>>> HELLO EVERYONE AND WELCOME

TO THE SMALL BUSINESS SUCCESS

VIRTUAL CONFERENCE BROUGHT TO

YOU BY SCORE.

MY NAME IS CANDACE AND I WILL BE

THE MODERATOR FOR THIS WEBINAR

SESSION.

WE'RE JOINED BY JERRY DETWILER.

JERRY HAS MORE THAN 20 YEARS

EXPERIENCE GUIDING INDIVIDUALS

THROUGH THE CONFUSING WORD OF

CREDIT AND HAS EARNED A

REPUTATION AS A RELIABLE AND

PERSONAL RERESOURCE ON CREDIT.

SMART CREDIT STRATEGIES FOR

SMALL BUSINESS OWNERS.

BEFORE TURNING THE SESSION OVER

TO JERRY I'D LIKE TO MENTION A

FEW HOUSEKEEPING ITEMS.

THIS WEBINAR WILL LAST ONE HOUR

AND IS BEING RECORDED A LINK

WILL BE SENT TO ALL

PARTICIPANTS.

WE'VE SET TIME ASIDE FOR Q&A AT

THE END OF THE PRESENTATION.

IF YOU HAVE ANY QUESTIONS PLEASE

SUBMIT THOSE USING THE Q&A BOX

ON THE LEFT SIDE OF YOUR SCREEN.

WE WILL NOW BEGIN.

THANK YOU SO MUCH FOR PRESENTING

TODAY, JERRY.

>> THANK YOU.

SO MUCH -- IT IS JUST A TERRIFIC

RESOURCE FOR THE AUDIENCE WE

SERVE AS WELL.

SO TODAY I'M GOING TO TALK ABOUT

SMART CREDIT STRATEGIES FOR

SMALL BUSINESS OWNERS AND I'M

KIND OF COMBINING TWO

PRESENTATIONS INTO ONE.

LOTS OF USEFUL ACTIONABLE ADVICE

FOR YOU AS YOU WORK TO GROW YOUR

SMALL BUSINESS.

I'VE PROCEEDED MY CONTACT

INFORMATION.

SO IF YOU WOULD LIKE TO REACH

OUT AFTER THE WEBINAR I'M MORE

THAN HAPPY TO TAKE YOUR QUESTION

OR HELP YOU IF I CAN BE OF

ASSISTANCE.

I'D LIKE TO START WITH A QUICK

STORY.

ENTREPRENEUR I PROFILED ON THE

BLOG.

SHE'S A CUSTOMER AND SHARED A

PRETTY INSPIRATIONAL STORY ABOUT

HER CREDIT AND BUSINESS AND I

HOPE IT SERVES AS INSPIRATION

FOR YOU AS WELL.

SHE STARTED HER SMALL BUSINESS

AFTER SHE WAS BASICALLY IN

HOSPITAL UNABLE TO WALK BECAUSE

OF AN ACCIDENT AND IT TOOK HER A

WHILE BEFORE SHE GOT BACK ON HER

FEET.

AND WHEN SHE DID SHE REALIZED

SHE WAS NEVER GOING TO GO BACK

INTO HER OLD BUSINESS IN

RESTAURANT MANAGEMENT.

SHE COULDN'T BE ON HER FEET THAT

LONG.

IN THE MEANTIME SHE ENDED UP

BEING MOVED TO A REHABILITATION

FACILITY AND SHE WAS A

RECOVERING ADDICT SO SHE HAD A

LOT OF CHALLENGES O OVERCOME BUT

SHE HAD A REALLY GOOD ATTITUDE

AND STARTED DRIVING AROUND THE

PEOPLE IN THE RESIDENT SHE WAS

STAYING IN.

TAKING THEM TO APPOINTMENTS OR

RESIDENTS WHEN THEY COULDN'T

DRIVE.

AND THEY SAID YOU ARE REALLY GOT

A THIS.

YOU SHOULD BE A TAXI DRIVER.

AND THIS IS BEFORE UBER AND

LYFT.

SO THAT WAS ANT OPTION.

ONCE SHE COULD SHE WENT AND GOT

A JOB WITH A TAXI COMPANY.

BUT THE CARS WERE DIRTY AND

CONSTANTLY BREAKING DOWN DIDN'T

FEEL LIKE SHE COULD PROVIDE THE

SERVICE SHE WANT SOD EVENTUALLY

SHE WENT OUT ON HER OWN AS HER

OWN DRIVER AND HER CREDIT WAS

REALLY BAD.

HAVING BEEN A RECOVERING ADDICT

SHE HAD BOUNCED A LOT OF CHECKS

AND SHE SAID HER CREDIT SCORE

WAS ABOUT THE 550s, WHICH A

WE'LL TALK ABOUT LATER BUT

THAT'S A PRETTY LOW SCORE.

AND SEEMED ALMOST INSIRMTABLE.

BUT SHE WAS DETERMINE SOD SHE

STARTED WITH SOME CREDIT REPAIR

CAN WHICH GOT OMIT OF THE

NEGATIVE INFORMATION OFF HER

CREDIT REPORT.

SHE FOUND SOME CREDIT CARDS SHE

COULD QUALIFY AND GOT THOSE AND

STARTED PAYING THOSE ON TIME AND

HER CREDIT SCORE STARTED GOING

UP AND GOT TO THE MID .600 AND

HE WAS ABLE TO FINANCE A BETTER

CAR.

AND GROW HER BUSINESS NOW SHE'S

WORKING ON ACTUALLY ACQUIRING A

COUPLE MORE CARS AND HAVING

EMPLOYEES TO DRIVE FOR HER AND

HER BUSINESS IS GROWING.

SHE'S WON A LOCAL BUSINESS

COMPETITION WITH AN ECONOMIC

DEVELOPMENT ORGANIZATION.

HER BUSINESS IS THRIVING AND

CREDIT SCORE, ONE IS 700 AND

OTHERS IN THE MID HIGH 600S SO

SHE'S DOING REALLY WELL WITH HER

CREDIT CAN HER BUSINESS AND I

WANT YOU TO UNDERSTAND THAT NO

MATTER WHERE YOU ARE STARTING

WITH YOUR BUSINESS THERE ARE

STEPS THAT YOU CAN TAKE TO BUILD

STRONG CREDIT, QUALIFY FOR

BETTER FINANCING AND CONTINUE TO

GROW YOUR BUSINESS.

AND THAT IS WHAT WE'RE GOING

SHARE AND TALK ABOUT TODAY.

I'D LIKE TO GET AN IDEA WHERE

YOU STAND.

I'D LIKE TO FIND OUT IF YOU

CHECKED YOUR PERSONAL CREDIT

REPORTS OR SCORES.

YOU CAN TAKE MOMENT TO USE THE

POLLING APP YOU SEE THERE.

AND LET US KNOW.

IF YOU HAVE CHECKED YOUR

PERSONAL CREDIT REPORTS OR

SCORES.

AND I WOULD SAY PROBABLY IN THE

PAST YEAR.

IF YOU HAVE DONE IT IN THE PAST

YEAR OR.

SO AND WE'LL GIVE YOU JUST A FEW

SECONDS TO ANSWER THAT POLL

BEFORE WE MOVE ON.

ALL RIGHT.

GO AHEAD AND FINISH LOG YOUR

ANSWERS AND WE'LL MOVE ON AND

I'LL SHARE THOSE RESULTS AT THE

END OF THE WEBINAR.

WHEN IT COMES TO YOUR CREDIT

REPORTS THERE ARE THREE MAKE

CREDIT REPORTING AGENCIES.

EQUIFAX, EXPERIAN AND

TRANSUNION.

PRIVATE FOR-PROFIT COMPANIES.

THEY DON'T SHARE INFORMATION

WITH EACH OTHER UNLESS THEY ARE

REQUIRED BY LAW IN CERTAIN

CIRCUMSTANCES BUT IN GENERAL

THEY DON'T SHARE INFORMATION.

THEY ARE IN COMPETITION.

THEIR BUSINESS IS TO GATHER

INFORMATION ABOUT HOW HE WAS

CONSUMERS PAY OUR BILLS AND

PACKAGE AND SELL TO IT LEBDERS,

SPURNS COMPANY, EMPLOYERS AND

OTHERS WHO MIGHT HAVE A INTEREST

IN THAT INFORMATION.

SO IT IS IMPORTANT FOR US TO

UNDERSTAND THAT SINCE THEY DON'T

SHARE INFORMATION THE

INFORMATION ON EACH REPORT COULD

BE DIFFERENT AND IT IS IMPORTANT

YOU ARE CHECKING ALL THREE.

BUT IN ADDITION TO THE CREDIT

REPORTING AGENCIES, WE ALSO HAVE

COMPANIES THAT CREATE CREDIT

SCORES AND THEY DON'T HAVE DATA

THEMSELVES.

THEY DON'T SIT ON ANY

INFORMATION ABOUT WHETHER WE'VE

PAID OUR MORTGAGE OR A CREDIT

CARD ON TIME.

THEY ARE JUST PARTNERING WITH A

SOURCE OF DATA LIKE ONE OF THE

CREDIT BUREAUS AND USING THAT

DATA TO PREDICT HOW SOMEONE IS

GOING TO HANDLE THEIR BILLS IN

THE FUTURE SO FICO IS THE ONE

YOU HAVE PROBABLY HEARD OF

BECAUSE THAT YOU ARE SOERT OF

THE GRAND DADDY AND THE VANTAGE

SCORE.

WHICH IS NEWER BUT STARTED BY

THE CREDIT BUREAUS AND SERVE AS

A COMPETITOR TO FICO.

AND DOES WORK WITH A LOT OF

LEPIDOERS IN LARGE AND SMALL.

SO YOU MAY SEE YOUR VANTAGE

SCORE WHEN YOU CHECK YOUR CREDIT

SCORE AS WELL.

WHEN IT COMES TO CREDIT SCORE,

HOW MANY PERSONAL CREDIT SCORES

DO YOU THINK YOU HAVE?

.

IF YOU ARE LIKE MOST CONSUMERS I

TALK TO, YOU ARE PROBABLY

THINKING YOU HAVE THREE OR MAYBE

YOU ARE THINKING YOU HAVE NINE.

BECAUSE THERE ARE THREE CREDIT

BUREAUS THAT MAYBE YOU HAVE OR

MAYBE YOU HAVE SIX BECAUSE FICO

AND VANTAGE SCORE THE ACTUALLY

ANSWER IS THERE ARE PROBABLY

ABOUT 75 DIFFERENT CREDIT SCORES

I COULD ACCESS ON ANY OF YOU IF

I HAD LEGAL PERMISSION ZO, THAT

I COULD ACCESS ON ANY OF YOU

TODAY.

AND THAT IS BECAUSE CREDIT

SCORES.

THERE IS NOT EVEN A SINGLE FICO

SCORE.

THERE ARE MANY DIFFERENT

VERSIONS.

SO THE WAY I LIKE TO ILLUSTRATE

IS, THINK ABOUT IF YOU HAVE EVER

USED MICROSOFT WINDOWS.

YOU COULD BE RUNNING WINDOWS XP.

YOU COULD BE RUNNING WINDOWS 8,

WINDOWS 10.

THEY ARE SIMILAR BUT WITH EACH

VERSION THEY TRY TO GET A LITTLE

BETTER.

SO FICO DOES THE SAME THING.

THEY RELEASE VERSIONS OVER TIME

THEY BELIEVE ARE GOING MAKE

BETTER DECISIONS.

IN ADDITION THE SCORES CAN BE

CUSTOMIZED FOR THE TYPE OF

DECISION.

SO IF YOU ARE GOING FOR AN AUTO

LOAN, AND MAYBE YOU HAVE ADD

THIS HAPPEN.

THEY PULL YOUR SCORE AT THE AUTO

DEALER AND IT IS DIFFERENT THAN

THE ONE YOU SAW AT HOME YOUR

CREDIT CARD GAME YOU.

BECAUSE THE CREDIT CARD COMPANY

IS USING A SCORE TO PREDICT HOW

YOU ARE GOING TO PAY A CREDIT

CARD.

THE AUTO LENDER USING ONE TO

PREDICT HOW YOU GOING TO PAY AN

AUTO LOAN.

ALL OF THIS IS TO HELP YOU

UNDERSTAND THAT YOU DON'T HAVE A

SINGLE SCORE.

THERE IS NO SINGLE TRUE CORRECT

SCORE.

THERE ARE MULTIPLE SCORES.

SO A COUPLE THINGS WHEN YOU ARE

REVIEWING YOUR CREDIT IS ONE

THING IF YOU WANT TO MAKE SURE

THAT YOU UNDERSTAND WHICH CREDIT

BUREAU IS SUPPLYING THE DATA.

SO IS IT EQUIFAX, EXPERIAN OR

TRANSUNI.

IF YOU USE A SCORE WITH

TRANSUNION DATA IT COULD BE

DIFFERENT THAN ONE USEs EXPERIAN

DATA.

AND LOOK AT THE SCORE RANGE.

IS IT LOW?

COMPARED TO THE TOP NUMBER YOU

COULD GET WHERE YOU FALL AND

WHERE WHARKTS ARE THEY TELLING

YOU MIGHT BE ABLE TO IMPROVE ON.

THAT GIVES YOU LOT OF

INFORMATION THAT CAN HELPFUL TO

YOU REGARDLESS OF WHAT CREDIT

SCORING MODEL IS BEING USED.

HERE I PUT A SHORT LINK TO AN

ARTICLE I RESEARCHED AND WROTE

LAST YEAR THAT LISTS 150 PLUS

PLACES YOU CAN GET YOUR CREDIT

SCORES FOR FREE.

THERE ARE MANY, MANY PLACES TO

CHECK YOUR SCORES AND THESE WILL

COVER ALL THREE CREDIT BUREAUS.

DIFFERENT TYPES OF MODELS.

CREDIT CARD COMPANIES.

OH TYPES OF MODELS, SO IF YOU

AREN'T CHECKING AND MONITORING

YOUR CREDIT SCORES FROM ALL

THREE BUREAUS, THESE ARE SOME

SIMPLE WAYS FOR YOU TO DO THAT.

AND YOU WON'T -- IT WON'T COST

YOU A PENNY TO DO SO.

SO THAT IS A SHORT LINK THERE TO

THAT ARTICLE.

NOW WHEN YOU DO CHECK YOUR

CREDIT SCORE THE CAN QUESTION

YOU ARE GOING TO IS IS, IS IT

GOOD?

WHAT IS A GOOD CREDIT SCORE?

SO THIS IS A QUESTION I ALSO

LIKE TO ASK WHEN I GIVE MY

WORKSHOPS AND WEBINARS AND

SEMINARS, WHAT IS A GOOD

PERSONAL CREDIT SCORE?

GOOD QUESTION FOR YOU TO ANSWER

IN YOUR MIND.

WHAT IS A GOOD PERSONAL CREDIT

SCORE?

I HAVE TO CONFESS I HAVE A BIT

OF A TRICK ANSWER HERE.

MY TRICK ANSWER IS A CREDIT

SCORE THAT GETS YOU WHAT YOU

WANT.

IF YOU GET THE INTEREST RATE YOU

WANT THE LOAN YOU WANT THAT IS A

GOOD CREDIT SCORE.

THAT IS THE EASIEST WAY TO

DESCRIBE IT BUT YOU HAVE TO KEEP

IN MIND THAT THERE ARE DIFFERENT

RANGES.

DEPENDING WHICH CREDIT SCORE IS

USED THAT WILL HELP DETERMINE

WHETHER YOU SCORE IS GOOD.

MOSTEFAICO SCORES RUN FROM 300

TO 850.

850 IS THE BEST SCORE.

LOWEST RISK.

IF YOU GET AN YOU ARE GOLDEN.

I DON'T HAVE AN 850.

IT IS REALLY HARD TO GET THAT

THAT EXACTLY PERFECT NUMBER BUT

USUALLY WITH A SCORE THAT RUNS

TO THAT RANGE.

IF YOU ARE IN THE 700S YOU ARE

FINE.

720 OR ABOVE YOU SHOULD BE

GETTING VERY GOOD RATES.

680, 650.

THAT IS PRETTY GOOD.

IT WILL GET YOU DECENT RATES.

I WON'T PROBABLY GET YOU THE

LOWEST RATE.

AND THEN ONCE YOU FALL BLOW 650,

650 MARK IT GETS A LITTLE

HARDER.

SIMILARLY, VANTAGE SCORE, THE

MOST CURRENT VERSION OF VANTAGE

SCORE ALSO RUNS ON 300 TO 850

SCALE SO THAT IS GOING TO BE A

SIMILAR TYPE OF SCENARIO IN

TERMS OF WHAT'S A GOOD SCORE.

BUT YOU MAY CHECK YOUR CREDIT

SCORE, ONE CREDIT CARD ISSUER

SHOWS ITS CUSTOMERS A FICO SCORE

CALLED NEXT GEN THAT THE HIGHEST

SCORE IS 935 OR 950 DEPENDING

WHICH MODEL IS USED.

SO YOU COULD SEE A FICO SCORE

THAT RUNS ABOVE 850.

THAT IS POSSIBLE BUT NOT THE

MOST COMMONLY USED.

IS WHEN YOU CHECK YOUR SCORES

KEEP IN MIND IN, LOOK AT THE

RANGE AND LOOK AT WHAT IT IS

TELLING YOU ABOUT WHERE YOU

STAND.

SO LET'S DIVE INTO A FEW THINGS

THAT YOU CAN DO TO TRY AND MAKE

SURE YOUR CREDIT IS AS STRONG AS

POSSIBLE.

THIS IS WHAT'S CALLED THE FICO

FORMULA.

IT INDICATES GENERALLY, IT IS

NOT SET IN STONE.

IT IS NOT AN EXACT BUT IT SAYING

MOST OF YOUR CREDIT SCORE IS

GOING TO BE MADE OF YOUR PAYMENT

HISTORY AND THEN YOUR DEBT

USAGE.

CREDIT AGE HAS A LITTLE LESS

IMPACT AND ACCOUNT MIX AND

INQUIRY.

LET'S GO TO EACH OF THOSE AND

SEE WHAT YOU CAN DO IF YOU ARE

TRYING TO MAKE SURE YOU HAVE

STRONG CREDIT.

SO WHEN IT COMES TO PAYMENT

HISTORY.

THE CREDIT SCORING MODEL IS

USUALLY LOOK AT THE LATE

PAYMENTS.

USUALLY THINGS THAT ARE

NEGATIVE.

LATE PAYMENTS.

COLLECTION ACCOUNTS.

TAX LIENS AND JUDGMENTS HAS

CHANGED.

BANKRUPTCY, CHARGE OFF.

TICKS LIKE THAT.

IT IS LOOKING LIKE HOW RECENT

WAS THIS?

VERY VERY IMPORTANT.

REENSSY OF NEGATIVE INFORMATION

MATTERS A LOT.

AND FICO'S EVEN ILLUSTRATED THAT

THE BETTER YOUR CREDIT SCORE, IF

YOU MISS A PAYMENT THAT SHOWS UP

ON YOUR CREDIT REPORT THE

FURTHER YOU WILL FALL.

A HIGHER CREDIT SCORE IS GOING

TO SEE A GREATER IMPACT THAN

SOMEONE WITH A LOWER CORE.

ALSO LOOKS AT HOW OFTEN?

ONCE OR MULTIPLE TIMES?

I HAD A BANKING SNAFU AND HAD A

LATE PAYMENT ON A MORTGAGE ON MY

CREDIT REPORT AND IT DROVE ME

CRAZY.

BUT OVERTIME IT DIDN'T HAVE AN

IMPACT ON MY SCORE AT ALL.

IT WAS ONE SINGLE ITEM.

IT WASN'T A PATTERN.

THEN IT LOOKS HOW DELINQUENT?

SO 30 DAYS LATE OR 90 DAYS LATE.

IF YOU ARE 90 DAYS LATE OR IF

YOU DEBT WASN'T PLAYED AND THE

LENDER CHARGED IT OFF SENIOR

REPORTED A CHARGE OFF IF YOU

WENT TO BANKRUPTCY THAT WOULD BE

MORE SERIOUS AND HAVE A GREATER

IMPACT.

WHAT IT DOESN'T CARE ABOUT SO

MUCH HERE HOW MUCH.

LIKE DID YOU MISS A $10 MINIMUM

PAYMENT OR DID YOU MISS A

THOUSAND DOLLAR MORTGAGE

PAYMENT.

THE AMOUNT REALLY ISN'T THE

ISSUE.

IT IS THE OTHER FACTORS THAT ARE

MORE IMPORTANT.

SO IF YOU HAVE NEGATIVE

INFORMATION ON YOUR CREDIT

REPORTS.

YOU WANT TO KNOW HOW LONG IT IS

GOING STAY ON YOUR REPORT AND I

SUMMARIZED THAT HERE FOR YOU.

ONE THING I WANT TO POINT OUT

HERE.

YOU NOTICED I'VE STRUCK OUT PAID

JUDGMENTS.

UNPAID JUDGMENTS.

UNPAID TAX LIENS.

RECENTLY THERE WERE SOME CHANGE

WHERE IS THE CREDIT REPORTING

AGENCIES ARE NO LONGER REPORTING

CONSUMER JUDGMENTS OR TAX LIENS

ON CREDIT REPORTS.

SO IF YOU HAVE THIS ON YOUR

CREDIT REPORT BEFORE AND YOU

HAVEN'T CHECKED IT LATELY, CHECK

IT.

IF IT IS STILL ON THERE, YOU CAN

DISPUTE IT WITH A CREDIT BUREAU

AND IT IS VERY LIKELY IT WILL BE

REMOVED.

THAT TYPE OF INFORMATION IS NO

LONGER REPORTED.

BUT IF EVEN YOU HAVE NEGATIVE

INFORMATION ON YOUR CREDIT

REPORT, THAT DOESN'T MEAN YOU

CAN'T REBUILD CREDIT.

REMEMBER COURTNEY WITH HER Q AND

D DRIVER, SHE STARTED REBUILDING

CREDIT EVEN WHEN SHE HAD

NEGATIVE INFORMATION ON REPORTS.

SO DON'T LET THAT STOP YOU.

ONE THING IS TO REMEMBER THAT,

YOU KNOW, TIME DOES HELP HEAL

THE WOUNDS HERE.

INFORMATION THE MOST RECENT 24

MONTHS HAS THE MOST WEIGHT.

SO A NEGATIVE INFORMATION GETS

OLDER, IT STILL COUNTS BUT IT

CARRIES LESS WEIGHT.

SO TIME IS YOUR FRIEND HERE.

MAKE SURE YOU ARE PAYING

EVERYTHING ON TIME GOING

FORWARD.

YOU DON'T WANT ANOTHER RECENT

LATE PAYMENT TO SET THE CLOCK

BACK AND MOVE YOU BACK AND DROP

YOUR CREDIT SCORE AGAIN.

AND THEN YOU ALSO HAVE THE RIGHT

TO DISPUTE ERRORS.

SO IF ANYTHING ON YOUR CREDIT

REPORT IS INCOMPLETE OR

INACCURATE, FEDERAL LAW GIVES

YOU THE RIGHT TO DISPUTE IT WITH

THE LENDER OR WITH THE CREDIT

BUREAU.

LET'S MOVE TO DEBT USAGE.

THIS IS THE SECOND MOST

IMPORTANT FACTOR OF YOUR CREDIT

REPORT.

I OFTEN HEAR FROM CONSUMERS WITH

A LOT OF DEBT AND THEY ARE

WORRIED JUST THE FACT THEY HAVE

A LOT OF DEBT THAT IT IS HURTING

THEIR CREDIT SCORE.

I'VE TALKED TO FOLKS WHO HAVE

200, $250,000 IN STUDENT LOAN

DEBT, FOR EXAMPLE.

AND AS LONG AS THAT IS PAID ON

TIME IT IS PROBABLY NOT

AFFECTING THE CREDIT SCORE.

THE AMOUNT OF DEBT IN TOTAL IS

NOT REALLY THE ISSUE HERE.

WHAT THE SCORES TEND TO LOOK AT

MORE CAREFULLY IS IS YOUR

REVOLVING DEBT.

THAT IS THE ACCOUNTS LIKE YOUR

CREDIT CARDS WHERE YOU CAN

CHARGE UP TO A CERTAIN LIMIT,

PAY SOME BACK.

CHARGE SOME MORE.

PAY SOME BACK.

THOSE REVOLVING ACCOUNTS.

AND THEY ARE CATEGORIZED ON YOUR

CREDIT REPORT AS REVOLVING.

THERE THEY LOOK AT DEBT USAGE.

AND DEBT USAGE COMPARES YOUR

CREDIT LIMIT ON THE CREDIT

REPORT TO THE BALANCE ON YOUR

CREDIT REPORT.

SO IT IS COMPARING THE CREDIT

LIMIT TO THE BALANCE TO SEE WHAT

YOUR DEBT USAGE RATIO IS.

I WANT TO SEE IF ANY OF YOU HAVE

AN IDEA OF WHAT HIGH DEBT USAGE

RATIO WOULD BE.

GIVING YOU A FEW CHOICES HERE IN

THE POLL.

IF YOU CAN CHOOSE 20%, 30 PRKD

OR 70%.

WHICH OF THOSE WOULD YOU

DEFINITELY SAY -- I GUESS WE'D

SAY THE THRESHOLD, RIGHT, IS

DEFINITELY HIGH DEBT USAGE.

I'LL GIVE YOU A MOMENT TO ANSWER

THAT.

COMPARING THE CREDIT LIMIT TO

THE BALANCE ON CREDIT REPORT TO

CALCULATE DEBT USAGE.

WE'LL WRAP UP THE ANSWERS AND

SHOW THE POLL RESULTS AT THE END

OF THE WEBINAR.

AND I'M NOT TRYING TO JUST GIVE

TRICK ANSWERS.

IT IS NOT REALLY A TRICK ANSWER

BUT THERE IS NO SPECIFIC NUMBER.

SO WHEN IT COMES TO THE FICO

SCORE YOU MIGHT SEE 50%.

YOU MIGHT SEE 30%.

THERE IS NO SPECIFIC NUMBER THAT

OFF THE STAY BELOW.

BUT WHAT WE FOUND GENERALLY IS

THAT MOST CONSUMERS, IF YOU FIND

THAT DEBT USAGE IS AN ISSUE.

SO YOU GET YORE CREDIT SCORE AND

THE SCORE SAYS YOUR BALANCES ARE

TOO HIGH.

TRY TO AIM FOR 30%.

AND SEE IF THAT GETS YOU WHERE

YOU WANT TO BE.

IF THAT DOESN'T, AIM FOR 25%.

IF 25% DOESN'T WORK.

TRY TO GET A LITTLE LOWER.

FICO DOES SAY THAT CONSUMERS

WITH THE BEST CREDIT SCORES USE

ABOUT 10% OF THEIR AVAILABLE

CREDIT BUT YOU DON'T HAVE TO GO

THAT LOW TO HAVE A GREAT CREDIT

SCORE SO IT IS SOMETHING YOU CAN

PLAY AROUND WITH TO SEE HOW IT

EFFECTS YOU BASED ON OTHER

FACTORS IN YOUR CREDIT SCORE.

SO MA WHAT MAY HELP IF DEBT

USAGE SAN ISSUE FOR YOU.

LET'S TALK THE OPTION?

ONE IS PAY DOWN YOUR BALANCES.

GET YOUR BALANCES DOWN, THEN

THERE IS MORE ROOM THERE AND

THAT COULD HELP YOUR CREDIT

SCORES.

PAYING FASTER.

I DON'T KNOW IF ANY OF YOU ARE

LIKE ME BUT I LOVE TO USE CREDIT

CARDS FOR THE REWARDS.

SO I'M A REWARDS LITTLE BIT OF A

JUNKY.

I'M NOT CRAZY ABOUT IT.

I'M NOT CRAZY IN THAT I DON'T

CHASE ALL KIND OF CREDIT CARDS

BUT I DEFINITELY LIKE TO PUT

EVERYTHING I CAN ON THE CREDIT

CARD TO EARN THE POINTS.

WHAT CAN HAPPEN THERE IS IN MOST

CASES YOUR ISSUER IS GOING TO

REPORT THE BALANCE TO THE CREDIT

BUREAUS BEFORE YOU MAKE YOUR

PAYMENT.

SO, YOU KNOW, AT THE END OF THE

MONTH WHEN THEY SEND YOU A BILL

IN THE MAIL OR THEY ALERT YOU BY

E-MAIL THAT YOUR BILL IS READY,

THAT IS THE END OF THE BILLING

CYCLE.

WHEN THEY SAY OKAY.

YOU OWE US $1575 YOU CAN EITHER

PAY IN FULL OR MAKE THE MINIMUM

PAYMENT OF 55 DOLLARS.

THAT IS WHEN THEY RESTAURANT.

SO IF YOU ARE SOMEONE WHO

KWLOUZS YOUR CREDIT CARD ALL THE

TIME LIKE I DO FOR REWARDS

SOMETIMES YOUR DEBT USAGE IS

LOOK HIGH EVEN THOUGH YOU ARE

GOING TO PAY IT OFF IN FULL.

IN THAT CASE, AND WHICH IS WHAT

I DO.

IS GET ONLINE MAYBE FIVE OR SIX

DAYS BEFORE THE CLOSE OF THE

BILLING CYCLE AND JUST MAKE A

PAYMENT ON LINE AND GET IT

CREDITED RIGHT AWAY.

AND THAT WAY YOU BRING DOWN THE

BALANCE THAT IS GOING TO BE

REPORTED TO THE CREDIT BUREAUS.

THAT IS ANOTHER WAY TO ADDRESS

IF YOU ARE SOMEONE WHO PAYS IN

FULL BUT STILL END ONE HIGH DEBT

USAGE.

YOU COULD ASK YOUR ISSUERS TO

RAISE YOUR LIMITS.

GIVES YOU MORE LEE WAY.

YOU CAN ALSO TRY FITNESSING INTO

SOMETHING THAT ISN'T GOING TO

IMPACT YOUR CREDIT IN THE SAME

WAY.

A GREAT EXAMPLE IS A PERSONAL

LONE.

GET A PERSONAL LOAN FOR SAY

10,000 AT 12.5 PERCENTAGE RISK.

A FIXED MONTHLY PAYMENT.

THAT IS CATEGORIZED A AS AN

INSTALLMENT LOAN ON YOUR CREDIT

REPORT.

NOT REVOLVING SO IT DOESN'T

CALCULATE DEBT USAGE.

IN ADDITION IT IS POSSIBLE IF

YOU RAN UP A CART SAID FOR YOUR

BUSINESS MAYBE YOU COULD

REFINANCE OFF THAT CREDIT CARD

ONTO A DIFFERENT CREDIT CARD OR

A LOAN.

I WAS IN A WORKSHOP WHERE AN

ADVISOR, SMALL BUSINESS ADVISOR

TOLD ME ONE OF HIS CLIENTS HAD

RUN UP HIS CREDIT CARDS TO A

BUSINESS DEAL THAT WHEN

FINANCING FELL THROUGH AT THE

LAST MINUTE HER CREDIT SCORE

TANKED AND --.

SHE WAS ABLE TO REFINANCE WITH

AN SBA LONE AND AB SBA DOES NOT

APPEAR ON PERSONAL CREDIT.

ORE KRER JUMPED 125 WHEN SHE DID

THAT.

.7 SO IT IS POSSIBLE TO --

REFINANCE TO ANOTHER TYPE OF

DEBT THAT HAS LESS IMPACT ON

YOUR PERSONAL CREDIT SCORES.

NOW ONE EXAMPLE I WANT TO TALK

ABOUT IS CREDIT CARDS.

SO MOST SMALL BUSINESS CREDIT

CARDS DO TWO THINGS.

ONE THEY HELP BUILD BUSINESS

CREDIT.

THE OTHER THEY DO NOT REPORT TO

PERSONAL CREDIT UNLESS YOU

DEFAULT.

SAY YOU ARE STARTING A BUSINESS

AND IT IS GOING TO BE AN --

BUSINESS AND YOU ARE GOING TO

HAVE TO BUY SUPPLIES TO MAKE

YOUR JEWELRY.

IF YOU PUT IT ON A PERSONAL

CREDIT CARD THAN THAT ACTIVITY

WILL APPEAR ON YOUR PERSONAL

CREDIT REPORT.

IF YOU KWUZ A SMALL BUSINESS

CREDIT CARD AND USE CHOOSE THE

RIGHT CREDIT CARD YOU CAN KEEP

IT OFF YOUR PERSONAL CREDIT.

AND SOMETIMES THIS IS HELPFUL

ESPECIALLY IF YOU ARE RELYING ON

CREDIT CARDS SEASONALLY OR FROM

TIME TO TIME.

SO THIS SHORT LINK A HERE GOES

TO AN ARTICLE THAT LISTS ALL THE

MAJOR CREDIT CARD ISSUES AND HOW

THEY REPORT TO PERSONAL CREDIT.

KEEP THAT IN MIND WHEN YOU ARE

LOOKING IF ARE A CREDIT CARD IF

THIS IS SOMETHING YOU THINK MAY

AFFECT YOU, YOU MAY WANT TO LOOK

FOR A CARD THAT COUNTY SHOW UP

ON YOUR PERSONAL CREDIT.

CREDIT AGE IS THE THIRD FACTOR

WE'RE GOING TOUCH UPON.

IT IS ONLY 15% OF YOUR SCONE SO

IT IS NOT A HUGE AMOUNT AND IT

IS A LITTLE -- IT IS ONE OF

THOSE FACTORS THAT AS LITTLE

HARD TO FUDGE.

YOU GET CREDIT FOR HAVING

EXPERIENCED HERE.

SO THE LONGER, THE OLDER YOUR

CREDIT HISTORY THE BETTER IT IS

FOR YOUR CREDIT SCORE.

AND HERE THEY ARE LOOKING AT

YOUR OLDEST ACCOUNT.

HOW RECENT YOUR YOUNGEST ACCOUNT

WAS OPENED.

SO WE'RE TALKING ABOUT THE OPEN

DATE.

WHEN YOUR YOUNGEST ACCOUNT WAS

OPEN AND THE AVERAGE AGE OF ALL

YOUR ACCOUNTS.

IF YOU JUST STARTED BUILDING

CREDIT.

IF YOU ARE OR AN IMMIGRANT OR

RECOVERING FROM BANKRUPTCY OR

SOMETHING YOU MAY HAVE A SHORT

CREDIT HISTORY AND THAT BE CAN

BE CHALLENGING TO OVER COME.

BUT OVER TIME IT HELPS TO HAVE

BUILT CREDIT REFERENCES.

SO I DO RECOMMEND WHETHER IT IS

PERSONAL OR BUSINESS CREDIT YOU

BUILD CREDIT BEFORE YOU NEED IT.

AND ONE WAY I ADDED MY DAUGHTER

WHEN SHE TURNED 16 TO ONE OF MY

CREDIT CARDS SO THAT SHE WOULD

HAVE IT IN CASE OF EMERGENCY IF

SHE COULD PUT GAS IN THE CAR OR

SOMETHING BROKE DOWN AND

FORTUNATELY SHE'S VERY FRUGAL.

SO I HAVEN'T HAD TO WORRY ABOUT

HER CHARGING UP BIG BALANCE.

AND WHAT HAPPENS IS TYPICALLY

WHEN THOSE ACCOUNTS ARE REPORTED

IT APPEARS ON HER KROT FOR THE

ENTIRE ACCOUNT HISTORY.

SO IT STARTS IN THE VERY GIJ

WHEN SHE OPENED THAT ACCOUNT.

SO SHE BENEFITS FROM MY ACCOUNT

HISTORY.

AS LONG AS I PAY ON TIME AND

KEEP BALANCES LOW THAT IS GOING

TO BENEFIT HERE.

AND OTHER THING IS OPEN ACCOUNTS

CAREFUL.

A RETAIL STORE IN THE HOLIDAYS

AND THEY ARE ASKING TO OPEN AN

ACCOUNT.

THINK ABOUT WHETHER YOU REALLY

WANT IT.

IF YOU KEEP OPENING NEW ACCOUNTS

THAT WILL SHORTEN THAT AVERAGE

AGE OF YOUR ACCOUNTS AND COULD

HAVE AN IMPACT ON YOUR SCORES.

AND FINALLY, BE PATIENT.

THIS IS A PROCESS JUST LIKE WITH

NEGATIVE INFORMATION THAT IS

ACCURATE.

OVER TIME YOU START TO BUILD

MORE OF A HISTORY AND THAT HELPS

YOU BUILD STRONG CREDIT OVER

TIME.

INQUIRIES ARE ONLY ABOUT 10% OF

YOUR SCORE.

BUT FOR SOME REASON I FIND

PEOPLE REALLY FREAK OUT ABOUT

ICKRIES.

THEY REALLY WORRY ABOUT

INQUIRIES AND THEY ARE SUCH A

MINOR PART OF THE SCORE.

BUT I THINK IT IS BECAUSE, YOU

KNOW, WHAT AN INQUIRY IS, LET ME

START WITH THAT.

IT IS A RECORD THAT SOMEONE HAS

CHECKED YOUR CREDIT REPORT.

SO IT JUST SAYS, FOR EXAMPLE,

YOUR BANK OR THIS RETAILER

CHECKED YOUR CREDIT REPORT ON

THIS DATE.

IT DOESN'T SAY WHETHER YOU WERE

APPROVED OR DECLINED.

THAT IS NOT PART OF THE INQUIRY.

IT ONLY SAYS WHO CHECKED YOUR

CREDIT.

AND I THINK MAYBE BECAUSE WE CAN

ACTUALLY SEE THOSE MAYBE THAT IS

WHY IT IS STILL SO TANGIBLE TO

CONSUMERS.

BUT I WANT TO GIVE YOU A FEW

TIPS ABOUT INQUIRIES.

FIRST, NOT ALL ARE GOING TO

AFFECT YOUR CREDIT SCORE.

SOME ARE CALLED SOFT INQUIRIES.

THEY WILL SHOW UP ON YOUR CREDIT

REPORT.

BY LAW THE CREDIT BUREAU HAS TO

SHOW THEM TO YOU.

BUT THEY DON'T HAVE TO SHOW THEM

TO ANYONE ELSE.

SO THESE ARE INQUIRIES WHERE YOU

CHECK YOUR OWN CREDIT.

THROUGH YOUR CREDIT CARD ISSUER,

SOMEONE LIKE NAV OR ANOTHER

SERVICE, THAT THE NOT GOING

AFFECT YOUR SCORE.

EMPLOYER, INSURANCE COMPANIES.

STAPLES AN ACCOUNT REVIEW CAN

AFFECT YOUR CREDIT IF YOU ARE

PROKARYOTIVELY TRYING TO GET

CREDIT.

SAY YOU HAVE A RETAIL CREDIT

CARD.

THEY ARE GOING CHECK YOUR CREDIT

REPORT PERIODICALLY.

THEY ARE GOING SEND YOU SPECIAL

OFFERS.

THEY MIGHT INCREASE YOUR CREDIT

LIMIT.

THEY MIGHT DECIDE TO DECREASE

YOUR CREDIT LIMIT BASED ON WHAT

THEY SAY.

THEY WILL REVIEW YOUR ACCOUNT

PERIODICALLY.

THAT IS A SOFT ICKRY.

IF CALL IN AND SAY I WANT A

INCREASE --.

IF YOU ARE PROACTIVELY TRYING TO

GET BHR CREDIT THR CHANGE

THE --.

KEEP IN MIND THE BULK YOU ARE

GOING TO SEE ON YOUR CREDIT

REPORT ARE NOT GOING TO AFFECT

YOUR CREDIT SCORE.

IN ADDITION ONE INQUIRY

TYPICALLY ONLY DROP YOURS CREDIT

SCORE BY THREE TO SEVEN POINTS.

SO THREE TO SEVEN POINTS SO IT

IS A SMALL IMPACT ON YOUR CREDIT

SCORE.

AND THAT COULD BE A NATURALLY

FLUCTUATION.

IT IS NOT MUCH DIFFERENT THAN

WHAT MIGHT JUST HAPPEN ON A

MONTHLY BASIS.

BUT THERE ARE ALSO A FEW OTHER

PROTECTIONS BUILT IF NOR

CONSUMERS WHO LIKE TO SHOP.

AND IN PARTICULAR, FICO HAS

BUILT IN WHAT THEY CALL THESE

BUFFERS WHERE IF YOU SHOP FOR AN

ALL-TIME LOAN, A MORTGAGE OR A

STUDENT LOAN AND YOU DO IT IN A

SHORT PERIOD OF TIME, IT IS ONLY

GOING TO COUNT AS ONE INQUIRY.

NOW DEPENDINGEN WHICH VERSION OF

FICO THE LENDER IS USING THE

TIME PERIOD VARIES.

IT COULD BE AS SHORT AS 14 DAYS.

COULD BE AS LONG AS 45 DAYS.

YOU DON'T KNOW WHICH ONE THE

LENDER IS GOING TO USE.

SO MY RECOMMENDATION IS IF YOU

ARE SHOPPING FOR ONE OF THESE

LOAN, TRY TO KEEP IT IN A TWO

WEEK PERIOD.

KEEP IT IN A TWO WEEK PERIOD AND

CHANCES ARE IT IS GOING TO BE

BASICALLY STREETED AS THE SINGLE

INQUIRY.

AND THE OTHER THING IS REMEMBER

INK I RYS ONLY SAY ON YOUR

CREDIT REPORT TWO YEARS.

AFTER TWO YEARS THEY DROP OFF.

THEY AREN'T THERE ANYMORE AND

THEY ONLY IMPACT SCORES FOR ONE

YEAR.

SO EVEN IF YOU END UP WITH A

BUNCH OF INQUIRIES.

THE MOST IT WOULD IMPACT YOUR

SCORE IS FOR A YEAR AND AFTER

TWO YEARS THE INQUIRIES WOULD BE

GONE.

AND THEN FINALLY ACCOUNT MIX.

WE WANT TO MOVE ON TO OUR NEXT

TOPIC OF BUSINESS CREDIT.

SO ACCOUNT MIX IS WHAT TYPES OF

ACCOUNTS YOU HAVE.

REVOLVING LINK CREDIT CARDS.

AUTO LONE.

MORTGAGES.

MY FATHER WHO IS SUPER

CONSERVATIVE ABOUT MONEY AND

PAYING BILLS ON TIME AND VERY

CAREFUL.

GOT A LETTER FROM HIS AUTO

INSURANCE COMPANY SAYING HE

DIDN'T GET THE BEST DISCOUNT

BECAUSE OF HIS CREDIT.

AND THE REASON WASN'T THAT THERE

WASN'T ANYTHING NOENG THERE.

THE REASON WAS HE DIDN'T HAVE

MUCH CREDIT.

HIS HOME IS PAID FOR.

NO MORTGAGE LISTED ANYMORE.

COUPLE OF CREDIT CARD.

HE DIDN'T HAVE A MIX OF CREDIT.

SO I DON'T LIKE -- I DON'T WANT

YOU TO FEEL LIKE YOU HAVE TO RUN

OUT AND OPEN A LOAN AND PAY

INTEREST JUST BECAUSE THIS

FACTOR MIGHT BE AFFECTING YOU.

BUT IF IT IS THERE ARE SOME

SIMPLE WAYS TO BUILD A MORE

ROBUST CREDIT MIX.

ONE WOULD BE A SECURED CREDIT

CARD.

IF YOU DON'T HAVE ANY OPEN

AVAILABLE CREDIT CARDS RIGHT

NOW, SECURE CREDIT CARDS YOU PUT

A DEPOSIT AND THE DEPOSIT IS

USUALLY YOUR CREDIT LINE AND

THEN YOU USE THAT LIKE A REGULAR

CREDIT CARD PAY IT ON TIME AND

EVENTUALLY YOU GET YOUR DEPOSIT

BACK.

THE OTHER IS A CREDIT BUILDER

LOAN AND THERE IS WHERE YOU

BORROW A SAVINGS ACCOUNT AND PAY

FORWARDS THAT AND WHEN YOU PAID

IT OFF YOU GET THE MONEY IN THE

SAVINGS ACCOUNT.

LIKE A REVERSE CREDIT.

YOU END UP GETTING A LUMP SUM OF

MONEY IN A TEND.

THE -- BETWEEN THE COMBINATION

SOMEONE WHO HAS NO CREDIT OR

LITTLE CREDIT VERSUS MAYBE

TRYING TO RECOVER CREDIT.

RETS TOUCH QUICKLY ON -- REASON

I WANT TO TOUCH ON THIS YOU MAY

HAVE REMEMBERED THEY MENTIONED

THAT COURTNEY, OUR DRIVER

EARLIER, SHE SHE DID USE CREDIT

REPAIR AND BASICALLY WHAT CREDIT

REPAIR DOES IS SEND OUT LETTERS

TO DISPUTE INFORMATION.

THERE ARE VARIOUS -- AT SENDING

LETTERS.

THERE IS NOTHING MAGICAL ABOUT

THE PROCESS.

YOU CAN DO THIS YOURSELF BUT IF

YOU FEEL OVERWHELMED.

YOU DON'T FEEL LIKE TOUGH TIME.

TOO FOCUSED ON THE BUSINESS.

MY WARNING WOULD BE JUST MAKE

SURE YOU ARE DEALING WITH A

REPRESENTABLE COMPANY AND IT IS

NOT CHARGING HIGH UP FRONT FEES.

CREDIT REPAIR IS NOT SUPPOSED TO

CHARGE HIGH UP FRONT FEES.

BUT SOMETIMES WE STILL SEE IT

HAPPEN.

I SEE SOMEONE OFFERING TO FIX

THEIR CREDIT FOR 7 OR $8,000

WITH MO MONEY BACK GUARANTEE AND

THAT IS NOT THE KIND OF

ARRANGEMENT I RECOMMEND YOU

CONSIDER, SO JUST UNDERSTAND

WHERE IT HAS ITS SPACE.

LET'S TRY TO TOUCH ON BUSINESS

CREDIT SCORES AND THEN AND

REMEMBER WE'LL HAVE TIME FOR

QUESTIONS AT THE END SO YOU ARE

WELCOME TO SUBMIT YOUR QUESTIONS

AT ANY TIME.

AND I WILL BE HAPPY TO TRY TO

TAKE AS MANY AS OF THOSE AS YOU

CAN AT THE END OF THE WEBINAR.

YOUR BUSINESS, NOW I'VE TALKED

ALL ABOUT PERSONAL CREDIT AND

HOW YOU NEED TO MAINTAIN

PERSONAL CREDIT AS THE BUSINESS

OWNER AND THE REASON IS BECAUSE

AT LEAST EARLY ON IN YOUR

BUSINESS, YOUR BUSINESS -- YOUR

PERSONAL CREDIT IS GOING TO COME

INTO PLAY.

IT IS JUST GOING TO BE

INEVITABLE THERE WILL BE

DECISIONS WHERE THEY ARE GOING

TO LOOK AT YOUR PERSONAL CREDIT.

A BUSINESS CREDIT CARD.

A LINE OF CREDIT.

ESPECIALLY AGAIN WHEN YOUR

BUSINESS IS YOUNGER OR SMALLER,

THE PERSONAL CREDIT IS VERY

IMPORTANT.

BUT THEY CAN ALSO LOOK AT

BUSINESS CREDIT TOO.

SO LET'S TALK ABOUT BUSINESS

CREDIT A SECOND.

I WANT TO GET AN ASSESSMENT

WHETHER YOU HAVE TAKEN A LOOK AT

YOUR BUSINESS CREDIT REPORTS OR

SCORES.

WE HAVE ANOTHER POLL QUESTION

HERE.

HAVE YOU CHECKED YOUR BUSINESS

OR COMMERCIAL CREDIT REPORTS OR

SCORES?

AND THIS ONE WE'LL JUST SAY ALL

TIME.

GO TO THE POLL THERE AND ANSWER

THAT QUESTION AND I'D LOVE TO

GET A SENSE OF WHERE YOU ARE AT.

OKAY LET'S CLOSE OUT THAT POLL

QUESTION.

WE'LL SHARE THE RESULTS AT THE

END.

SO THERE ARE THREE MAJOR

COMMERCIAL CREDIT REPORTING

AGENCIES, DONE ON BRAD STREET.

EQUIFAX HAS A COMMERCIAL OR

BUSINESS CREDIT DIVISION AND

EXPERIAN ALSO.

AND THEY DO THE SAME THING THAT

PERSONAL CREDIT DOES FOR

BUSINESS.

THEY COLLECT INFORMATION ON HOW

BUSINESSES HAVE HANDLED THEIR

BILLS AND THEY USE THAT TO

PREPARE REPORTS AND HELP CREATE

CREDIT SCORES.

NOW UNLIKELY PERSONAL CREDIT

THERE IS A BIG DIFFERENCE IN

BUSINESS CREDIT.

WITH PERSONAL CREDIT YOU CAN GO

TO ANNUAL CREDIT REPORT.COM ONCE

A YEAR AND GET YOUR FREE CREDIT

REPORT FROM ALL THREE BUREAUS.

ANNUALCREDITREPORT.COM.

BUSINESS IS VERY DIFFERENT.

THERE IS NO FEDERAL REQUIREMENT

THEY SHOW YOUR BUSINESS CREDIT

REPORT.

NOT ONCE A YEAR.

NOT WHEN YOU ARE TURNED DOWN.

NOT WHEN YOU ARE CHARGED MORE.

THERE IS JUST NO REQUIREMENT FOR

DISCLOSURES.

SO MY EXPERIENCE IS THAT MANY

BUSINESS OWNERS JUST HAVEN'T

CHECKED BECAUSE THEY SIMPLY

DON'T KNOW HOW -- WHERE THIS

EXISTS OR WHERE TO GET IT SO

WE'LL TALK ABOUT HOW TO DO THAT

IN A MOMENT.

SO WHAT'S IN A BUSINESS CREDIT

REPORT?

IT IS GOING TO BE VERY SIMILAR

TO A PERSONAL CREDIT REPORT.

IT IS GOING CONTAIN INFORMATION

ABOUT THE BUSINESS.

AND THEN IT IS GOING TO CONTAIN

INFORMATION ABOUT ACCOUNTS AND

HOW THE BUSINESS HAS PAID THOSE

ACCOUNTS.

AND WHETHER THEY HAVE BEEN PAID

ON TIME AND WHETHER THERE HAS

BEEN OTHER NEGATIVE INFORMATION

REPORTED LIKE A BUSINESS

BANKRUPTCY, A TAX LIEN A

JUDGMENT, A BUSINESS COLLECTION

ACCOUNT ETC.

ALL THOSE THINGS ARE VERY

SIMILAR.

HOWEVER, WHEN IT COMES TO A

BUSINESS CREDIT REPORT, UNLIKE

PERSONAL CREDIT, WHERE IF YOU

OPEN UP A -- IF YOU GET A

MORTGAGE OR IF YOU GET A OUT

LOAN OR EVEN A CREDIT CARD

CHANCES ARE THEY ARE GOING TO

REPORT YOUR PAYMENT HISTORY TO

ALL THREE CREDIT BUREAUS.

IT IS GOING SHOW UP ON ALL

THREE.

ALMOST A GIVEN.

NOT SO MUCH WITH BUSINESS

CREDIT.

WITH BUSINESS CREDIT IT IS MUCH

MORE TYPICAL THAT A BUSINESS

OWNER WHO IS PAYING BILLS ON

TIME FOR THEIR BUSINESS STILL

DOESN'T HAVE MUCH IN THE WAY OF

BUSINESS CREDIT HISTORY.

SO WE'LL TALK ABOUT THAT IN A

MOMENT.

GIVEN THAT, WHAT DO YOU THINK IS

A GOOD BUSINESS CREDIT SCORE?

WHAT DO YOU THINK IS A GOOD

BUSINESS CREDIT SCORE?

THIS IS JUST A QUESTION TO

ANSWER IN YOUR HEAD FOR A

SECOND.

NOW YOU KNOW MY TRICK ANSWER.

THE ONE THAT GETS YOU WHAT YOU

WANT WANT.

BUT BEYOND THAT, MOST PEOPLE ARE

SAYING, WHEN I DO THIS IN A

WORKSHOP, THEY WILL SAY 720,

780, 680.

THEY ARE THINKING OF PERSONAL

CREDIT SCORE RANGE.

THE RANGE FOR BUSINESS IS A

LITTLE DIFFERENT.

0-100.

100 IS THE BEST LOW RISK SCORE

YOU CAN GET.

SO THAT IS THE HIGHEST SCORE.

IN THAT RANGE 80 TO 100 WOULD BE

WHAT TO SHOOT FOR.

WITH BRAD SCORE IT IS SIMILAR.

0-100.

SHOOTING FOR 80 TO IS 00.

TOOIK HAS A BUSINESS SCORE AND

THE BEST YOU CAN GET FOR FICO

SMALL BUSINESS SCORE IS 300.

THAT WOULD BE A PERFECT SCORE.

SO JUST LIKE PERSONAL CREDIT.

DO YOU REMEMBER I MENTIONED.

I SAID ALWAYS WHEN YOU ARE

CHECKING YOUR CREDIT LOOK AT THE

SCORE RANGE.

WHAT IS THE RANGE?

THERE ARE TOM RANGES ON BUSINESS

CREDIT SCORES THAT GO UP TO 1135

OR OTHER HIGH NUMBERS THAT ARE

COMPLETELY DIFFERENT THAN THIS.

SO YOU ALWAYS WANT TO LOOK AT

THE RANGE, SO WHEN YOU SEE THE

NUMBER YOU HAVE A BETTER CONTEXT

FOR WHERE IT FITS IN.

NOW I JUST MENTIONED THE FICO

SBSS SCORE.

FICO IS ONE OF THE BIGGEST MAJOR

CREDIT SCORING COMPANIES IN THE

COUNTRY.

AND THEY DEVELOPED A SCORE

SPECIFICALLY FOR SMALL BUSINESS

DECISIONS.

AND IN FACT THIS SCORE IS

REQUIRED IF YOUR BUSINESS WANTS

TO GO FOR AN SBA LOAN IN THE 7-A

PROGRAM WHICH IS ONE OF THE MOST

POPULAR TYPE OF SBA-BACKED

LOANS.

THEN THE LOAN AMOUNT IS $350,000

OR LESS, THEN THE LENDER, THE

FIRST THING THEY HAVE TO DO IS

SCREEN THE APPLICATION USING

THIS SCORE, THE FICO SBSS SCORE.

REMEMBER WE SAID IT GOES FROM

0-300.

THE SBA -- AND OUR EXPERIENCE IS

THAT MOST LENDERS WANT TO SEE A

160 OR ABOVE.

IT IS -- NOW WHAT THE OTHER

UNIQUE THING ABOUT THE FICO SBSS

SCORE IS IT TAKES INTO ACCOUNT

YOUR PERSONAL CREDIT.

YOU AS A BUSINESS OWNER, AS WELL

AS THE BUSINESS CREDIT OF YOUR

BUSINESS.

SO IT CAN TAKE THOSE TWO DATA

SETS AND COMBINE THOSE INTO ONE

SCORE.

IT IS ALSO POSSIBLE FOR THE

LENDER TO ENTER FINANCIAL

INFORMATION.

SO THEY COULD ENTER INFORMATION

ABOUT REVENUES, CAPITAL

EXPENDITURE, ETC. IF THEY WANTED

TO ADD THAT LAYER OF DECISIONING

TO THE DECISION PROCESS.

THE LENDER HAS FLEX BLTS IN

TERMS OF WHAT THEY ARE LOOKING

FOR WHEN THEY ARE LOOK AT THE

DECISION.

NOW IF YOU HAVE SELLER, LIKE

REALLY, REALLY HIGH PERSONAL

CREDIT YOU MAY SCORE FINE ON

THIS.

YOU MAY GET A PASSING SCORE OF

140 OR EVEN A 160.

BUT OUR EXPERIENCE IS THAT MOST

INDIVIDUALS, MOST SMALL BUSINESS

OWNERS HAVE A BETTER SHOT

GETTING A PASSING SCORE, AN

ACCEPTABLE SCORE IF THEY HAVE

ESTABLISHED BUSINESS CREDIT.

SO WE WANT TO PAGE SURE WE GET A

LITTLE TIME TO TALK ABOUT THAT

PROCESS.

SO HOW DOES BUILDING BUSINESS

CREDIT WORK?

I'M GOING TO GIVE YOU A SHORT

OVERVIEW PROCESS.

I WOULD RECOMMEND THAT YOU

CREATE A LEGAL BUSINESS ENTITY.

LLC, S CORP, C CORPS.

TALK TO AN ACCOUNTANT OR FIGURE

OUR OPTIONS AND MAKE A

DETERMINATION.

YOU DON'T HAVE.

YOU CAN BUILD BUSINESS CREDIT AS

THE SOLE PROPRIETOR.

BUT IF YOU THINK YOU ARE AND

YOUR BUSINESS ARE THE SAME

ENTITY.

UNTIL YOU SEPARATE IT.

UNTIL YOU MAKE THE BUSINESS ITS

OWN LEGAL STRUCTURE YOU ARE THE

SAME.

SO UNTIL YOU GET TO GET CREDIT

IT IS GOING TO BE PERSONAL

CREDIT.

SO IT CAN'T BE BUSINESS CRITERIA

UNTIL YOU ULTIMATELY SEPARATE

IT.

SO I ENCOURAGE YOU TO LOOK AT

IT.

AND THE TWO STEP TWO.

SEPARATE PERSONAL AND BUSINESS

FINANCES.

GET A BUSINESS BANK ACCOUNT.

WE DID SURVEYS AND FOUND THERE

ARE STILL ANYWHERE FROM 10 TO

20% OF SMALL BUSINESS OWNERS

JUST USE THEIR PERSONAL BANK

ACCOUNT.

SOME LENDERS ARE GOING WANT TO

SEE YOUR BUSINESS REVENUES AND

GOING TO TO WANT TO VERIFY AND

IF YOU DON'T HAVE A BANK

STATEMENT IS THAT SHOWS THIS IS

BUSINESS REVENUE COMING IN IT IS

GOING TO BE MORE DIFFICULT TO

QUALIFY FOR FINANCING, SO I

WOULD ENCOURAGE YOU AND IT JUST

MAKES THINGS A LOT EASIER AT TAX

TIME.

THE THIRD STEP IS REQUEST

YOUR -- NUMBERS.

DUN&BRADSTREET WERE ONE OF THE

COMMERCIAL CREDIT AGENCIES,

PRODUCING A PAY DECK SCORE.

SOMETHING OTHER CREDIT SCORES

THEY CREATE AND THEY USE AN

IDENTIFIER IN THEIR SYSTEM

BECAUSE THE DUNS NUMBER.

SORT OF THE EQUIVALENT OF YOUR

SOCIAL SECURITY NUMBER TO YOUR

PERSONAL CREDIT.

YOU KNOW, WHEN YOU FILL OUT AN

APPLICATION THEY ARE GOING TO

ASK FOR YOUR SOCIAL SECURITY

NUMBER.

HERE THEY ARE USING A DUNS

NUMBER.

A PROPRIETARY NUMBER THEY CREATE

SO YOU CAN GO TO THE DMB SITE IS

SEE IF YOU ARE ALREADY IN THE

SYSTEM.

IF YOU DON'T IT IS SOMETHING

REQUEST FOR FREE.

ONE TIP.

IT CAN TAKE FOUR TO SIX WEEKS TO

GET A NUMBER.

IF YOU ARE GOING FOR A

GOVERNMENT CONTRACT OR A GRANT,

FOR EXAMPLE, YOU MAY NEED THAT

DUNS NUMBER SO THIS IS SOMETHING

I WOULD RECOMMEND YOU DO JUST

RIGHT AWAY.

EVEN IF YOU ARE NOT THINKING

ABOUT FINANCING OR GOVERNMENT

CONTRACTS.

GO AHEAD AND GET IT SO IT IS OUT

OF THE WAY.

THERE ARE OTHER WAYS YOU CAN GET

INTO THE DUN&BRADSTREET SYSTEM

AND I'LL TALK ABOUT THOSE IN A

MOMENT.

THE NEXT THING I'D WANT YOU TO

DO IS TO ESTABLISH SOME CREDIT

REFERENCES THAT YOU KNOW ARE

GOING TO SHOW ON YOUR CREDIT

REPORT.

SO REMEMBER WITH A CREDIT SCORE,

THEY HAVE TO SEE HOW YOU HAVE

PAID IN THE PAST TO PREDICT HOW

YOU ARE GOING TO PAY IN THE

FUTURE.

IF THERE IS NO PAYMENT

INFORMATION YOU PERONEAL WON'T

HAVE A CREDIT SCORE BECAUSE

THERE IS JUST NOTHING THERE TO

MAKE ANY KIND OF PREDICTION.

SO AN EASY WAY TO GET THIS

STARTED IS TO WORK WITH VENDORS

THAT REPORT PAYMENT HISTORY TO

THE COMMERCIAL CREDIT AGENCIES.

AND THIS IS A SHORT LINK, TO A

LIST OF THREE THAT ARE SUPER

EASY TO GET.

QUILL, U LINE AND GRANGER.

THEY DON'T CHECK PERSONAL

CREDIT.

AND THEY USUALLY START YOU OUT

WHAT'S CALLED NET 30 TERMS,

WHICH MEANS YOU HAVE 30 DAYS TO

PAY.

SO YOU CAN GET AN ACCOUNT, BUY

STUFF YOU NEED FOR YOUR BUSINESS

ANYWAY.

DON'T RUN UP DEBT FOR THINGS YOU

DON'T NEED.

BUT GET, YOU KNOW, KEURIG CUPS

FOR THE COFFEE MAKER.

OR COPY PAPER OR SHIPPING

SUPPLIES AND JUST PAY THOSE IN

THE 30 DAYS AND YOU WILL START

TO SEE THOSE SHOW UP ON YOUR

CREDIT REPORT ASKS THAT WILL

PROVIDE CREDIT REFERENCES.

IN ADDITION BUSINESS CREDIT

CARDS OFTEN REPORT TO BUSINESS

CREDIT BUREAUS.

THERE IS A SHORT LINK TO ANOTHER

CHART THAT LISTS WHICH OF THE

SMALL BUSINESS CREDIT CARDS

REPORT TO WHICH OF THE BUSINESS

CREDIT AGENCIES.

SO YOU CAN START BUILDING

BUSINESS CREDIT BY GETTING A

BUSINESS CREDIT CARD AND USING

THAT FOR YOUR BUSINESS

PURCHASES.

AND AGAIN IT IS EASIER AT TAX

TIME.

PAYING ON TIME IS CRUCIALLY

IMPORTANT.

IT IS SO IMPORTANT WITH YOUR

PERSONAL CREDIT BUT IT IS EVEN

MORE IMPORTANT WITH BUSINESS

CREDIT BECAUSE IT IS THE BIGGEST

BY FAR THE MOST HEAVILY WEIGHTED

ITEM.

SOME OF THE SCORES LIKES PAYDEX

IS JUST PAYMENT HISTORY.

THEY DON'T CARE ABOUT INQUIRIES.

EXPEERNL DOESN'T CARE ABOUT

PAYMENT INQUIRIES.

THEY ARE LOOK AT PAYMENT HISTORY

SO YOU REALLY --.

AND NOW E THIS SOUNDS VERY

OBVIOUS BUT WHEN YOU ARE A BUSY

BUSINESS OWNER IT IS EASY FOR

STUFF TO FALL THROUGH THE CRACKS

AND PRETTY SOON YOU UNDERSTAND

YOU ARE BEHIND.

STEP SEVEN IS TO FIX MISTAKES.

SO IF YOU DO FIND MISTAKES ON

YOUR CREDIT REPORT.

THE WALL STREET JOURNAL STORY

THAT SAID THAT BUSINESS CREDIT

REPORTS HAVE A BIGGER -- HAVE A

HIGH ERROR OR MISTAKE RATE THAN

DO PERSONAL CREDIT REPORTS.

AND MY THEORY ON THIS, HAVING

BEEN AROUND THIS INDUSTRY FOR SO

LONG IS THAT THE REASON IS

BECAUSE WE AREN'T CHECKING.

MOST OF US ARE CHECKING OUR

PERSONAL CREDIT.

AT LEAST FROM TIME TO TIME OR

WE'RE APPLYING FOR A LION AND

THEY WILL TELL US IF THERE IS

SOMETHING THAT DOESN'T LOOK

RIGHT.

BUT WITH BUSINESS CREDIT,

BUSINESS OWNERS DON'T CHECK SO

THEY DON'T KNOW THERE IS A

MISTAKE AND ULTIMATELY YOU ANDRY

THE ONLY ONE WHOSE CAN LOOK AT

OUR REPORT AND SAY THAT IS

CORRECT OR NOT.

I WOULD ALSO RECOMMEND THAT YOU

MONITOR YOUR CREDIT ON A REGULAR

BASIS.

BECAUSE NOT ONLY BECAUSE OF

MISTAKES BUT BECAUSE BUSINESS

IDENTITY THEFT IS A GROWING

PROBLEM.

THERE WAS A STORY RECENTLY ON

NBCNEWS.COM ABOUT A LAWYER WHO

HAD TO SHUT DOWN HIS PRACTICE

BECAUSE HE WAS A VICTIM OF BOTH

PERSONAL AND IDENTITY THEFT.

AND BUSINESS.

PERSON AND BUSINESS IDENTITY

THEFT AND HAD TO SHUT DOWN HIS

PRACTICE FOR 30 DAYS TO TRY TO

CLEAN UP THE MESS BEFORE HE

COULD GO BACK IN A PRACTICE.

YOU DON'T WANT SOMETHING LIKE

THAT HAPPEN TO YOU.

AND YOU CAN'T FREEZE YOUR

BUSINESS CREDIT.

YOU CAN FREEZE YOUR PERSONAL

CREDIT NOW FOR FREE.

THAT IS NEW UNDER FEDERAL LAW.

YOU CAN FREEZE YOUR PERSONAL

CREDIT BUT NOT YOUR BUSINESS

CREDIT SO I ENCOURAGE YOU TO

MAKE SURE YOU STAY ON TOP OF IT.

WE'RE GOING TO GO INTO QUESTIONS

IN A MOMENT BUT I DO WANT TO

SHARE A COUPLE OF RESOURCES FOR

YOU.

FIRST OF ALL, IF YOU DO WANT TO

CHECK AND BUILD YOUR BUSINESS

CREDIT FOR SFREE YOU CAN DO THAT

WITH A FREE 1/2 ACCOUNT.

NAV.COM/SCORE.

AND THAT WILL GIVE YOU A

PERSONAL CREDIT AND OVERVIEW OF

TWO BUSINESS CREDIT REPORTS FOR

FREE.

SO YOU WILL SEE EXPERIAN AND

DUN&BRADSTREET.

THAT IS A GREAT WAY TO

INVESTIGATE.

AND THEN IF YOU NEED TO BUILD

BUSINESS CREDIT WITH A TOOL IN

THERE TO HELP YOU WALK THROUGH

THE PROCESS AND THEN WE ALSO USE

A TOOL CALLED MATCH FACTOR WHICH

TAKES THAT INFORMATION THAT YOU

HAVE IN YOUR NAV ACCOUNT, USES

IT TO HELP YOU UNDERSTAND WHICH

LENDERS ARE MORE LIKELY TO

APPROVE YOU FOR DIFFERENT TYPES

OF FINANCING.

MARKETPLACE OVER 30 DIFFERENT

TYPES OF LENDERS.

WE DON'T SELL THAT INFORMATION

OR SHARE IT OUTSIDE BUT WE USE

TO IT HELP YOU UNDERSTAND WHAT

KIND OF FINANCING YOU MAY BE

QUALIFIED FOR.

AND THEN FINALLY THERE IS A FREE

SCORE eGUIDE.

THE 10 MOST POPULAR TYPES OF

FINANCING AND QUALIFICATIONS FOR

EACH.

WHICH ONES LOOK AT WHICH CREDIT.

WHICH RANGES THEY ARE LOOKING

FOR.

THE MINIMUM PERSONAL CREDIT

SCORE T MINIMUM REVENUE.

THIS IS AVAILABLE ON THE SCORE

WEBSITE ON THE LIBRARY IN THE

eGUIDES SECTION AND I HOPE YOU

WILL FIND THAT HELPFUL AS EL.

THERE IS MY CONTACT INFORMATION

AND I'LL STICK AROUND TO ANSWER

QUESTIONS AS WELL.

GREAT.

THANKS FOR THAT AWESOME

PRESENTATION, JERRY.

>> WE'RE NOW GOING TO MOVE TO

THE Q&A PORTION OF THE

CONFERENCE.

IF YOU HAVE ANY QUESTIONS FEEL

FREE TO CONTINUE SUBMITTING

THOSE USING THE Q&A BOX ON YOUR

SCREEN.

WE'LL ANSWER AS MANY QUESTIONS

AS WE CAN IN THE TIME REMAINING.

IF WE DON'T HAVE TIME TO GET TO

YOUR QUESTION FEEL FREE TO STOP

BY THE NAV BOOTH AND SPEAK WITH

JERRY AND THE NAV TEAM THERE.

SHE'S HAPPEN TO ANSWER QUESTIONS

AFTER THE WEBINAR AND IN BREAKS

IN THE CONFERENCE.

YOU CAN ALSO GET FREE

BUSINESSMEN OR THING FROM SCORE.

OUR FIRST QUESTION COMES FROM

JONATHAN, WHO SAID THAT HE

DIDN'T REALIZE THERE WERE CREDIT

CARDS THAT DON'T APPEAR ON HIS

PERSONAL CREDIT SCORE.

DIDN'T KNOW THERE WAS A

DIFFERENCE BETWEEN PERSONAL

CREDIT CARDS AND BUSINESS CREDIT

CARDS.

CAN YOU POINT TO A RESOURCE THAT

ENTREPRENEURS CAN USE TO HELP

FIND THAT?

>> ABSOLUTELY.

SO BUSINESS CREDIT CARDS DO NOT

REPORT TO PERSONAL CREDIT.

AT ALL.

SOME DON'T.

BUT THEY WILL REQUIRE A PERSONAL

GUARANTEE.

AND IF YOU DEFAULT, IF YOU DON'T

PAY IT BACK THEY PROBABLY WILL

REPORT THE FAULT TO YOUR

PERSONAL CREDIT.

IT IS NOT AS IF IT NEVER

APPEARS.

THERE IS ONE ISSUER THAT NEVER

REPORTS BUT YOU WANT TO KEEP

THAT IN MIND.

THERE AS SHORT LINK TO AN

ARTICLE WITH A CHART I WROTE

WITH ALL MAJOR ISSUES AND THEIR

POLICIES.

AT NAV.COM/REPORT.

>> CAN YOU EXPLAIN PAYING OFF

CREDIT CARDS BEFORE THE BILLING

CYCLE AGAIN?

SHE PAYS OFF EVERY MONTH.

SHE GETS AN E-MAIL LETTING HER

KNOW THE BILL IS READY.

BUT IT SEEMS YOU WERE SUGGESTING

PAYING OFF THE BILL BEFORE THAT

E-MAIL AND IF -- OKAY.

GREAT CAN YOU TALK ABOUT THAT.

>> YES, I UNDERSTAND WHAT SHE'S

GETTING AT.

AND I DO THIS SOMETIMES.

SO WHEN YOUR CREDIT CARD ISSUER

ENDS THE BILLING CYCLE.

AND THIS IS ACTUALLY LISTED ON

YOUR STATEMENT.

IT WILL GIVE YOU THE RANGE OF

DATES FOR THE BEGINNING AND IND

OF THE BILLING CYCLE.

A AT THE END OF THE BILLING

CYCLE IS TYPICALLY WHEN THEY

SEND DATA TO THE CREDIT BUREAU.

AROUND THAT DAY, MAYBE A FEW

DAYS AFTER.

IF I HAVE A HIGH PURCHASE VOLUME

IN A MONTH AND I KNOW IT IS

GOING TO BRING UP MY

UTILIZATION, I'LL GO ONLINE

ABOUT FIVE DAYS BEFORE THE CLOSE

OF THE BILLING CYCLE AND MAKE MY

PAYMENT THEN.

SO THEN THE PAYMENT ACTUALLY

ARRIVES AT THE CREDIT CARD

ISSUER.

THEY CREDIT MY ACCOUNT AND THEN

AT THE END OF THE BILLING CYCLE

MY BALANCE IS LOWER.

SO IT LOWERS THE BALANCE THAT

SHOWS UP ON THE CREDIT REPORT

WITH THE CREDIT BUREAU.

AND I CAN TELL YOU.

IT DEPENDS ON ALL THE FACTORS IN

THE CREDIT SCORE.

THE LENGTH OF THE CREDIT HISTORY

AND OTHER FACTORS BUT I'VE SEEN

SWINGS OF 40 POINTS IN A MONTH

IF YOU HAVE A HIGH UTILIZATION

OR A CREDIT SCORE INCREASING BY

50 POINTS IN A MONTH BECAUSE

SOMEONE INCLUDES THEIR CREDIT

UTILIZATION OR DEBT USAGE.

SO IT CAN MAKE A BIG DIFFERENCE.

>> WONDERFUL.

NICOLE ASKED, DOES GOING OVER

YOUR CREDITLY.

AFFECT YOUR CREDIT CORE?

>> YES.

GOING OVER YOUR CREDIT LIMIT

DOES AFFECT THE CREDIT SCORE

BECAUSE IT AFFECTS THE

DEBT/USAGE RATIO.

YOU ARE ESSENTIALLY MAXED OUT

NOW AND THAT WILL AFFECT THE

RATIO.

THERE IS A WAY TO TRANSFER THAT

BALANCE TO A PERSONAL LOAN WHICH

WILL BE MENTIONED A INSTALLMENT

LOAN AND WON'T COUNT OR MAYBE

SPREADING OUT BALANCES OVER

DIFFERENT CARDS IS USEFUL.

BUT THE DEBT USAGE IS CALCULATED

ON EACH INDIVIDUAL CREDIT CARD.

AS WELL AS ALL YOUR CREDIT CARDS

ADDED TOGETHER.

IF YOU HAVE ONE OR TWO IN HIGH

BALANCE, THAT IS A PROBLEM.

IT WILL LOOK AT IT IN BOTH WAYS.

>> NEXT QUESTION, I HAVE HIGH

BALANCES ON SOME CARDS AND NO

DEBT ON SOME CARDS BUT ALL OF

THEM PAID ON TIME AND EARLY AND

NEVER LATE.

HOW DOES THAT AFFECT THE DEBT

USAGE?

>> WELL IT COULD AFFECT YOUR

DEBT USAGE BECAUSE THOSE CARDS

HAVE HIGH DEBT USAGE.

BUT WHAT I SAY, WHAT I WANT TO

RECOMMEND YOU DO IS CHECK YOUR

CREDIT REPORT AND SCORE AND SEE

WHAT FACTORS ARE IMPACTING IT.

IF YOUR CREDIT SCORE IS WHERE

YOU WANT IT TO BE, AND YOU ARE

NOT HAVING TROUBLE GETTING

APPROVED, NO BIG DEAL.

IF YOUR CREDIT SCORE IS NOT AS

HIGH AS IT NEEDS TO BE AND YOU

ARE SEEING THIS FACTOR POP UP AS

A REASON WHY YOUR CREDIT SCORE

ISN'T HIGHER THAN YOU MAY WANT

TO CONSIDER ONE OF THE

STRATEGIES WE TALKED ABOUT IN

THE WEBINAR TO BRING DOWN THE

BALANCES.

>> ANOTHER PARTICIPANT WRITES,

BECAUSE OF A POOR CREDIT SCORE,

I DON'T HAVE A CREDIT CARD.

WHAT OTHER REVOLVING CREDIT

OPTIONS SHOULD I TRY?

>> I WOULD RECOMMEND YOU LOOK

INTO A SECURED CREDIT CARD.

SO A SECURED CREDIT CARD

REQUIRES A DEPOSIT.

BUT IT IS VERY EASY TO GET.

EVEN IF YOU DON'T HAVE GREAT

CREDIT.

YOU CAN PAY THAT AND MANAGE IT

WELL JUST LIKE ANY OTHER CREDIT

CARD.

THE ONE THING WITH A SECURE CARD

YOU HAVE TO WATCH OUT FOR IS

YOUR LIMIT IS GOING TO BE EQUAL

TO YOUR DEPOSIT.

AND IT MIGHT BE RATHER LOW.

SO YOU DON'T WANT TO CHARGE UP

HIGH BALANCES AND THEN HAVE HIGH

DEBT USAGE.

YOU CAN USE IT MAYBE FOR GAS IN

THE CAR ONCE A MONTH AND PAY OFF

IN FULL AND THAT ACTIVITY SHOULD

BE NOW HAVE THE BUILD A POSITIVE

CREDIT REFERENCE FOR YOU.

AND THE OTHER OPTION I MENTIONED

IN THE PROGRAM WAS A CREDIT

BILLER LOAN WHERE YOU START A

SAVINGS ACCOUNT AND PAY THAT OFF

AND THEN YOU GET THE MONEY IN

THE SAVINGS ACCOUNT.

THAT IS TREATED A AN INSTALLMENT

LOAN ON THE REPORT SO A WAY TO

ROUND OUT THE CREDIT HISTORY FOR

SOMEONE WHO MAYBE DOESN'T HAVE

AN INSTALLMENT LOAN LISTED

RADIOIT NOW.

>> WHY IS CREDIT SO INTEGRATED

WITH OUR BUSINESS?

I REGINALD REGISTERED --

BUSINESS CREDIT SEPARATE FROM

PERSONAL CREDIT.

>> GREAT QUESTION.

THERE WILL BE SOME WHO LET A

BUSINESS QUALIFY WITHOUT LOOKING

AT THE OWNERS PERSONAL CREDIT.

TYPICALLY THAT HAPPENS WHEN TWO

THINGS HAPPEN.

ONE IS YOU HAVE SOME TIME IN

BUSINESS.

A YEAR, MAYBE TWO.

AND TWO, YOU DEMONSTRATE

BUSINESS REVENUE.

THEN THEY MAY ALSO CHECK

BUSINESS CREDIT SCORES TO SEE IF

THE BUSINESS HAD ITS OWN CREDIT

SCORE.

IF THOSE THINGS ARE LACKING.

IF YOU ARE A NEW BUSINESS.

YOU DON'T HAVE REVENUES AND YOU

DON'T HAVE BUSINESS CREDIT.

THEN IT JUST APPEARS TO RISKY

FOR THE LENDER.

THE LENDER WANTS TO SEE, OKAY,

IF THE BUSINESS JUST GOES OUT OF

BUSINESS, HOW AM I GOING TO

COLLECT?

SO THEY LOOK TO SEE THAT AS A

SIGN THAT THE BUSINESS OWNER IS

WILLING AND ABLE TO PAY THEIR

BILLS ON TIME.

EVEN IF TIMES GET ROUGH IN THE

BUSINESS.

SO EVENTUALLY YOU WILL -- YOU

CAN AND WILL MOVE AWAY FROM

USING PERSONAL CREDIT AS YOU

GROW YOUR BUSINESS.

BUT IT IS A PROCESS THAT TAKES

TIME, OVER TIME AND SO YOU WANT

TO START THAT PROCESS AS SOON AS

POSSIBLE JUST BY BUILDING A

FINANCIALLY STABLE BUSINESS WITH

STRONG BUSINESS CREDIT.

>> ANOTHER PARTICIPANT WRITES,

I'VE HAD BUSINESS CREDIT OR I'VE

HAD CREDIT SINCE THE EIGHTIES

BUT I STOPPED USING IT FOR A FEW

YEARS.

NOW MY CREDIT FILE SAYS I HAVE

NEW CREDIT.

DOES THE OLD HISTORY DISAPPEAR?

>> YES, OLD CREDIT ACCOUNTS THAT

BECOME DORMANT CAN DROP OFF YOUR

CREDIT FILE.

USUALLY IT TAKES ABOUT 7-10

YEARS.

IN ADDITION HOWEVER, EVEN IF

THOSE OLD ACCOUNTS WERE

APPEARING ON YOUR CREDIT FILE

YOU MAY HAVE WHAT'S CALLED A

THIN CREDIT FILE BECAUSE THERE

IS NO ACTIVE RECENT CREDIT

REFERENCES DEMONSTRATING HOW YOU

HANDLED YOUR PAYMENTS NOW.

SO YOU WANT TO TRY TO KEEP AT

LEAST ONE OPEN ACTIVE ACCOUNT ON

YOUR CREDIT REPORT FOR

CONSISTENCY.

YOU DON'T HAVE ANY RIGHT NOW,

YOU ARE GOING TO HAVE TO START

BASICALLY LIKE YOU ARE STARTING

OVER AGAIN AND START TO BUILD

THOSE REFERENCES.

>> DOES IT HURT YOUR CREDIT

SCORE WHEN YOU CLOSE CREDIT

ACCOUNTS?

>> CLOSING CREDIT ACCOUNTS DOES

NOT MAKE THEM DISAPPEAR FROM

YOUR CREDIT REPORT.

THEY ARE STILL THERE.

AND WHEN IT COMES TO THE FACTOR

OF CREDIT AGE, THEY STILL HELP.

SO THEY STILL COUNT FOR CREDIT

AGE.

THE REASON IT CAN HURT IS

BECAUSE THAT CREDIT NO LONGER

AVAILABLE AS AVAILABLE CREDIT

WHEN YOUR CREDIT -- WHEN YOUR

DEBT USAGE IS CALCULATED.

IF YOU HAD A $10,000 CREDIT

LIMIT AND NOW THE ACCOUNT IS

CLOSED THAT $10,000 WOULD NO

LONGER COUNT AS AVAILABLE CREDIT

AND YOUR DEBT USAGE RATIO WOULD

THEN BECOME HIGHER.

>> IS IT EASIER TO GET A

BUSINESS CREDIT CARD THAN IT IS

TO QUALIFY FOR A BUSINESS LOAN?

>> GREAT QUESTION.

IF YOU HAVE STRONG PERSONAL

CREDIT AND YOU HAVE INCOME FROM

ANY SOURCE, IT COULD BE YOUR

SPOUSES WORKING.

IT COULD BE YOU STILL HAVE A DAY

JOB, THEN YOU CAN LIST THAT ON

YOUR CREDIT REPORT AND THE

DECISION IS GOING TO BE REALLY

WEIGHTED TO YOUR PERSONAL CREDIT

AND THE INCOME THRESHOLD.

IF YOU HAVE GOOD PERSONAL CREDIT

YOU SHOULD BE ABLE TO GET A

BUSINESS CREDIT CARD AND THAT

MAY BE EASIER THAN CERTAINLY

TAPES OF BUSINESS LOANS.

THE eGUIDE I MENTIONED EARLIER,

THE 10 MOST POPULAR TYPES OF

FINANCING, THAT IS ON THE SCORE

WEBSITE.

YOU HAVE A SCORE.ORG,/NAV AND IT

IS ALSO IN OUR BOOTH.

THAT LISTS CREDIT SCORE

REQUIREMENTS AND RANGES AND

REVENUE REQUIREMENTS FOR THE TOP

10 MOST POPULAR TYPES OF --.

YOU ARE GOING TO GET GOOD

DETAILS TO HELP YOU UNDERSTAND

WHAT OPTIONS MAY BE AVAILABLE TO

YOU NOW.

>> I HAVE LOW LIMIT CREDIT CARD

AND NEVER CONSIDERED INCREASING

THE LIMIT BECAUSE IT IS ALWAYS

ENOUGH FOR ME.

DOES INCREASING THE LIMIT HELP

ON THE CREDIT SCORE?

HOW ABOUT HAVING MULTIPLE CREDIT

CARDS?

>> VERY GOOD QUESTION.

SO HAVING HIGHER CREDIT LIMIT

DOESN'T REALLY HELP ORE HURT.

THE BIG FACTOR IS THE DEBT

USAGE.

HOW ARE YOU USING IT.

I WOULD RECOMMEND CONSUMERS HAVE

A SECOND BACKUP CREDIT CARD.

AND THE REASON IS THEY MAY

CHANGE THE POLICIES OR CLOSE THE

ACCOUNT BECAUSE DOESN'T THINK

YOU ARE CHARGING ENOUGH.

MAYBE SOLD TO ANOTHER ISSUER AND

THEY WEED OUT CERTAIN ACCOUNTS

SO HAVING A SECOND CARD COULD BE

A GOOD BACKUP STRATEGY.

AND AGAIN YOU CAN PUT ONE BILL

ON AUTO PAY ON THE CART SO THAT

EVERY MONTH YOUR CELL PHONE BILL

GETS PAID BY THAT.

AUTO DRAFT GETS PAID

AUTOMATICALLY.

YOU DON'T WORRY ABOUT IT BUT IT

IS THERE AS THE BACKUP IN CASE

SOMETHING GOES WRONG ON THE

FIRST ONE.

>> I HAVE A REALLY LOW CREDIT

SCORE.

WOULD YOU RECOMMEND THEY DO DEBT

CONSOLIDATION OR FILE

BANKRUPTCY?

>> THOSE ARE ACTUALLY NOT CREDIT

SCORE QUESTIONS.

THOSE ARE MORE FINANCIAL

QUESTIONS.

AND I WOULD BE HAPPY TO GIVE YOU

SOME RESOURCES.

WHAT I WOULD SUGGEST IS COMING

BY OUR BOOTH, AND I WOULD BE

HAPPY TO CHAT WITH YOU PRIVATELY

IS SEE WHAT'S GOING ON AND SEE

HOW I COULD BE OF HELP.

>> AND THAT IS A GREAT REMINDER

TO AGAIN STOP BY THE NAV BOOTH

AFTER THIS SESSION TO SPEAK WITH

JERRY AND DOWNLOAD FREE ERRORS

FROM NAV.

WE HAVE A ANOTHER QUESTION FROM

MARILYN.

DO YOU HAVE TO PAY FOR A DUNS

NUMBER?

>> YOU DO NOT HAVE TO PEAY FOR A

DUNS NUMBER.

IT IS A FREE SERVICE.

BUT IT CAN TAKE FOUR SIX WEEKS

SO YOU WANT TO MAKE SURE YOU

START THIS PROCESS.

>> WHAT DO YOU THINK IS THE MOST

EFFECTIVE WAY TO IMPROVE THE

DUNS NUMBER FOR A NEW BUSINESS?

>> MOST IMPORTANT THING IS YOU

CAN DO IS ONCE YOU HAVE A DUNS

NUMBER IS ESTABLISH ACCOUNTS.

YOU GET SOMETHING YOU NEED FOR

YOUR BUSINESS, PAY IT OFF ON

TIME AND ESTABLISH REFERENCES.

FOR THE DUNS SCORE YOU NEED AT

LEAST TWO ACCOUNTS WITH AT LEAST

THREE EXPERIENCES OR THREE TIMES

YOU HAVE REPORTED TO THEM IN

ORDER TO IS A PAY DECK SCORE.

>> HOW DOES IRS DEBT AFFECT YOUR

CREDIT?

>> IRS DEBT, IF IT IS FOR YOUR

BUSINESS CAN APPEAR ON YOUR

BUSINESS CREDIT REPORT.

IT NO LONGER APPEARS ON CONSUMER

CREDIT REPORTS BUT MAYBE A

QUESTION ON THE APPLICATION THIS

COULD ASK ABOUT.

AND IF YOU ARE ASKED ABOUT IT

YOU NEED TO REVEAL IT.

SO IF YOU ARE DEALING WITH IRS

DEBT, I WOULD RECOMMEND YOU TALK

WITH A TAX PROFESSIONAL WHO CAN

HELP YOU FIGURE OUT A WAY TO GET

THAT PUT BEHIND YOU.

PAYMENT PLANS AND COMPROMISE AND

OTHER WAYS TO PUT THAT BEHIND

YOU SO YOU CAN FOCUS ON YOUR

BUSINESS.

>> ON THAT PARTICULAR CREDIT

CARD.

THE NICE THING ABOUT AUTHORIZED

USERS IS THEY CAN WITH REMOVED.

IF MY DAUGHTER WENT ON SPENDING

SPREE, I COULD REMOVE HER.

IF I FELL BIND SHE COULD HAVE

THAT REMOVED AND THAT V THE

HISTORY PURGED FROM HER CREDIT

FILE.

-- AUTHORIZED USER IS SOMETHING

THAT CAN BE CHANGED IN THE

FUTURE.

>> I HAVE AN ACCOUNT ON MY

PERSONAL CREDIT REPORT THAT IS

LISTED AS OPEN ALTHOUGH IT WAS

INCLUDED IN A BANKRUPTCY.

IS THIS SOMETHING I SHOULD

DISPUTE?

SINCE THE ACCOUNT IS ACTUALLY

CLOSED.

>> YOU CAN DISPUTE THAT, IF IT

IS NOT ACCURATE.

THE CREDIT BUREAU MUST CONFIRM

IT AND IF THEY CAN'T CONFIRM IT

THEY MUST STOP REPORTING IT

AFTER 30 DAYS.

CHANCES ARE SOMETHING LIKE THAT

WOULD GET RESOLVED EASILY.

A NOTE ON BUSINESS CREDIT.

THERE IS NO LEGAL REQUIREMENT

THE CREDIT BUREAU RESOLVE WITHIN

30 DAYS BUT TYPICALLY THE CREDIT

BUREAUS TRY TO BE RESPONSIVE TO

THOSE DISPUTES BUT IF YOU ARE

DISPUTING SOMETHING ON BUSINESS

CREDIT MAKE A NOTE ON YOUR

CALENDAR SO YOU DON'T FORGET AND

HEY WHEN DID I DISPUTE THAT.

MAKE A NOTE SO YOU CAN CHECK

BACK IN A MONTH AND SEE IF ITS

BEEN CORRECTED.

CAN.

>> CAN I APPLY FOR A BUSINESS

CREDIT CARD IF MY PERSONAL

CREDIT SCORE IS LOW OR BAD.

>> YOU CAN ALWAYS APPLY BUT YOU

DON'T WANT TO GET REJECTED

BECAUSE THAT IS NOT A GREAT

EXPERIENCE FOR YOU AND IT ADDS

AN ADDITIONAL INQUIRY TO THE

CREDIT FILE.

DEPENDS WHAT YOU MEAN BY BAD.

HOW LOW.

YOU MIGHT BE A -- ARE.

THE MATCH FACTOR THAT NAV

OFFERS, WHICH IS FREE, DOES GIVE

YOU AN IDEA WHICH ONES YOU ARE

MORE LIKELY TO QUALIFY FOR.

SO THAT IS ANOTHER WAY YOU MIGHT

UNDERSTAND WHICH CREDIT CARDS

ARE AVAILABLE TO YOU AS YOU

START TO REBUILD YOUR CREDIT.

>> DO YOU LOSE POINTS FOR

CHECKING YOUR CREDIT SCORE?

>> YOU DO NOT.

THAT IS A SOFT INQUIRY.

IT DOES NOT AFFECT YOUR CREDIT

SCORE.

SO CHECK AWAY.

>> THANK YOU FUR YOUR TIME

TODAY.

UNFORTUNATELY THAT IS ALL THE

TIME WE HAVE FOR QUESTIONS BUT I

ENCOURAGE YOU TO STOP BY AND

VISIT JERRY IN THE NAV BOOTH AND

THE EXHIBIT HALL.

PLEASE JOIN US FOR THE NEXT

PRESENTATION.

AND WE LOOK FORWARD TO SEEING

YOU IN THE NAV BOOTH.

HAVE A GREAT DAY EVERYONE.

>> THANK YOU.

>> THANKS JERRY.