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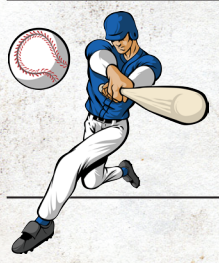


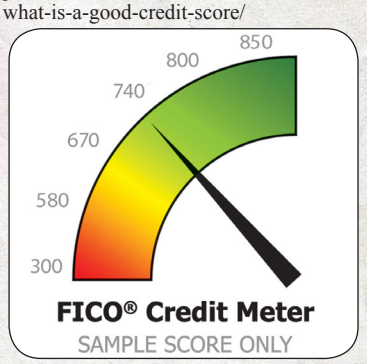
.334 IS A GREAT BATTING AVERAGE

But Not Such a Good Credit Score

Everyone that has ever had to apply for a loan knows just how important maintaining a good credit score is. But do you really know what effects your credit? The first thing to understand is who determines this credit score? Experian, TransUnion and Equifax are the three major credit reporting agencies that keep track of and maintain their own scoring.

Scores range from 300 to 850. Normally, a score above 700 is generally considered good while a score above 800 is considered to be excellent. Most credit scores fall between 600 and 750.*

*http://www.experian.com/blogs/ask-experian/credit-education/score-basics/what-is-a-good-credit-score/



Obviously, paying your credit card payments and loan obligations on time has a significant effect on credit scoring, but did you know there are several other factors that go into the equation? Fair Isaac, the makers of the FICO score, offers insight into the weightings of various criteria that they look at. 35% is attributed to payment history, 30% to the amount owed, 15% is the length of credit history, 10% is new credit applications and 10% are types of credit used. * *http://time.com/money/collection-post/2791957/what-is-my-credit-score/ So, clearly making payments on time has the largest effect. But the amount owed, otherwise known as the "utilization ratio" has a significant impact as well. The utilization ratio is the amount of outstanding balances on all credit cards divided by the sum of each card's limits, expressed as a percentage.

Credit issuers like to see a credit utilization ratio of approximately 35% or less. *

*http://www.investopedia.com/terms/c/credit-utilization-rate.asp

To better understand this, let's look at an example. Assuming you have 2 credit cards, each with an available balance of $10,000. On card A, you have an outstanding balance of $4,000 and a $0 balance on card B. In this example, the utilization ratio is 20%. ($4,000 / $20,000 = 20%). Well below the 35% threshold lenders look for. If you decide to cancel card B since there's no outstanding balance, the $10,000 of available credit now disappears, driving your utilization ratio up to 40%! ($4,000 / $10,000 = 40%). This would push you over the 35% threshold and most likely negatively impact your credit score, even though you've done nothing wrong. To make matters worse, if the card you had closed had a longer track record, you may also hurt the score that tracks length of credit history. So be careful before deciding to close out cards with available credit.

Another issue that can potentially have an adverse effect on credit is the number of "hard pulls" you have. A "hard pull" normally requires your authorization and it's done when you are applying for a loan or a new credit card. In this example, let's say you're out shopping for a new car and have every dealer pull your credit. Every "hard pull" could impact your score by up to 5 points. Having multiple "hard pulls" in a short period of time could have a measurable effect and prevent you from obtaining the best possible interest rate on your new car loan.

"Soft pulls" on the other hand, do not effect credit. A "soft pull" is done when a background check is done by a potential employer, or when submitting and application to rent an apartment, or an inquiry to check your own credit score.

So, to better manage your credit, you must first know what your credit score is. www.freecreditreport.com is a website that will send you a free copy of your credit report, once per year. Though, it does not show your actual credit score, it is a great resource to make sure your report is accurate. www.creditkarma.com on the other

Labor Day is right around the corner and the kids are already back in school. It always amazes me just how quickly the summer goes by. Have you had a chance to check out some of the tribute bands at the bandshell this year? If not, on September 2nd there will be a Bruce Springstein tribute band, Bad Company and Foreigner on September 9th and Pink Floyd on September 16th. It's a great night to sit outside, spend time with the kids or grandkids and listen to music, right by the ocean. Best of all, it's free to attend!

Labor Day is Monday, September 4th, so enjoy the long holiday weekend. Shouldn't there be a "Retirement Day" to celebrate all of those that have made their contributions and now get to enjoy the fruits of their labor? Maybe, collectively, we can get a new holiday on the calendar? Hope you and your family have a wonderful Labor Day weekend!

Respectfullly,

Scott Weidman, CFP®

.334 IS A GREAT BATTING AVERAGE continued...

hand, is a free site that helps you track your score. It lists the scores from TransUnion and Equifax and updates your records every 7 days. Credit Karma makes its money from credit issuers and may help you find more attractive credit offers for home and auto loans as well as credit cards. Finally, some credit cards also allow you to check your score on their websites. I personally have a Discover card and a Capital One card. Both sites update my credit scores frequently as well.

Managing your credit score can help you more effectively manage your overall debt by reducing interest on loans and credit card balances. Debt is a struggle for many Americans, so by first recognizing the importance of having a good credit score, this should help you manage, reduce and hopefully eliminate your debt.

Gardening Tips

One of the interesting things about the Florida lifestyle, is there are two planting seasons for gardening. With September here and the weather finally starting to cool down a bit, we enter the second season. So I thought a few gardening tips may be well received to help your flowers look their best!

One morning, a few years ago, I was about to throw out a carton of orange juice that was just beginning to go bad. Instead I poured it into my flower bed and within just a few days, to my amazement, the hibiscus exploded with the deepest, richest colored blooms I had ever seen. So, I can only assume it was from the natural acidity that the orange juice had. **Most plants, especially those that have flowers, tend to like a slightly acidic soil, such as Hibiscus, Azaleas, Gardenias, etc.**

So I did some research on homemade fertilizers that I thought I would share.

1. Sprinkle used **coffee grounds** into your beds to lower pH and make the soil a bit more acidic.
2. Grind up egg shells in water and add to the base of your plants. Though calcium carbonate is actually alkaline, it does add the needed minerals that plants require.
3. Instead of throwing out any citrus rinds, consider grinding them up in a blender with water and spreading the mixture around the roots of your blooming plants to help reduce the pH.
4. For your really acid loving bloomers, pour a capful of vinegar into a quart of water and pour around the base.

Hopefully these simple tips will help your garden come to life while reducing your household waste at the same time. As the saying goes… waste not, want not.

Happy Gardening!

Investment Concepts Announcement

Savannah Court Financial Advisors is pleased to announce the third consumer guide titled **"Investment Concepts".** This guide is designed to unveil the mysteries of investing. A client that has a better understanding of their investment strategy, tends to stick with their plans and doesn't panic during times of uncertainty. I strongly recommend you take the time to visit the website *SavannahCourtFinancialAdvisors.com* and download your free copy of Investment Concepts today!

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Contact the office

Phone: 386-308-5842
Fax: 386-840-3866
Mobile: 386-299-2893
157 Fairview Avenue
Daytona Beach, FL 32114

Mon-Fri: 9:00 AM - 5:00 PM
Evenings and Saturdays available by appointment.

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