



**GROUP ESTES** *realty*

## Credit Scores and more

Greetings Client Advocates,

*May 2020*

We hope that this finds you, your family and your friends navigating this extraordinary time safely.

Recently, we cannot help but be inundated by the incredible amount of information regarding COVID-19, in not only our local areas, but also the state, country and world. As we continue to navigate uncertainty together, it is important to focus on being part of the solution. And taking comfort in knowing that this, too, shall pass. I like the new mantra – every new day brings us one day closer to a vaccine!!!

Each new day is also bringing new information in terms of the real estate market. We are just seeing reports today that indicate that Seattle was second only to Phoenix in terms of pricing growth in March. And we are certainly seeing that reflected in the activity since then on the listings that are available out there. Because there are absolutely serious buyers out there right now too. There are tools and tactics that we can assist you with if this is your time for a move. When we manage to stay well, life does go on! And selling and buying homes, to move up, or downsize, or relocate... it is all still there. As are we.

In the meantime, there are other parts of life that will always be a factor too. And no, this month isn't about cleaning products and preventive maintenance though they're always going to be part of homeownership life too. (We do continue to post some interesting articles on those topics on the Group Estes Realty website.) This month our topic is credit, and the information we are sharing is intended to keep you informed about building and maintaining a good credit score.

Credit is one subject that will always be important, which is why the flyer focuses on separating credit facts from fiction. No matter what your current financial situation is, you can use this information to become a credit master and strengthen your own score down the line. There is also a breakdown of the different scoring models to highlight habits that will help you achieve credit success.

In addition to the information in the flyer, we want to be sure to call your attention to Experian Boost, a free service available at [Experian.com/boost](https://Experian.com/boost). As we understand it, Experian Boost looks at a consumer's payment history on bills that are not part of the credit reporting system, an especially helpful way for pre-homeowners to build credit... It considers your payment history with utilities, cell-phone companies, and the like. As good histories earn extra points, it can be a worthwhile venture for anyone seeking to improve their score.

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Before wrapping up for this month, here's a snapshot of a few of the vendors in our referral database as well:

### Spotlight Vendors for May

Mark Haight - Haight Carpet & Interiors - 425-318-1176  
Countertops, Floors - Bamboo, Floors - Carpet, Floors - Cork, Floors - Laminate, Floors - Stone, Floors - Vinyl, Floors - Wood, Radiant Floor Heating, Tile

Wallner Plumbing Company - wallner@wallnerplumbinginc.com - 425-481-3468  
Plumber

Jerry & Pam Young - GP Air Restoration of Medallion Healthy Homes -  
gly@gpairrestoration.com - 425-385-8727  
Air Quality, Mold Remediation

Kristjan Olsen - Argent Fabrication - kristjan@argentfab.com - 206-438-0068  
Custom Metal Fabrication

Eddie & Lindsey Perdomo - Air North Energy - airnorthenergy@comcast.net - 425-488-6758  
Air Conditioning, Fireplace Repair, Furnace, HVAC, Water Heaters

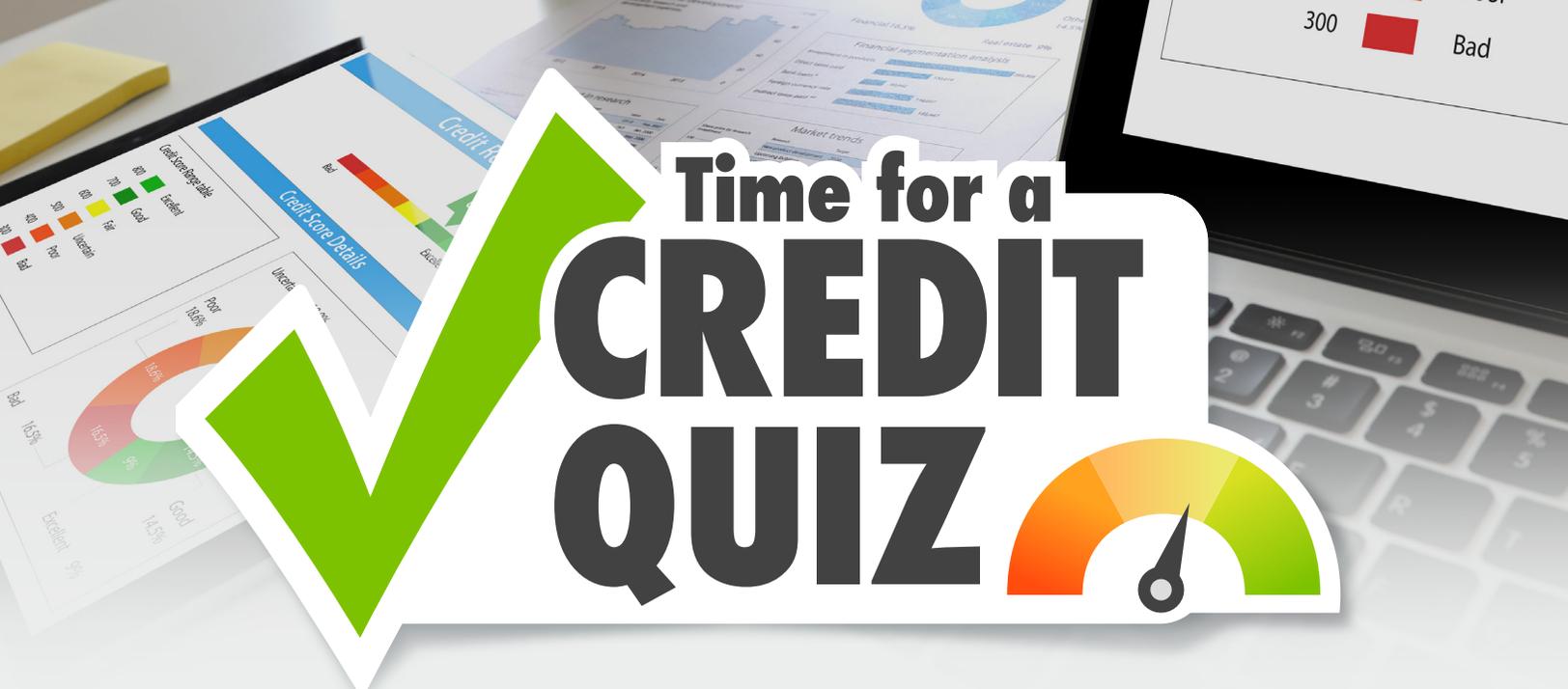
Even though the world seems to be at best hiccupping along right now, this situation will pass. And we have choices even as we are in the middle of it. When it does pass, may we all come out stronger. In the meantime, please know that we are thinking of you, and here for you, your family and friends during these challenging times. If there's anything we can do to help, please do not hesitate to call.

We appreciate your ongoing advocacy and are delighted to be of service.

Sincerely,  
*The Group Estes Realty Team*

*Always looking for more ways to be of service ... and working exclusively by referral throughout North King County and South Snohomish County (and beyond sometimes!)*

*If you know of someone who would appreciate the consistent level of service we provide, please introduce us via email, or call / text us with their name and contact information, and we'll be happy to follow up and take great care of them.*



# Time for a CREDIT QUIZ

When it comes to building credit, it can be difficult to tell fact from fiction. Use this short true-or-false quiz to help you get the facts straight and your credit in great shape!

## TRUE OR FALSE?

### Any debt will hurt my credit.

**FALSE:** An outstanding mortgage being paid on time isn't the same as \$30,000 worth of credit card debt. An outstanding mortgage that's paid on time is considered "good debt," and it can raise your score. Stay away from consumer debt!

### When I pay off my debt, it'll disappear from my credit report.

**FALSE:** Paid debt will remain on your credit report for several years. If it was paid on time, it can boost your score. Bankruptcy, defaulted loans and other negative information can hurt, sticking around for 7-10 years.

### Even though I got a promotion my credit score is unaffected.

**TRUE:** Income and job title may indirectly affect your score, but salary is not factored into your report. Still, head's up — lenders may ask about your employment to determine how likely you are to pay your debts.

### My spouse and I can run a joint credit report.

**FALSE:** Each individual receives their own credit score. Your joint accounts and shared loans may impact each of your scores, since they will appear on each of your reports.

### Closing my paid-off credit card isn't going to help my credit score.

**TRUE:** It may pay to keep it open. Closing an unused card reduces your amount of credit and limits your credit history, which can sometimes lower your credit score. But if that credit card is tempting you to spend, close it!

### Checking my own credit score won't impact it.

**TRUE:** Running your own credit report does not negatively impact your score. When a lender checks for a mortgage, car loan or credit card application, it may lower your score a few points.

Get your free annual credit report at [annualcreditreport.com](http://annualcreditreport.com).

Check your credit score for free with **Credit Karma**, **Credit Sesame**, **Credit.com**, **Equifax**, **Experian** or **Mint**.

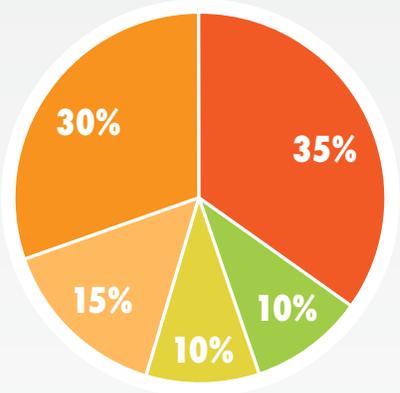
**WANT MORE HELP SORTING CREDIT FACT FROM FICTION? GIVE ME A CALL, AND I'LL REFER YOU TO A GREAT LENDER WHO CAN HELP BREAK IT DOWN.**



# WHAT'S IN A CREDIT SCORE?

Between FICO®, VantageScore and other models, there is no single way to calculate your credit score. Take a look at the top two models and how they are calculated.

## FICO Credit Score RANGE 300-850



- 35%**  
Payment History

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- 30%**  
Credit Utilization

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- 15%**  
Length of Credit History

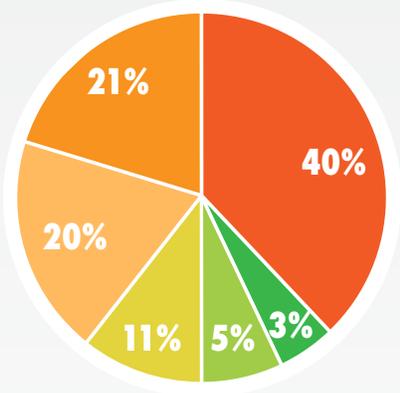
- 10%**  
Credit Mix

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- 10%**  
New Credit & Recently Opened Accounts

FICO is the most common credit ranking. Score varies depending on the reason for the loan. Your result for an auto loan might be different than your score for a department store credit card.

## VantageScore 3.0 Model RANGE 300-850



- 40%**  
Payment History

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- 21%**  
Duration & Type of Credit

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- 20%**  
Credit Utilization

- 11%**  
Total Balances

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- 5%**  
Recent Behavior

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- 3%**  
Available Credit

Developed by the major credit reporting bureaus, this model is used by some popular free credit report sites as well as lenders, landlords and financial institutions to see if you are credit worthy. Your score will be similar but rarely identical to FICO.

Source: FICO, Experian, Debt.org, VantageScore, Credit Karma