Registered Investment Advisor Firm

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Boost Your Credit Score

Is your credit score not where you want it? Below (in no particular order of importance) are several ways to boost your score. First, though, you need your credit report. How can you get it? Just click AnnualCreditReport.com. Any citizen has a right to one free copy of an annual report provided by the big three credit reporting bureaus – TransUnion, Experian and Equifax. You can order more frequently, but fees apply. With a score of about 700 or higher (standard FICO – Fair Isaac Corporation – and Vantage Score credit scores range from 300-850), you'll typically qualify for lower rates on mortgages and other loans.

Pay down credit card debt.
If high card debt is weighing on your score, paying off all or most of it could give your score a quick and significant boost. That's because a key component of your score is your credit-utilization ratio – the amount you owe on your credit cards as a proportion of your credit limits. The lower your utilization, the better. According to FICO, consumers with scores of 800 or higher use an average of 7% of their credit limit.

Don't have enough cash to make a big payment? One strategy is to transfer the debt to an installment loan – like a personal loan – or a home equity line of credit (HELOC). Such debts aren't a factor in utilization. The presence of the loan or HELOC on your credit report could improve your mix of credit, which accounts for 10% of your FICO score.

Never cancel any cards.
It's a good idea to leave a credit card account open even after you stop using it, unless a divorce is involved. When you close a card, its credit line no longer factors into your utilization – so if you have balances on the other cards, your utilization ratio could climb.

Remove negative information from your reports.
If you find an account on your report that you don't recognize, it could be the result of an identity thief using your name to get credit, or the account may be reported in error. If a fraudster is at

work, fill out the Identity Theft Report at IdentityTheft.gov and send it to the credit agencies. They must then block the fraudulent information from your credit reports. If the negative account is the result of an error, contact the lender or company in question and file a dispute with each credit agency whose report lists the account.

If you missed a payment once but otherwise have a long and perfect payment history, you may be able to persuade the biller to stop reporting a delinquency by writing a good will letter explaining your uncharacteristic slipup

Ask for a credit limit increase.
Another trick that can help lower utilization: ask your card issuer to increase your limit. Issuers are often willing to raise credit limits once a year. It may not be a large increase, and hopefully will not generate more spending.

Apply for credit judiciously.
Each time a lender checks your credit report in response to an application for a new credit account, it results in a "hard" inquiry on your report. When multiple credit card inquiries pop up all at once, that can cause your score to drop, so it's best to avoid applying for several cards at the same time. Fortunately, inquiries are a small component of your score and drop off your report after two years and affect your score for only one year. According to FICO, a single inquiry leads to a score drop of less than five points for most people. You're not penalized much or at all for inquiries that result from shopping for a mortgage, auto loan or student loan. FICO ignores such inquiries made within 30 days prior to calculating a score.

Pay bills by the due date.
Payment history is the most influential factor in your credit score. If you miss a due date, pay the bill as soon as possible; a 30- or 60-day delinquency is less damaging than a 90-day one. A payment that is late by less than 30 days won't show up as a delinquency on your credit report, but late fees may apply.

Schedule credit card payments wisely.
Typically credit card issuers report your card balance to the credit agencies as of the statement closing date – not the payment due date. If you pay off the balance a few days before your card's closing date, then a low or zero balance is likely to show up on your credit report – if you don't run up a big balance before closing date.

Underuse your plastic.
Don't use your cards to pay for everything. The "credit use factor" should never exceed 30%. Most financial analysts agree that a 10% credit utilization use factor will make good for your FICO rating.

Piggyback on someone else's good credit.
For a young person with a thin credit file, this strategy can be effective. If, say, a parent adds a child as an authorized user on a credit card account, that account and its history will show on the child's credit report as long as the issuer reports it. If a parent has had the account for several years, keeps the

utilization low and pays the bill on time, the child may see a quick and positive effect on their credit score. Card companies typically allow a card-holder to anyone – not just a family member – as an authorized user.

Let time work for you.
As a delinquency gets older, its impact on your credit score decreases, and it falls off your report after seven years. Plus, the length of your credit history is worth 15% of your FICO score. As the average age of your credit accounts lengthens, your score benefits. According to FICO, people with scores of 800 or higher have an average account age of 11 years and their oldest account was opened 25 years ago. If you close a credit card, the account still appears on your credit report and factors into account age for about 10 years. Opening a new card lowers the average age.

If you need help with understanding credit scores or any other financial questions, contact me at (707) 648-2024.

Q: Is there a Santa Claus Rally?
A: A Santa Claus rally is a move higher in the stock market that occurs in the last week of December through the first 2 trading days of January.

There are numerous explanations:
-tax considerations
-happiness around wall street
-people investing their holiday bonuses
-large institutional investors on vacation

According to The Stock Trader's Almanac, a longtime provider of analysis of both cyclical and seasonal market tendencies. A Santa Claus rally is a seasonal phenomenon.

The S&P 500 Index has advanced 49 Decembers and declined 17 times from 1950 – 2017, with an average gain of 1.6%, the best for any month.

The Dow Jones Industrial Average was up 46 and down 20 with an average gain also of 1.6%

Many consider the rally to be a result of people buying stocks in anticipation of the rise in stock prices during January, known as the January Effect.

If you need help with understanding the Santa Claus Rally, the January Effect or any other financial questions, contact me at (707) 648-2024

FED Watch

There was no FED meeting in November. The next meeting is in mid-December. There is a zero % probability (down from 20%) of a lowering at the December and only 10% chance of a lowering at the January meeting

Next meeting:
December 10th and 11th.

Merry Christmas & Happy New Year

Castle Rock Wealth Management
Castle Rock Wealth Management is a Hybrid Advisory firm servicing the needs of clients across the United States.

Castle Rock Wealth Management custodies some client assets at Charles Schwab & Co. Bob's office is located at 714 Marin Street, Suite #C, Vallejo, CA 94590. The telephone number is (707) 648-2024.

If you have questions or would like further information on this month's topics or any other financial or investment related subjects, please contact me by phone or through my email address at:
bob@crwmadvisors.com