

HOW TO

Improve Your Credit

Credit scores play a big role in determining whether you'll qualify for a loan and what your loan terms will be. So, keep your credit score high by doing the following:

Check for errors in your credit report.

Thanks to an act of Congress, you can download one free credit report each year at annualcreditreport.com. If you find any errors, correct them immediately.

Pay down credit card bills.

If possible, pay off the entire balance every month. Transferring credit card debt from one card to another could lower your score.

Don't charge your credit cards to the max.

Pay down as much as you can every month.

Wait 12 months after credit difficulties to apply for a mortgage.

You're penalized less severely for problems after a year.

Don't order items for your new home on credit.

Wait until after your home loan is approved to charge appliances and furniture, as that will add to your debt.

Don't open new credit card accounts.

If you're applying for a mortgage, having too much available credit can lower your score.

Shop for mortgage rates all at once.

Having too many credit applications can lower your score. However, multiple inquiries about your credit score from the same type of lender are counted as one if submitted over a short period of time.

Avoid finance companies.

Even if you pay off their loan on time, the interest is high and it may be considered a sign of poor credit management.

HOW TO

Clean When Your Home is For Sale

Executing a deep clean before putting your home on the market will not only help it shine, but it will make tidiness easier to maintain between showings. Here are some power-cleaning tips to try.

Clean windows make a huge difference.

Remove window screens and place them outside on a tarp or other clean, waterproof surface. Use a garden hose, an all-purpose cleaner, and a soft brush to gently clean the screens. You don't need anything special to polish up window glass; just mix a solution of one part white vinegar to eight parts water, plus a drop or two of dishwashing liquid in a spray bottle. Wipe with newspaper to avoid streaks. (Washing on a cloudy day also reduces streaking.)

The fridge is the most common source of kitchen smells.

Check the drip tray underneath your refrigerator and wash out any standing water from defrosting. Scrub the inside of the fridge with a baking soda and water solution. Activated charcoal in the fridge can help keep odors at bay.

Think outside the house.

It's amazing the difference a sparkling entryway makes to your home's curb appeal. Wipe down your front door, give the doormat a good shake/vacuum, and make sure dust and dirt haven't collected on outdoor furniture. Use a pressure washer to give your driveway and garage floor a good cleaning. The acidity in dark cola drinks can help remove oil, rust, and grease stains, along with a little elbow grease.

Target the Bathroom.

For tile floors, apply your usual cleaner and then run a wet/dry vac, which will suck contaminants out of the grout. Pour a quarter cup each of baking soda and vinegar down the drains, leaving the concoction overnight, then flush with boiling water. Clean soap scum and mildew from plastic shower curtains by tossing them into your washer on the gentle cycle in cold water, with detergent and ½ cup vinegar (if mildew is present, add ½ cup of bleach instead of vinegar). Put a couple of large towels into the machine to act as scrubbers. Allow the curtain to drip-dry on the rod.

Make your bed better.

Vacuum mattresses and box springs, and then rotate and flip over. Do the same for removable furniture cushions. This is also a great time to wash or dry-clean the dust ruffle and mattress pad. Add new loft to a lumpy comforter by having two people vigorously shake the quilt up and down to redistribute stuffing.

Wash the walls.

Grease, smoke, and dust can adhere to walls and make even the best decorating look dingy. Resist the temptation to spot-clean since it will make the rest of the wall look dirtier. Mop walls using a general-purpose cleaner diluted with hot water. Start at the top corner of the wall to avoid drips. Don't press too hard, and rinse the mop head frequently in clean water. Use melamine foam cleaner to erase scuffs and stains.

QUESTIONS TO ASK

When Considering Selling

These questions will help you decide whether you're ready for a home that's larger or in a more desirable location. If you answer yes to most of the questions, you may be ready to move.

Have you built substantial equity in your current home?

Check your annual mortgage statement or call your lender to find out how much you've paid down. Usually you don't build up much equity in the first few years of your mortgage, as monthly payments are mostly interest. But if you've owned your home for five or more years, you may have significant, unrealized gains.

Has your income or financial situation changed?

If you're making more money, you may be able to afford higher mortgage payments and cover the costs of moving. If your income has decreased, you may want to consider downsizing.

Have you outgrown your neighborhood?

The neighborhood you pick for your first home might not be the same one in which you want to settle down for good. You may have realized that you'd like to be closer to your job or live in a better school district.

Are there reasons why you can't remodel or add on?

Sometimes you can create a bigger home by adding a new room or building up. But if your property isn't large enough, your municipality doesn't allow it, or you're simply not interested in remodeling, then moving to a bigger home may be your best option.

Are you comfortable moving in the current housing market?

If your market is hot, your home may sell quickly and for top dollar, but the home you buy will also be more expensive. If your market is slow, finding a buyer may take longer, but you'll have more selection and better pricing as you seek your new home. Ask your real estate professional what they see happening locally.

Are interest rates attractive?

Low rates help you buy "more" home, and also make it easier to find a buyer for your current place.

Is the effort and cost of maintaining your current home becoming difficult to manage?

A REALTOR® can help you decide whether a smaller house, condo, or rental would be appropriate.

WHAT TO KNOW

About Credit Scores

Credit scores range between 200 and 850, with scores above 620 considered desirable for obtaining a mortgage. The following factors affect your score:

Your payment history.

Did you pay your credit card bills on time? Bankruptcy filing, liens, and collection activity also affect your history.

How much you owe and where.

If you owe a great deal of money on numerous accounts, it can indicate that you are overextended. However, spreading debt among several accounts can help you avoid approaching the maximum on any individual credit line.

The length of your credit history.

In general, the longer an account has been open, the better.

How much new credit you have.

New credit—whether in the form of installment plans or new credit cards—is considered more risky, even if you pay down the debt promptly.

The types of credit you use.

Generally, it's desirable to have more than one type of credit—such as installment loans, credit cards, and a mortgage.

HOW TO

Lower Homeowners Insurance Costs

The first step is to shop around; quotes on the same home can vary significantly from company to company.

Review the Comprehensive Loss Underwriting Exchange report.

CLUE reports detail the property's claims history for the last five years, which insurers may use to deny coverage. Make the sale contingent on a home inspection to ensure that problems identified in the CLUE report have been resolved.

Seek insurance coverage as soon as your offer is approved.

You must obtain insurance in order to buy your home. And you don't want to find out at closing time that the insurer has denied you coverage.

Maintain good credit.

Insurers often use credit-based insurance scores to determine premiums.

Buy your homeowner's and auto policies from the same company.

Companies will often offer a bundling discount. But make sure the discount really yields the lowest price.

Raise your deductible.

If you can afford to pay more toward a loss that occurs, your premiums will be lower. Also, avoid making claims for losses of less than \$1,000.

Ask about other discounts.

For example, retirees who tend to be home more than full-time workers may qualify for a discount on theft insurance. You also may be able to obtain discounts for having smoke detectors, a security system, and high-quality locks.

Seek group discounts.

If you belong to any associations or alumni organizations, check to see if they offer deals on coverage.

Conduct an annual review.

Take a look at your policy limits and the value of your home and possessions every year. Some items depreciate and may not need as much coverage.

Investigate a government-backed insurance plan.

In some high-risk areas, the federal or state government may back plans to lower rates. Ask your agent what's available.

Insure your house for the correct amount.

Remember, you're covering replacement cost, not market value.