

FREE YOUR MIND
<http://freeyourmindonline.net>

Do You Really Need Good Credit?

Now, we all know the following cliché. Sometimes when your money is funny, and your change is strange, that your credit has to get it. Due to the constant inflating of currency by the Federal Reserve and subsequent rise in the cost of living, people now are struggling just to make it by.

Once you throw in the Banks' propaganda (borrowing power equals wealth) designed to get people to borrow money from them over an over so they can steal all of the wealth, we now have a situation where "credit scores" are a main part in our society. The credit score (a.k.a. debt potential) is replacing the dollar as "Almighty."

This is all by design. This is why it is important to get your finances in order and stay out of this credit trap! But once you accomplish this, does a credit score become obsolete? Consider the following article by Jay Peters on why a credit score is important.

5 Ways Your Credit Score is Costing You Thousands Even if You NEVER Borrow A Dime!

by Jay Peters

While some surveys show that 9 out of 10 consumers are unaware what their credit score is, I'd like to quickly share with you how your credit score could be costing you a fortune... in more ways than you can imagine.

We all know a low credit score will make everything in the world of finance more expensive because of higher interest rates from lenders due to being considered a greater credit risk (i.e. higher interest rates on car, homes and credit cards). While this may be considered common knowledge by some, it's truly devastating effects are understood by few.

For example. If you purchase a \$200,000 home on a 30 year fixed mortgage at 8% interest instead of 6% (because of your credit score); that 2% is going to end up costing you a total of \$96,934.11 over the term of the loan. Now, think about how many "extra" years you'll have to work to pay off \$96,934.11 because of an extra 2% in interest?

The part few people talk about is all the other areas in life where a low score will increase your cost of living on an annual basis. For example. In addition to paying more for a car, home and credit cards, a low credit score will most likely have you paying more for the following as well.

1.) AUTO INSURANCE. As many as 92% of the 100 largest personal automobile

insurers use credit information to underwrite new business, according to a 2001 study by Conning & Co., an insurance-research and asset-management firm.

2.) HOMEOWNERS INSURANCE. It's thought many insurance companies see a correlation between low credit scores and increased property insurance claims. Therefore, a low score will result in higher rates.

3.) LIFE and HEALTH INSURANCE. Customers who are unable to pay their monthly insurance premium thereby pass along that increased cost to the insurance company whose stuck with the bill... resulting in a loss for the company. Since customers who pay without lapse are more profitable it is felt by many that a low credit score now even affects a monthly life and/or health insurance premium negatively.

One of the more shocking areas where a low credit score will you cost you is in the area of employment. It's estimated as many as 42% of employers now do credit checks on applicants before hiring them (according to a 1998 survey by the Society for Human Resource Management).

While many employers claim they only do it to "verify" information on your application (such as where you live and where you have worked etc.) we can both assume they are taking the liberty to "have a peek" at how you handle your financial affairs as well. According to the Public Research Interest Group (PIRG) as many as 79% all credit reports contain errors — 25% of which are serious enough to cause the denial of credit (according to a 2004 report).

And that's all the more troubling in light of the increasing impact a bad credit report can have, says Ed Mierzwinski, director of PIRG's consumer program. "It's outrageous that the credit bureaus are claiming their scores are accurate enough to take people's lives and screw with them like this".

Jay Peters is the founder of Consumer Publishing Group which publishes the Credit Secrets Bible (in print since 1994). For more information, visit their website at <http://www.creditsecretsbible.com>

Bad Credit Keeping You From Getting Hired? Or how about getting fired for it?! Yes, it does seem to be getting out of control. Also consider the fact that if your debt to credit ratio is around 25%, your credit score will be better than if you are debt free! Once again, this system is designed to keep you in debt. The only REAL answer for the masses in this regard is to have the current system overturned.

But until then, it is what it is. For those who are looking to improve their credit, a great resource is The Credit Secrets Bible. Here you will learn how to raise your credit score and save you money (whether you intend to borrow money or not).

Hope this has helped

So Until Next Time,

Free Your Mind... Online

Matt Mason

For more resources, visit the Resource Center
<http://freeyourmindonline.net/resources.html>