects on your score. In many cases, it takes multiple attempts at disputing the same negative item before it's removed or remedied from your credit, so the timeline can easily take six months or longer.

At that point, we'll also ensure that your score is going to rise as much as possible. We do this by following the best practices and guidelines laid out by FICO and others, such as paying all of your accounts on time (that's a given), having well-seasoned accounts with good history, and introducing the right mix of high-quality revolving and installment loans.

Furthermore, if there are collection, tax liens, judgments, or past financial black marks like bankruptcies, foreclosures, ect., it can certainly take longer to clean those up.

You may also want to pay off some of your debt well ahead of applying for a mortgage and buying a house for two important reasons:

1. Your mortgage lender will carefully analyze your total monthly income compared to the total bills you have to pay on all of your debts (not food, gas, etc.) every month. They'll do this by simply going down the list on

our credit report, by the way. They'll add in the proposed new mortgage payment for the house you're trying to buy (that's how they qualify you for how much you can afford), and the result will be your Debt-to-Income Ratio.

Banks and underwriters need to see your DTI below a certain point, so that often means paying down some of your credit accounts strategically. Again, this could take some time to do correctly if you don't have all of the fund needed just sitting around, or you need a few month's paychecks to replenish your funds for savings and a down payment.

2. Next, the credit bureaus look at your debt level, too but pay attention to your Credit Utilization Rate, which is just a percentage of what you owe against your total available credit.

As a general rule, the lower your utilization rate and the fewer maxed out cards and accounts you have, the better your score will be. So, we may need you to pay off some of your credit cards and accounts to improve your score, which can take time for the same reason as outlined above.

In a perfect world, you already check at least one credit report every four months to watch for fraud or any errors. If you've had a bankruptcy, foreclosure, have serious judgements or other collections, it's a good idea to come talk to us a year or more before you need to qualify for a mortgage.

For most people, we can sit down one year or even nine months ahead of your real estate purchase to go over your credit report, analyze your score, strategically plan paying off debt or opening new accounts, and investing in credit repair to bring it up well within the mortgage timeline - saving as much money as possible.

Please note that these timelines are extremely conservative, as we like to err on the side of caution with something so important. That being said, we've helped plenty of consumers repair their credit, so they can qualify for great mortgage loans when they come to us six months or only 90 days or even 30 days ahead of their home purchase!

## UNDERSTANDING FICO SCORES

Every day, people apply for home loans, credit cards, store retail cards, student loans, and more. When they do, the lender is usually accessing your FICO Scores to help them gauge if you're a good, safe candidate for new debt, and what the interest rates and terms will be once they do approve you.

Your FICO Scores (you have many) show up as a three-digit number that helps rate your risk as a credit consumer. The higher your FICO Score, the more likely you are to pay future debt on time and in full based on your past credit history. But with a low FICO Score, you're signaling to the banks that you're more likely to default, and not a strong candidate for new debt.

### *Where do FICO Scores come from?*

But FICO doesn't actually collect your credit data - they just analyze and summarize it into one set of convenient and accurate scores. The actual data on your credit file comes from three major credit bureaus, Experian, TransUnion, and Equifax.

Millions of banks, lenders, and financial institutions count on FICO Scores to help them make accurate, fast, and impartial lending decisions every day, as FICO Scores are used in over 90% of all lending decisions.

### *Putting a number on your FICO Score*

FICO Scores typically range from 300 to 850, and higher your FICO score, the better. However, there are some versions of FICO Scores used by industries that may run from 250-900.

No matter what the scoring range, the higher your FICO Score, the better, as it signals to lenders that you are a low-risk candidate for future debt and a good steward of your debt and finances. However, when someone's FICO Score is low, lenders may shy away, choosing not to approve that person for a new loan or raising interest rates to cover their risk.

## ***What is a “good” FICO Score?***

There is no one correct answer, as different lenders may have their opinions and ranges of what they considered a favourable FICO Score. For instance, one lender may consider a 730 FICO Score a great candidate for lending, while another may look for a score of 760 or higher for the same program that offers their lowest interest rates. We do know that scores over 720 are generally considered in the good range.

## ***Is your FICO Score above or below the average?***

Across the United States, there are plenty of consumers with great FICOs, and a whole lot with subpar scores, as well. But, if we add them all up, in 2020 the national average for FICO Scores is now approximately 704.

## ***Understanding how your FICO Score is calculated***

Your FICO Score is determined based on data from your credit reports.

FICO relies on data collected, organized, and maintained by the three chief credit bureaus in the U.S., TransUnion, Experian, and Equifax. These credit bureaus not only record your personal information, like your name, Social Security number, address, etc. but update your credit file with your accounts, balances, payment record, and also negative information like delinquencies and public records.

FICO uses the data from these three bureaus to calculate your credit score, although there are several variations of FICO Scores and the information provided by each credit bureau may differ slightly. While we don't know the exact complex algorithm that FICO uses to calculate your score, they do share a basic version that breaks down five major factors that influence your FICO score.

This information is so important since a good FICO score will help you save money, access lower interest rates, and generally give you better financial options when it comes to debt and lending.



## ***So, what goes into your FICO score?***

No matter how different our financial situation may be, our FICO scores are all tabulated exactly the same, based on five broad categories of consumer credit behavior.

### ***5 Factors that go into your FICO Score:***

- 1) Payment history
- 2) Amounts owed
- 3) Length of credit history
- 4) New credit
- 5) Credit mix

FICO also lets us know roughly how much each of these categories factors into scoring, as they are not weighted equally.

For instance, Payment history is the most important factor for FICO scoring, which makes up about 35% of your individual score.

### ***How much do these factors influence your FICO Score?***

- 35% Payment history
- 30% Amounts owed
- 15% Length of credit history
- 10% New credit
- 10% Credit mix

### ***Everyone's FICO calculation is a little different***

Remember, too, that this is an oversimplification, and everyone's credit picture is dynamic and treated differently. For instance, someone with a great FICO score (like a 750) may see their score take a bigger hit if they miss one payment than someone with a below-average score, like a 620, if they do the same. FICO's algorithm accounts for all of this, as their intent is to gauge the future risk of defaulting for creditors and lenders.

Here is a breakdown of these 5 factors that make up your FICO Score:

### ***Payment history (35%)***

FICO gives huge credence to your payment history, as your track record with paying on time is (of course) the biggest predictor of future payment behavior. Therefore, payment history typically makes up more than one-third of your score, and making payments on time (and in-full) is crucial for keeping a great FICO.

### ***Amounts owed (30%)***

Another important factor for tabulating your credit score is the amounts you owe. It's not necessarily the total amount of debt you owe that may improve or lower your score, but the proportion of your debt balances compared to the total available credit for that account (utilization). When banks and lenders see that you are maxed out and have used up most or all of your available credit, it signals to them that you are having financial problems or not a good steward of your finances, so keep your balances low and don't max out credit cards.

### ***Length of credit history (15%)***

FICO looks for well-established accounts that have been open for a while, rewarding a seasoned track record with a higher credit score. Of course, it's possible for people with newer credit accounts to have a top-notch FICO score or consumers with long-time accounts to have a low score (especially if they've missed payments). But, in general, FICO likes to see older accounts, more time since you opened your newest account, and active use of accounts.

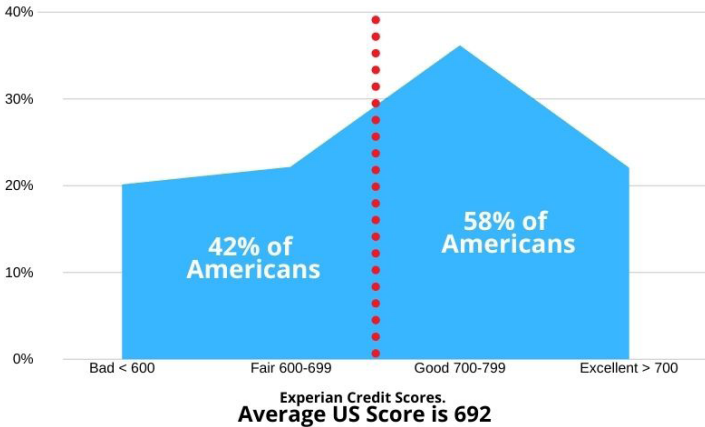
### ***Credit mix (10%)***

FICO scoring algorithms reward a well-balanced mix of accounts on a consumer's profile, such as a blend of credit cards, installment loans, mortgages, and more. In fact, your credit mix can account for about 10% of your credit score.

## New credit (10%)

Your use of new credit factors into your FICO score, although only about 10%. For instances, if you suddenly start applying for multiple new credit cards and loans, it may be viewed as risky financial behavior, and therefore your score may fall.

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## WILL APPLYING FOR NEW CREDIT HURT MY FICO SCORE?

Applying for new lines of credit may alter your credit score slightly, but you most likely won't see a big change.

However, those who see a drop in score are usually applying for multiple credit cards within a short window of time, which causes several inquiries to hit your credit report. That may signal higher risk and your score will dip slightly accordingly - but only incrementally and temporarily. However, "shopping" for auto loans, student loans, and mortgages within a period of time most likely will not affect your credit score, as they probably will all be considered a single inquiry.

### *Understanding credit inquiries and "rate shopping"*

Whenever you fill out an application for a lender, you are authorizing them to access your credit records, which counts as an "inquiry" with the credit bureaus. If you look at your credit report soon after, you'll see that those credit inquiries are listed there. FICO realizes that responsible consumers will look for the best deal, rate, and terms on high-ticket items like home loans, auto financing, or student loans. Therefore, they allow for these inquiries made within 30 days to count as one single inquiry - negating any negative effect on your score.

So, if you are "shopping" for a home loan, car loan, or student loan, don't be hesitant to have lenders pull your credit, causing inquiries, but be aware that you want to keep all of them within a 30-day window or less.

But you should be aware that this rate-shopping period not always 30 days. For older versions of FICO Scores, it was only a 14-day window, and the newest versions of FICO Scores allow for 45 days of inquiries to count as one.

Of course, each lender chooses which version of FICO scoring they will use when calculating scores, so that is largely out of the consumer's control.

## ***How much can credit inquiries drop your score?***

Since each person has a unique set of factors based on their credit data and history, FICO's algorithm will affect each consumer slightly differently. However, we do know that typically, inquiries have little impact on FICO Scores.

In most cases, a credit inquiry will take about five points or less off their FICO Score - not a big blow considering that FICOs range from 300 to 850.

Of course, if you have a less-established credit history, are short on accounts, or the new inquiries start adding up, your score could be impacted more.

Remember that it's all about gauging risk, and statistics prove that consumers with six inquiries or more on their credit reports are eight times more likely to declare bankruptcy.

Now you're armed with some great information and analysis about the state of credit scores in 2023, particularly in terms of applying for a mortgage.

Remember that Blue Water Credit is the nation's trusted leader in legal and ethical credit repair, and always ready with a free credit analysis whenever requested.

Just contact us at:

- 916-315-9190
- [contact@bluewatercredit.com](mailto:contact@bluewatercredit.com)
- [www.BlueWaterCredit.com](http://www.BlueWaterCredit.com)

Sincerely,  
Jeff Sipes  
Owner/President Blue Water Credit

### **GET IN TOUCH WITH BLUE WATER CREDIT!**

☒ 916-315-9190

☒ [contact@bluewatercredit.com](mailto:contact@bluewatercredit.com)

☒ [www.BlueWaterCredit.com](http://www.BlueWaterCredit.com)



*Blue Water Credit*  
The leader in legal  
and ethical credit repair.

Address: 311 Judah St Suite 200 Roseville, CA 95678

## Skyrocket your credit score 100 points!

There's no doubt that a great credit score saves you money, from your mortgage to credit cards, student loans and even getting that dream job. But sometimes you need to improve your credit score by a significant amount really fast.

Maybe you found your dream home and need a credit score boost quickly before qualifying for a mortgage? Or you're applying for a great job that requires a credit score check, but someone missed that last credit card payment?

And while it's an incredibly ambitious mission to raise your credit score 100 points in just 30 days, it's not impossible. Everyone's credit report, history, and therefore, situation, is different, but we've helped clients achieve a 100-point increase in just a month. And remember that even if you try and fall short, a 50 or 70-point increase in just a month is pretty remarkable – and helpful!

So, here are our 7 best tips for boosting your score 100 points in 30 days:

**SKYROCKET**  
YOUR CREDIT SCORE BY  
**100 POINTS IN 30 DAYS.**



IT'S NOT EASY - BUT IT IS POSSIBLE - WITH  
**Blue Water Credit**

### **1. Lower your Credit Utilization rate.**

A big part of your credit score (30%) is based on your Credit Utilization, or your revolving debt balances compared to the available credit.

Across the industry you'll see advice to keep your Credit Utilization below 30% (so if you have a \$10,000 credit card, keep the balance at or below \$3,000).

But ideally, to boost your score quickly, you should lower your Credit Utilization even more, down to 10% or less. Research shows that consumers with elite (800+) credit scores keep an average utilization of 7%.

### **2. Pay down debt – or request a credit line increase.**

We talked above about the importance of lowering your Credit Utilization rate to bump up your score.

There are actually three ways to achieve this: you can either pay off your debt (ideally) or call your credit card companies or lenders to ask for a credit line increase, which will achieve the same thing – improve your Credit Utilization.

### **3. Apply for a new credit card.**

You have other options for improving your Credit Utilization – like applying for a new credit card. Of course, you have to do this correctly and make sure you don't have too much revolving debt already, so it's best you contact Blue Water Credit and let us analyze your credit report first.

#### ***4. Pay off your revolving debt with a personal loan.***

There's yet another option for paying down your credit cards and revolving debt to lower your Utilization – use a personal loan. A personal loan issued by a reputable bank, credit union, or lender will essentially allow you to pay off (or pay way down) all of your debt into one place with a consolidation loan.

Not only will this improve your Utilization but has the added bonus of improving your Credit Mix, which accounts to up to 10% of your score.

However, again, always check with Blue Water Credit to make sure a personal loan or any debt pay-off will actually help, not hurt, your score.

This is our own personal preferred lender for personal loans for clients: with this link, you can get prequalified so it doesn't affect your credit.

Or if you have a good-to-great credit score already, you can prequalify for a personal loan here.

#### ***5. Protect yourself from identity theft.***

Unfortunately, identity theft, data hacks, and online identity scams are on the rise. So, to protect your score and credit, sign up for credit monitoring and ID theft protection. Here is the absolute best one on the market:

<https://www.identityiq.com/creditpreferred.aspx?offercode=431266LU>

#### ***6. Add rent, utility, and phone payments to your credit report.***

Normally, certain payments are not reported to the credit bureaus and therefore don't show up on your credit report or affect your score, like rent, utilities, and cell phone payments. However, there are ways to request these accounts are reported to the bureaus and help your score, with your entire history of on-time payments showing up.

Contact Blue Water Credit to hear more about adding these non-traditional payments to help your credit score.



## ***7. Have Blue Water Credit dispute outdated, inaccurate, or erroneous info on your credit report.***

Normally, certain payments are not reported to the credit bureaus and therefore don't show up on your credit report or affect your score, like rent, utilities, and cell phone payments. However, there are ways to request these accounts are reported to the bureaus and help your score, with your entire history of on-time payments showing up.

Contact Blue Water Credit to hear more about adding these non-traditional payments to help your credit score.

## **23 Credit Score stats you should know heading into 2023**

2023 is here, and with the new year, we're all a little more focused on watching our budgets more carefully, paying off debt, and improving our credit scores.

So, Blue Water Credit – the nation's leader in legal, ethical, and highly-effective credit score solutions, wanted to bring you these 2023 credit score statistics for the new year.

1. As of this year, the average US FICO credit score was 716.
2. Approximately 26 million US adults – or about one in ten – are “credit invisible,” which means they lack a credit history.
3. Of those, around 19 million adults don't have a credit score at all.
4. The breakdown of average credit scores by age group is the following:

Ages 18-23: 674

Ages 24-39: 680

Ages 40-55: 699

Ages 56-74: 736

Ages 75+: 758

5. Looking by generation, here are the average credit scores:

Generation Z: 674

Millennials: 680

Generation X: 699

Baby Boomers: 736

Silent Generation: 758

# 23 CREDIT SCORE Stats

YOU SHOULD KNOW IN

# 2023

**Blue Water Credit**

There are even clear patterns to credit scoring based on borrower income, as follows:

\$30,000 or less per year: 590

\$30,001 to \$49,999: 643

\$50,000 to \$74,999: 737

7. To qualify for a FICO score, you must have at least one credit account, like a credit card or car loan, etc., that's been open for at least six months and at least one credit line or account that's been reporting to the credit bureaus for at least six months.

8. FICO scores range from 300 to 850.

9. Anything above 800 is considered an exceptional credit score.

10. Of course, 850 is a perfect credit score.

11. Yet only 22 percent of US adults have a credit score of even 800 or more.

12. Anything below 580 is considered a poor credit score, 581-669 is a fair credit score, and between 670 to 739 is a good credit score.

13. Americans have seen steadily improving credit scores. In fact, from 2010 to 2020, the average FICO score increased by about 24 points.

14. In real numbers, in 2010, the US average FICO score was just 687, but today it's 711.

15. We're definitely not checking our credit scores enough! In fact, 54 percent of US adults admit to NEVER checking their credit scores.

16. And only 21 percent of those polled say they check their credit score on a monthly basis.

17. Another study revealed that only 33 percent of adults had checked their credit scores within the past year.
18. Only 11.1 percent of US adults with a credit score have a FICO between 300 and 549.
19. Why is it so important to track and report credit history and usage? Data shows that about 61 percent of people with low or poor credit scores will miss payments and fall behind on their loans!
20. However, a solid 59.2 percent of US adults have FICO scores in the range between 700 and 850.
21. Residents of Minnesota have the highest average credit score of any state (739), while Mississippians have the lowest average credit score (675).
22. As a general guideline, here is the absolute minimum credit score required to buy a home with these loan programs:
- Conventional Mortgage: 620
  - VA Loan: 580
  - FHA Loan With 3.5 Percent down: 580
  - FHA Loan With 10 Percent down: 500
23. For help building your credit score and boosting your score, the #1 company in the industry is Blue Water Credit, the nation's choice for legal, ethical, and highly effective credit score help!
- Contact us if you have any questions, would like a risk-free credit consultation, or are ready to see your score skyrocket in 2023!

## 50 Simple ways to save big money now!

In 2022, our economy took an unforeseen turn, leaving us with a battered stock market, rising mortgage rates, and inflation raging out of control. In fact, inflation soared to over 9% year-over-year, the highest rate of price increases since 1981.

Whipped up by a perfect storm of pandemic-era stimulus ending, supply chain issues, war in Ukraine, and a record bull market, food, gas, energy, and housing (plus anything tied to an interest rate) are costing us a lot more these days.

In fact, the average U.S. family is now paying \$423 more for the exact same goods and services than they were a year or more ago. For many of us, that's just the start of how pricey normal life is right now when you add it all up.

And as our Federal Reserve aggressively hikes its benchmark lending rate as a means to slow inflation, that only means our mortgage rates, credit card interest rates, and other loans are costing us far more.

So, what's a person to do in 2023?

Fortunately, you can take action to assess and address just about everything you spend money on. Today, we're going to propose 50 ways to save money for this year and beyond. Some of them may seem relatively small but add it all up, and I estimate the average family can save 5%, 10%, or even 20% off their monthly bills and spending just by going down this list!

It's not the perfect fix – and will take sacrifice and diligence – but it sure will help you ride out this wave until we see more stable economic conditions very soon.

As always, Blue Water Credit is committed to helping you through the highs and lows when it comes to debt, credit scores, or providing sage personal finance advice and resources.

So, here we go with our big list to help you save 5%-20% off your monthly budget!

# Blue Water Credit's **BIG LIST** OF WAYS TO **SAVE MONEY!**



**1.** Save money on gas...by not driving so much. You're not going to love this suggestion, but we never said they'd all be popular. The fact is that you can save significant money on gasoline – one of the costs that have risen the fastest – with some careful planning and discipline.

Why not carpool with coworkers or school friends even once or twice per week? Can you take public transport conveniently every now and again? Or how about bicycling to work?

**2.** Even if those aren't viable options, just planning your trips in combination with needed visits to the grocery store, mall, gym, etc. will help conserve at the pumps.

**3.** You may be able to save at your local or favorite gas station by signing up for their fuel savings program. These are free to join and can sometimes save you 5 or 10 cents off every gallon when you fill up. Some of these even have convenient apps for your mobile phone with other benefits.

**4.** Another way people save is by tracking gas prices on many of the apps or websites to see who has the lowest prices locally for that day. Even a membership at a whole-sale club like Costco can save you big at the pumps, as they often have inexpensive gasoline.

**5.** Renegotiate your car insurance. Auto insurance is one of the things that we usually "set and forget," but it's also one of the big-ticket items on our budget.

Whether you use an insurance agent/broker or just do your own research and go it alone, make sure to check for savings yearly or even every six months if you're driving less, have a clean record, etc.

**6.** Review all of your insurance! Come to think of it, pull out your statements for homeowners insurance, rental insurance, hazard insurance, etc. and make sure you're not leaving savings on the table.

**7.** Wait, mortgage rates have gone up, right? Yes, that is true, but maybe your situation has changed? Maybe you bought a few years ago and you're already sitting on a mountain of equity. Could it be possible that you take cash out of the property to pay off other expensive debt? Or maybe an Adjustable Rate Mortgage (ARM) or even a 15-year fixed saves you more money based on your needs and goals?

It's time to check in with your favorite mortgage broker – but be sure to call Blue Water Credit first to ensure your score is primed for the best loan savings!

**8.** Track your spending. This is one of the most important steps to saving money – but one that most people just can't get through. Make sure to pull every statement, receipt, and bank record, adding up a true accounting of what's going out every month.

Even better, use an expense tracking app for a month or so for an accurate picture of what you're shelling out. You'll probably see some numbers that shock you – and opportunities to save!

**9.** Review/Cancel your unwanted apps and subscriptions. Right now, brands and companies have become sneaky-good at taking your money on a monthly basis – without you even realizing it for the most part. The majority of Americans are paying for an online application or subscription on their smartphone, etc., but keeping track of these costs (and canceling them!) can be much more confusing.

Monthly charges for apps and subscriptions can also add up really quickly, with a lot of fine print (that you never read) giving them license to charge you yearly renewal fees, upgrades, and other unexpected charges.

In order to clip a seemingly small but ongoing segment from your monthly budget, take the time to review all of your app purchases and online subscriptions. There are also great services that can help you track and cancel unwanted purchases like these.



**10.** Call your utility companies. Aside from shelter, food, and transportation, utilities are the next biggest expense for most people. So, shop around to see if there are alternatives to your current electricity, heat, water, etc. providers. There usually is a smaller or more local company that can compete. If not, call your current utility provider and ask for a discount or new plan that saves you money every month.

Pro Tip: The #1 best way to get a discount or price adjustment from any company is by telling them you are quitting/switching services. Ask to speak to a manager in the Retention Department for the most effective price cutting.

**11.** Protect yourself from scams and identity theft. It seems like every year, we warn you about the rising prevalence of online scams, fraud, identity theft, and data hacks. And every year, the rate at which Americans become victims of this illicit activity seems to double. The same is true this year, as now it's estimated that nearly 1 in 10 people will be affected this year, at the cost of roughly \$900 per instance.

The best way to save yourself money in the long haul is to make sure you're NOT a victim! Contact us for more information about online safety, credit monitoring, and the BEST easy identity theft tools we've seen available today.

**12.** Food costs are the #3 or even #2 expenditure for most households (or #1 if you have teenagers!). And food prices – whether at the grocery store or eating out at restaurants – have skyrocketed with overall inflation.

Of course, you have to buy food, and we're not suggesting you scrimp on...well, scrimp on your shrimp (sorry, I couldn't resist!). But we do have some suggestions on how to cut 5%, 10%, or even 20% from your food budget.

**13.** For instance, did you know that 40% of the food in your kitchen is wasted or tossed out?!

Therefore, keep a close accounting of what food you buy, what's used, and what's wasted over a period of a couple of weeks. Just like we're suggesting you carefully track your financial expenses, audit your food use and waste. You'll naturally and organically (did it again!), identify a few areas where you're wasting money on food that's not even eaten or can be saved for later.

- 15.** Buy bulk. You can also save 30-40% on your total grocery bill by buying certain staples and food items in bulk. As long as it doesn't go bad and your family uses/eats it (and you have room for storage), you'll save money in the long term by buying certain things in bulk and at discount clubs like Costco, Sam's Club, etc.
- 16.** Have a "shopping partner." In fact, it sometimes saves (and is fun) to have something I call a shopping partner, a friend, neighbor, or other family members in your area. Between the two of you, you can split bulk purchases, cash in on two-for-one deals on goods and services, and exchange ideas, information, and resources that will save cash for both of your households.
- 17.** This shopping partner can also serve as an accountability partner, making sure you stick to your budget and are on track for your financial goals. Of course, personal finances are a private matter, but there are still ways you can utilize each other for accountability without disclosing your income or amount of credit card debt, for instance.
- 18.** Change up where you shop. If you only head to the same high-end grocery store to buy everything on your shopping list every week, you're probably wasting a whole lot of money. Why not buy those cleaning products at the Dollar Store? Or all of those frozen and non-perishable foods in bulk at Costco? I know you're short on time, but a little planning and organization will actually save you a surprising amount of money!
- 19.** Buy store and generic brands when possible. When you stand there in your grocery store's aisle and look at the shelves, the items on eye-level are the ones they WANT YOU TO BUY – the more expensive, high-end brand items. That's great for some items but be sure to look way down towards the floor – that's where the generic brands and store labels hang out, which usually save you 25-50% for the exact same contents!
- 20.** Buying groceries online can also help you save, as you're more likely to buy only the things on your (carefully planned) list without the pressure, rush, or other external factors that impact you when you're standing there in the supermarket. Buying online will also let you look for better deals and discounts online as well as avoid those expensive impulse purchases that stores entice us with.

**21.** Turning from your kitchen to eating out, we have a few ways to save you when it's time to break bread at your favorite restaurant. We'll never tell you to avoid restaurant meals altogether, but it can get darn expensive for families to dine out these days.

Therefore, a little planning and caution can definitely save you big.

**22.** If you have a favorite restaurant, go to their website – they probably have discounted gift cards you can buy, cash back, specials, or even membership clubs that save you money or throw extra goodies your way.

**23.** There are plenty of third-party websites like Raise and CardCash that allow you to buy discounted gift cards for restaurants – or just about anything else!

**24.** Do a quick online search on the way to the restaurant (unless you're driving!). For big franchises, you may see discount codes, coupons, or special offers scattered across the internet.

**25.** Some restaurants have a nightly or weekly special, which can really save you.

**26.** It probably will also save you to have your family dine-out nights during the early week or off-nights when the restaurant is not as packed and busy – they'll probably offer some sort of special.

**27.** If you really want to crunch the numbers, order your favorite dish but just drink water: restaurants make a surprising amount of their profits by selling soda, teas, beer, and wine!

**28.** Back at home in your living room, give a quick audit of your cable TV bills. My guess is that it's probably ridiculously overpriced. Shop around online for competitors and special deals if you switch, and give your current company a call to break up with them. Once they know you're serious and get you to Client Retention, they'll probably throw a great sweetheart offer at you that saves you a chunk of change.

**29.** Even better, cancel your cable and just go with streaming services like Netflix, Hulu, and the many, many others. You'll pay pennies on the dollar compared to standard cable.

**30.** But we also tend to amass quite a lineup of streaming services, so make sure you have only the one(s) that are most popular and used with your family.

**31.** That being said, do the same with your home internet service.

**32.** And I'm 100% sure that you're wasting a lot of money on your phone plan.

While most people sign up with the big internet providers that lock you into an expensive 100-year contract, there are some incredible money-saving alternatives. For instance, did you know that Wal-Mart offers one of the best phone plans you'll find? Yes, Wal-Mart! You can switch any phone from any provider, your contract will only be month-to-month, and you'll probably pay around \$30 for unlimited internet for your phone or special family bundles. Try it!

**33.** Make sure you have cash reserves. The best way to save cash...is to have cash. I'm only half-kidding because keeping solid savings or a rainy-day fund is a lifesaver when the car breaks down, the roof leaks, or life throws you other curveballs. If you don't have about six months' basic expenses put away, you'll surely turn to your credit cards when things go south – or worse, take out payday loans or financing that will cost you far more in the long term.

**34.** Do a low-spend week or month. This won't be popular at first with your family, but engage in a low-spend weekend, week, or even month. The key is to make it like a game, getting everyone tied into an overall goal, tracking that so everyone can see, and offering some reward or reinforcement if you all reach that goal. And once it's over, the "normal" spending will feel like a vacation to everyone!

- 35.** Get a cash-back credit card or start playing the points game. While this definitely can save you money, be careful because you'll need the organization and discipline to pay off your credit card every single week/month to avoid interest charges.
- 36.** Quit the bad habits! Smoking, guzzling a six-pack of craft beer every night, or your "shopaholic" impulse purchases are costing you dearly. Cut out the bad habits – and start spending!
- 37.** Address that high-interest credit card or loan. As part of your debt management plan, sit down with all of your credit card or loan statements and make a spreadsheet that includes interest rates, balances, fees, APRs, repayment timelines, and more. You'll see some glaring numbers that are costing you dearly!
- 38.** Address those by calling your credit card companies or lenders and asking if they can do something to reduce those payments since you're a great customer, or consider transferring your balances to a low-interest card to consolidate. There also may be consolidation loans or personal loans that allow you to pay off higher-interest debts and lower your monthly payments. (But be careful because that may hurt your credit score so contact us first!)
- 39.** The other options for paying off your debt are snowballing or stacking, which call on you to accelerate payments to your higher interest or higher payment debts first. There are a few strategies and ways you can do this, and even free software and apps that allow you to track your debt payment plan. No matter how you do it, it may take a little pain and sacrifice at first but soon free up some big sums on a monthly basis. By then, you'll be ready to pay off your next high-interest credit card and keep the snowball rolling!
- 40.** Americans give a lot of money to charities, non-profits, and religious organizations, and we applaud you for giving of yourself. But if the budget is a little tight and you need to cut back for a while, you can still manifest your philanthropy by volunteering your time or even professional services for charities, not money.

**41.** It's vacation time! You definitely don't want to cancel your vacation this year, even though the budget is tight. But with the astronomical cost of hotel stays and airline tickets these days (as well as everything else!), it may not be the ideal time to blow through \$5-\$10,000 just for a weeklong family vaca. Instead, think about doing something in nature closer to home – like a wonderful camping (ok, or glamping) trip. You can pack up the car and drive there and stay search Airbnb for accommodations instead of fancy hotels. With the savings, you can probably go on a few vacations and still save!

**42.** Team up with neighbors, family, or friends on big purchases. We all have a garage full of “STUFF,” and yet we use that STUFF pretty rarely. So, the next time you have to buy a lawnmower, power washer, ladder, or any other big purchase that won't be used daily, why not split the cost with a neighbor or friend, sharing its use?

**43.** Keep driving that used car! Aside from our mortgage or rent, a good portion of our monthly outflow usually is sitting in the driveway, with the average new car payment now \$648 and a sticker price of more than \$47,000 (\$64,000 for luxury cars!). That's a lot of green for something that depreciates quickly and constitutes a big part of your budget. So, to save a whole lot of money, keep driving your current car for a couple of years if it's running well. It's not glamorous, but it will certainly pay dividends, especially if you can pay your loan off, which is when you really start to recoup the cost.

Then, when you're ready to buy, shop around with your bank or financial institution for the best low-interest auto loan on a solid new vehicle or used car that's 2-3 years old, which is when it depreciates the most.

**44.** Check in with your tax planner and financial advisor. It's always a good idea to check in with your financial team, especially before you make any major money moves or if there's been a significant change in your financial situation. Their sage advice can definitely save you a lot of money in the long run!

**45.** Pack your lunch (and coffee). Most of us are so busy that we just hit a restaurant, café, or delivery for lunch at work, as well as a coffee or two from Starbucks or our favorite coffee shop every day. Add it all up, and that could be \$150 or more per week or \$600 per month – and that’s per person who’s working in your household. So, why not do a little planning and meal prep a couple of times per week and bring a great lunch to work at least four days per week? It will save you a ton of money, you’ll be far less rushed, so you can use your lunch hour to sit in a park or even at the gym (instead of driving to a restaurant and waiting), and you’ll also eat a lot healthier. And the same thing for coffee – just bring a thermos of your favorite high-quality coffee made at home for real savings.

You don’t have to do this every day, but even 3-4 days per week will cut your weekly work food bill in half!

**46.** Refinance your mortgage! One of the big-ticket items where you can really save is your home loan payments, so it’s worth contacting your favorite mortgage broker to review your options. At worst, they will tell you there’s no chance for savings and you haven’t lost or spent anything. But they may deliver the good news that a refinance can actually save you a big chunk of change!

And even though the days of record-low interest rates are gone, there are still plenty of ways to save, such as a 15-year mortgage, adjustable rate mortgage (ARM) if you think you’ll be selling or refinancing again in a few years, dropping mortgage insurance, or even taking cash out of your home to pay off debt.

**47.** Make bi-monthly mortgage payments. The biggest purchase you’ll make in your life isn’t your home. Instead, the biggest purchase is always the LOAN you use to buy the home. That’s because the average person pays \$1.25 to \$2.00 in true cost for every \$1 they borrow thanks to interest. So, that \$500,000 may cost you \$800,000 when you add up all of those mortgage payments over 360 months.

**49.** Save automatically. This simple tactic may not seem flashy but will set the path for financial success no matter what your income, investments, or situation. As your paycheck hits your bank account, set it up so a certain percentage goes into a dedicated savings account. After the initial adjustment, you probably won't even miss it, and after six months or a year, you'll be impressed with how much of a rainy-day fund you've amassed!

**50.** Delay purchases with the 30-day rule. Are you at the mall and you really love that new handbag? Or you see a crazy cool pair of sneakers online? How about that new expensive mountain bike that's on sale at your local sports store? While we all love new, shiny things, the key is not to get swept up in impulse purchases that aren't well thought out and planned. So, some financial planners recommend a 30-day rule for big purchases; if you see something you want, wait one month before you pull the trigger on buying it. By then, you'll know if you really want it or the desire to own it (and spend all that money) fades. (Of course, a one-week rule is fine, too!)

## **BONUS TIP:**

For real savings, boost your credit score! Your credit score may have been important when the economy was booming, but it's **CRUCIAL** that you keep a great credit score now, and if the economy dips further. Record-low interest rates are gone for the time being, and many of us are paying a whole lot more on a monthly basis for the same auto loans, credit cards, mortgages, and more.

In fact, recent research has found that even the relatively small difference between a good and mediocre credit score will save you about \$45,000 over the course of your life. (Now imagine how much you'd save with a great credit score!)

The best way to combat inflation is to increase your credit score as much as possible, allowing you to qualify for the best possible interest rates, plans, and offers. Even insurance, utilities, cell phone plans, and getting your dream job may be impacted by credit score these days, so be sure to make sure your FICO is optimized.

If you'd like to save and need some financial help, contact Blue Water Credit for a complimentary credit score consultation!



## The 7 biggest credit score mistakes...and how to fix them.

We're all facing a little financial uncertainty these days, with skyrocketing household debt, rampant inflation, and a volatile economy. As interest rates rise and a recession looms, your credit score is more important than ever. In fact, managing your credit and debt to ensure a great FICO Score will save you huge amounts of money every year.

However, the opposite is true, too, as making these common mistakes can really sink your credit score and thwart your family's finances.

### 1. *Paying late.*

So, you were super busy last week, and it slipped your mind to send in that mortgage/credit card/car loan payment on time. It only arrived a couple of days late and you paid the full payment, so it shouldn't be a big deal, right?

Wrong. By paying past the due date, you may have caused catastrophic damage to your credit score, and that damage may haunt you for a full seven years.

In fact, paying on time makes up 35% of your FICO Score – the most important single factor. Not paying all of your debts and bills on time is the single biggest credit mistake we see people making, again and again.

#### *The fix:*

Set up an auto payment on your credit cards and debts online and set a reminder on your phone or calendar to make sure they went out on time.

And while you're supposed to pay by your account holder's due date, they likely don't report a late payment to the credit bureaus for up to 30 days. So, if you did make a mistake and missed a payment, call them up immediately to plead your case, pay up-to-date, and request that they don't report to the credit bureaus.

## 2. *Maxing out credit cards.*

Spending up to the limit on your credit cards can also have a seriously detrimental effect on your credit score (not to mention on your finances). When you look at how your credit score is calculated, something called Credit Utilization Ratio is the second most important factor, accounting for 30% of your scoring.

Utilization for short, it simply indicates your current debt balance compared to the total available credit – what you’ve spent versus your total. To maintain a good credit score, this utilization percentage should be around 30% or less (you only owe \$3,000 on a credit card that has a \$10,000 balance). But for those consumers with great credit scores, research shows they keep their balances below 10% of the total credit available – a 10% utilization ratio.

Blowing past 10% and 30% on the way to a 100% utilization ratio when you max out your credit cards will only hurt your score since Credit Utilization accounts for 30% of your FICO Score.

### *The fix:*

Keep your credit card balances below 30% or 10%, ideally. But if you can’t pay down your debt right now, consider asking for a credit line increase BEFORE you max out your card – it will improve your utilization rate so your score shouldn’t be impacted as much once you spend up your card (which won’t be maxed out anymore).

## 3. *Applying for new credit too frequently.*

Do you regularly say “yes” to credit card offers and “special” deals that are sent to you? Applying for all of those new cards or accounts can have a negative impact on your credit score. According to FICO, new credit (and applying for every card under the sun) makes up 10% of your FICO Score.

Research shows that opening several credit accounts in a short amount of time represents a greater risk—especially for people who don’t have a long credit history.

### ***The fix:***

If you NEED a new credit card, auto loan, mortgage, etc., it's best to do all of your research beforehand, then apply selectively and within a 30 day span or so. When lumped together because you're "shopping around," these credit pulls won't negatively affect your credit score.

## **4. Making only minimum payments.**

Once you charge up a pretty sizable credit card balance, the last thing you want to do is pay it monthly using only the minimum payment. Making only minimum payments may technically keep your account in good standing, but it will be very hard, time-consuming, and incredibly expensive to actually pay off your debt that way.

When you make minimum payments, you're only chipping away at 2%, 4%, or a small flat fee of your total balance. But at the same time, your interest is still accruing, so most people barely make a dent in their total balance with the minimum payments.

Not only will it drain your bank account but it can negatively impact your credit score in direct and indirect ways, so don't pay just the minimums!

### ***The fix:***

Always pay more than the minimum, even if it's \$50, \$100 extra, or whatever you can afford. Make sure you use credit cards with the lowest interest rates, so your balance won't keep accruing huge interest charges as you try to pay it off.

## **5. Closing old accounts.**

Many people think it's good credit management to pay off an old credit card or account to zero and then close it. However, what you effectively just did is erase an established record of on-time payments from your credit report, a huge mistake that will sink your score. In fact, credit history accounts for 15% of your credit score, a huge mistake!

### ***The fix:***

Carefully review your credit report before paying off any account to zero and closing it. You'll probably want to leave it open with a minuscule balance and keep paying it every month, which will boost your credit score and won't hurt you financially.

## ***6. Saying "yes" to retail cards, buy-now-pay-later, and cash advances.***

The type of debts and credit you take out matter as well, which many people don't realize. So, a balance on an Amex or credible credit card company will hurt your credit far less than the same balance on retail credit lines, buy-now-pay-later services, furniture installment plans, etc. I'll throw in cash advances, paycheck services, and other shady loan services to this group of not-so-desirable credit accounts you want to avoid.

### ***The fix:***

Manage your credit and debt at home on a regular basis where you can make cautious, well-research decisions – not at the cash register of a retail store when they offer you a little discount for taking out their credit card.

## ***7. Not calling Blue Water Credit for credit score help!***

With credit card and other debt sharply on the rise, inflation hurting us at every turn, and the economy on shaky ground, your credit score matters more than ever once again. Don't leave it to chance – make sure your credit score is maximized with a score as high as possible by contacting Blue Water Credit. We're the nation's leader in effective, legal, and ethical credit repair, helping thousands of happy clients improve their scores and save money for well over a decade.

If you're applying for a mortgage soon, shopping for a car and need a loan, looking at student loans, or even looking at your dream job that pulls credit, Blue Water Credit is your best resource!

### ***The fix:***

You guessed it – simply give Blue Water Credit a call!

**GIVE BLUE WATER CREDIT A CALL!**