

Is Credit the Question ... or Maybe It's the Answer

by Lisa Norton

As many of you are aware, we recently launched the Business Loan Program and one question that has come up concerns credit.

"How important is my credit in the loan program?" The answer is that it's very important, not just to the loan program but to your life in general. That question, and a bit of encouragement from a friend of mine, led me to write this article.

I've been the Business Information counselor for almost two years and the question of credit comes up constantly. We've gone from a society where business deals (whether forming partnerships or lending money) were based on character and a handshake to a society where oftentimes the value of our worth is based on what seems like a mythically assigned number.

Yes, I'm talking about your Beacon Score. These scores are supposed to measure how likely you are to repay a debt and are a key factor in determining if you can get credit (and at what cost). Scores run anywhere from 0-850, with 700+ being very good.

To most of us, this seems impersonal and unfair. To someone who may not know you very well, however, it may be the deciding factor when determining whether or not to give you a loan, rent an apartment to you, or even offer you that dream job you've always wanted. I guess what I'm saying is that, like it or not, this score is important.

The next likely question is, "How do I get a good Beacon Score?" Unfortunately, no one just gets a good Beacon Score - it has to be earned. This is both a simple and complex process at the same time. The complex part is how they arrive at this Beacon Score. It's made up of points assigned in five different categories and then totaled. These categories and the percentages of the total score are:

- Payment History (approx. 35 percent). This addresses how well you have paid your bills in the past.
- Amounts Owed (approx. 30 percent). This is how much money you owe vs. how much money you have vs. how much credit you have available.

- Length of Credit History (approx. 15 percent). This category rates how long you have had credit.
- New Credit (approx. 10 percent). This section includes how many new accounts you have, how long since you opened them, and even how many requests have been made for your credit report (including those credit applications you're pressured to sign when you're looking at new cars or anytime you apply for credit).
- Types of Credit (approx. 10 percent). The scoring agency is concerned with whether you have a good mix of credit. This means that you don't have just credit cards, but rather, you have installment loans and maybe even a mortgage.

Of course, no one is going to tell you exactly how they score, but you can see that the Beacon Score considers many different things. Because they consider all of these things, it's important that you do too, which brings me to the simple part of earning a good Beacon Score. Based on the information above, here are some things you should do:

- Pay your bills on time!
- Limit yourself when applying for credit. Don't apply for a card just because they sent you a letter saying you're pre-approved. Be careful and know what you can afford.
- Pay your balances off quickly and pay more than the minimum balance when possible (this also saves you huge amounts of interest).
- If you have old accounts you don't use anymore, close them.
- Know when you're applying for credit. For example, when you go to the car lot, don't sign anything until you're ready to buy.
- Know your Beacon Score and know how important it is to maintain a good score.

These are just a few things you can do. A lot of information is available and I encourage you to ask questions and learn more about your credit.

Finally, it's important to have regular credit checkups. Just like going

to the doctor for your yearly physical, it's important to look at your credit report on an annual basis.

Initially, you should order a copy of your credit report from each of the three major credit bureaus (Equifax, Trans Union, and Experian). It does cost money, but it's important to review **each** one. Here's the contact information:

Equifax Corporation
P.O. Box 105873, Atlanta, GA 30348
1-800-685-1111; www.equifax.com

Trans Union Corporation
P.O. Box 390, Springfield, PA 19064
1-800-916-8800; www.transunion.com

Experian
P.O. Box 2350, Chatsworth, CA 91313
1-888-397-3742; www.experian.com

You'll want to carefully review each report for errors, things that have been on there too long, or anything else that

may not make sense to you. Often, phone numbers are included to call the reporting company if you have questions.

This review is to look for errors and inconsistencies. It isn't to "fix" your credit reports. Often, you see companies that you pay to "fix" your credit report. This is a waste of money and not likely to be successful. If it's your credit and it's valid, then no one can take it off.

If you find any discrepancies, you should notify the credit bureau in writing. It will initiate an investigation and notify you of the determination. After you do this, all you need to do is review these credit reports every year to make sure things don't change drastically.

I hope this information has been useful. If you have any questions, please contact me at 1-800-922-1399, ext. 255, or 541-444-8255.

Some information in this article has been adapted from the Cincinnati Police Federal Credit Union's Web site at www.copfcu.com.

Firewood Available for the Winter

The **South Fork #2** firewood unit, located about 11 miles from Siletz, once again is open for tribal member firewood cutting.

The available wood is a mixture of conifer and hardwood located in a deck at a landing. This is what's left from the same area that was open earlier this year.

Permits are required and can be obtained at the tribal Natural Resources office in the admin building in Siletz from 8 a.m. to 4:30 p.m. weekdays. Maps and directions are available at the same location.

Permits will be issued only to tribal members, who will need to show their tribal ID card and provide the license number of the vehicle they will use to haul the wood. Because of the steepness of the access road, it's **strongly recommended that a four-wheel-drive vehicle be used to access the unit.**

Out-of-the-Siletz-area woodcutters may call the number at right to have a permit mailed to them. The permits are

for tribal member woodcutting for **personal use only. This firewood may not be sold.**

The person named on the permit must be present when cutting and hauling the firewood. Tribal members wishing to cut wood for tribal elders must present a signed note from the elder stating that the individual is authorized to cut firewood on his/her behalf. The note must include the elder's tribal ID number.

Permits will be good for two weeks and will allow up to two cords of wood to be cut on each permit. Each tribal member is allowed up to four cords total from this unit. This is the only firewood area that will be open until late winter or early spring.

For more information, stop by the Natural Resources office or call Tribal Forester Mike Kennedy at 541-444-8232 or 1-800-922-1399, ext. 232.

