

# Rick's Homeowner News™

Courtesy of Rick Crabtree ☞ Realty Executives Suncoast ☞ (727) 637-2346

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## How to Build a Killer Credit Score

We've been hearing a lot about the credit crunch lately. And an interesting thing is that while some people really are finding it more difficult to get credit, others are asking "what credit crunch?" What is happening is that the banks are now looking closer at credit histories of would-be-borrowers; those with high credit scores are approved, while those with lower scores are declined. Even people with average scores are now either turned down or expected to pay higher interest rates than they anticipated. What can be done about this? Well, one can either wait for the credit crunch to pass (how long will it take?), or work on his or her credit history and get that score up. There are three factors that impact your credit score the most, so let's take a look at each:

### Payment Record

The most important factor (responsible for 35% of your credit score) is your payment history. As you may guess, the people who pay their bills on time score higher than those who don't. Now, anyone can experience financial difficulties which result in late payments and damage to one's credit rating. But, the important thing to keep in mind is that the damage is never permanent. The late payments that have the biggest impact on one's credit rating are those from the most recent 12-month period. Thus it follows that if a person starts paying bills on time, and continues doing so for at least 12 months, he or she will see the credit score improve. The more time that passes, the better – late payments that are more than two years old almost don't count at all.

Another thing to keep in mind is that not all late payments are the same. Being

thirty days late is not as bad as being sixty days late. Furthermore, not all creditors bother with reporting you if you are less than thirty days late. For this reason, it is a very good idea to pay the late bills as soon as possible. Some people get disheartened after missing a deadline and then end up being even more late because they figure the damage has been done so why bother. Don't fall into this trap; send in the payment as soon as you can.

Because making payments on time is so important, it's a good idea to come up with a way of paying bills that minimizes the chances of you being late. Online banking is one such way. Another one is making a checklist of all your bills and their due dates, and using it religiously.

### Balances

The second-most important factor in determining your credit rating (counting for 30% of your score) is how much in debt you are. A common misconception though is that what counts is the total amount of your outstanding loans. Actually what counts is the total amount you owe compared to your credit limits. For example, Virgil owes \$3,000 on his credit cards, and his total credit limit is \$4,000. So, Virgil is using 75% of his available credit. Now, Mary Jo also owes \$3,000 on her credit cards, but her total limit is \$10,000. This means she is using only 30% of her available credit. So, even though Virgil and Mary Jo owe the same dollar amounts on their cards, Mary Jo will likely have a better credit score because she is less in debt percentage-wise.

The best course of action is, naturally, to keep your balances low. If you owe

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For me, the most rewarding part of being a Realtor is being able to help people through one of the most important financial decisions they will ever make. My top priority is always my clients' satisfaction. My job—to make sure that every transaction I am entrusted with is handled with the utmost care and professionalism. As my client, you will feel like you are my only client, and my goal is that you are not merely satisfied with my service, but that you become an enthusiastic fan. I look forward to helping you with your next real estate transaction—just give me a call, or send me an e-mail.

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# Say No to Buyer's Remorse

You have just signed a contract to purchase a home. You should be feeling excited, overjoyed and proud. But, you are not. You have an intense feeling that you have paid too much, and that the house is going to fall down as soon as you assume ownership. Sounds like a severe case of buyer's remorse.

The best way to prevent this is to make sure you are as informed as possible about the neighborhoods and home prices before you even embark on a home search mission. A trusted Realtor can be of great help here. You may also find it helpful to create two lists - one of things you must have, and one of things you would like to have in your new home. These lists will make the selection process easier and will decrease the chance of buying a house that does not fit.

If after signing a contract you start getting nervous, whip out your two lists and go over them.

Does the home have everything that's a must have? Some or many of the things that are a like to have? What has changed about it since you signed the contract? Honestly. And if you were to back out of the agreement, is it realistic that you will be able to find a home in the same price range that is truly better?

Of course, there are instances when a buyer should back out of the contract. The inspection reveals a serious defect. A title

problem is discovered. The appraisal comes in too low. In such cases your agent will be able to provide guidance.

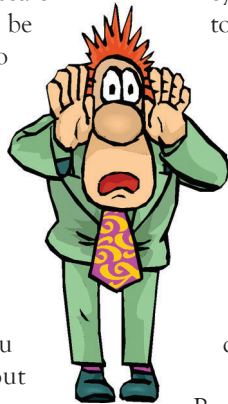
But let's get back to Buyer's Remorse. Certain actions on the buyer's part will make matters worse. For instance, continuing to look at houses for sale is particularly unhelpful. Don't fall into this trap - the grass only looks greener. Family and friends can make things worse too.

They don't mean to - they just want to help by sharing their opinions.

They might criticize your home choice and especially its price.

But how knowledgeable are they really about the area? Or the current market? Or what amenities you need and like, as opposed to what they find desirable? Keep these things in mind before accepting their critiques.

Finally, the biggest cause of Buyer's Remorse is spending too much time thinking about everything that can possibly go wrong. Yes, buying a home is a big step, and there are risks. But there are risks in everything worth undertaking. Instead of letting pessimism overtake you, think about the new lifestyle you will enjoy in your new home. Owning your own slice of America is the dream of many people, and achieving that dream should be a cause for nothing but joy and celebration.



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less than 30% of your total credit limit, then you are in good shape. Go higher than that and your credit score will progressively go down. Keeping this in mind, let me bring up one more point - closing credit cards that you no longer need can actually hurt your credit score. The logic of this is obvious - one less credit card means the decrease in your total available credit, which means the percentage of your indebtedness goes up, which causes your credit score to go down. So, keep the unneeded cards open and use them occasionally.

Some folks think, "Oh, I don't have to worry about that - I pay my balances off every month." That's certainly a great way to manage one's finances, but bear in mind that even if you pay off your cards every month, that does not mean your credit card company will report your balance as zero to the credit bureau. No, they will report the amount that was on your statement. So, if that amount is low percentage-wise (compared to your total credit limit) then you are in clear. But if it's not, then chances are your credit score is lower than it should be without you even knowing it. There are two solutions to this problem. First, find out what your statement closing date is (not the due date!) and pay off your balances before that date. Then your statement balance will be zero. If this is not convenient for you, then the second solution is to ask for a higher credit limit. Obviously you will have to resist the temptation to splurge with your newly-available credit, but the benefit of the higher limit is that your monthly balance will represent a smaller percentage of the credit limit, and therefore your credit score could receive a boost.

## Age and Type of Accounts

The last major factor in your credit score (25%) is the type of accounts you have open and their age. There are two basic account types: revolving

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## Free Special Report Available

### The Seven Expensive Mistakes Buyers Frequently Make

is a three-page special report that no buyer should be without. If you are thinking of buying a home soon, arm yourself with the knowledge that can help you avoid expensive mistakes too many people have made. Request this report today - there is no cost or obligation.

**(727) 637-2346**

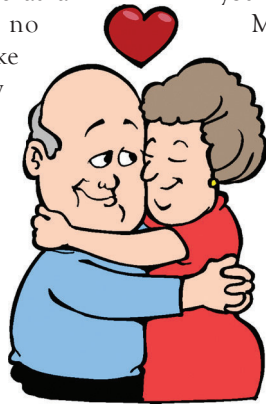
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# What to Do on Valentine's Day?

Valentine's day is just around the corner, which means you will have to come up with something new and original to surprise your significant other with. But don't worry – your favorite Realtor has searched far and wide for some unique date ideas. Here are the top six:

## The Photo Shoot

Who didn't fantasize about being a photo model at least once as a teenager? Well, there is no reason not to try it now! Take your camera and pick a few cool locations (a park, a busy downtown sidewalk, a scenic area, etc.) Then spend an afternoon with your Valentine taking photos of each other, striking different poses, and having fun. After the photo shoot, stop by a coffee shop and enjoy a warm beverage together while looking over your photos.



## Oh, the Drama

Here is a great alternative to dinner and a movie: live theater. Whether it's a Shakespeare drama, or a contemporary comedy, seeing it live, rather than watching it on the screen, can be a refreshing experience.

## Homes on Parade

Maybe it's because I am a Realtor, but I love to look at homes. I think going on a Parade of Homes (or a Tour of Homes,

as it is sometimes called) would be a really fun date. You can admire different architecture, get home decorating ideas, and of course, spend some quality time together. (And if you get an urge to buy one of the houses you see, remember to call your favorite Realtor right away!)

## New Activity

Here's a simple idea—try an activity that you haven't done together before. Miniature golf, disco bowling, billiards, ice-skating, rollerblading, bike riding, tennis, swimming... The possibilities are endless!

## Arts and Crafts

Unleash the artists within—take an art class together! Or a pottery class. Or try your hand at making candles. There are tons of one-day classes offered locally—just check the weekend paper.

## The Spicy Date

Cooking together, and then enjoying the meal, can be very romantic. Perhaps create a real seven-course feast for just the two of you. Or maybe something simpler, like a decadent dessert. Not a great cook? Then take a cooking class together—they are offered year-round. If you need help locating one, try StarChefs.com or CookingSchools.com.

Have a happy and romantic Valentine's Day!

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credit (such as credit cards) and installment accounts (car loans, mortgages, etc.). What creditors like to see is that you are able to manage both kinds. Therefore, having a bunch of credit cards but no other loans will depress your score. However, having a student loan, or a car loan, or any other loan in addition to a couple of credit cards, gives you the kind of mix that will bump your score higher.

What is also important though is the average age of these accounts. You've probably heard that having a long credit history is good, but this doesn't mean that the credit bureaus care how long ago you received your very first credit card. What counts is only the age of your open accounts; the accounts that are closed don't count. For this reason it's a bad idea to suddenly open several new accounts – this will decrease the average age of your credit history and will decrease



**Q: I heard that buyer's agents are free. Is that really true?**

*A: A buyer's agent is usually free to the buyer, but that doesn't mean the agent works for free. He or she works for a commission, and that commission is usually paid by the seller. This is how it works: when the seller decides to list the home, he or she will negotiate a commission with the seller's agent. That agent will advertise the home to the general public and to other agents as well. The seller's agent will offer a portion of the commission to any buyer's agent who brings a buyer. In other words, the two agents will share whatever commission the seller has agreed to pay in the beginning. This is a happy arrangement for everyone involved: the seller and the seller's agent get a quicker sale, the buyer does not have to come up with extra cash to pay the buyer's agent, and the buyer's agent gets to earn a living by helping folks find nice homes.*

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your credit score. And, for the same reason it's a bad idea to close old credit cards. They help your credit history look more established, so keep them (and use them occasionally).

Maintaining a good credit score is now more important than ever. I hope that the ideas from this article will help you increase yours, and make it easier for you to get the credit you need, when you need it.



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ARCHITECTURE CORNER

## RENAISSANCE REVIVAL

If one was to describe the Renaissance Revival style in two words, those would be – opulence and sophistication. Drawing its inspiration from the Italian Renaissance (think Michelangelo and da Vinci), this revival style was characterized by elaborate ornamentation and the large size of the buildings. It first appeared in the U.S. in the 1840's, and saw its heyday between 1900 and 1915. Only the very rich could afford to build homes in this style, but the not-so-rich also got to enjoy some of it – the Renaissance Revival was popular for public buildings too.

Structures built in this style have an imposing look about them, partially because of their gargantuan size (almost always multiple stories) and partially because of their castle-like appearance. Their main characteristics include symmetrical façade, smooth stone walls, horizontal stone bands separating the floors, and quoins – large stones that reinforce the corners. Windows have elaborately carved trims, and one unique thing about them – they are built in different styles on each floor, with the windows on the top floor almost always being smaller in size. Roof is typically low-pitched and is often topped with a balustrade.

The interior of Renaissance Revival buildings is characterized by smooth stone or stucco walls, with either stone or tile floors. There is often a central hall with a formal staircase, and columns are sometimes present too. The more elaborate examples of this style have arched doorways and niches carved into the walls.

The Breakers (pictured) in Newport, Rhode Island is perhaps the best known example of Renaissance Revival in the U.S. The style can be seen throughout the country though, but mostly in public buildings. The private residences built in this style belong only to the mega-rich, and are unfortunately most often hidden from view.





102 Steeplechase – Palm Harbor  
 2 bedroom, 2 bath, 1 car garage  
 Screened porch, park-like setting  
 \$1095/mo + sec – Call for details!



1650 Bellrose Dr – Clearwater  
 2 bed, 2 bath, 1 car grg – updated int  
 Large screened porch, fenced back yard  
 \$1095/month + sec



Rental –  
 401 Marshall St – Clearwater  
 1/1, fenced back yard, corner lot  
 \$650/mo + sec



Rental -  
 Bellair Village #522 – Clearwater  
 Granite/stainless kitchen, deluxe interior  
 2/2/, furnished or unfurnished, w/d inside  
 \$1095/mo + sec



Rental -  
 108 Evelyn - Clearwater  
 Near Curlew – close to shopping, US 19  
 3/2/1 + carprt. Fenced back yard  
 \$1195 + sec



Rental -  
 1334 S Madison - Clearwater  
 3/2 – Good central air  
 \$895/mo + sec (ask about move-in special)



Rental -  
 1989 Freedom Dr – Clearwater  
 3/2/2 huge upscale Exec hm –  
 Stainless kitchen, granite countertops  
 \$2500/m + sec



Rental -  
 Grand Bellagio Unit 623B - Clearwater  
 Luxury waterfront condo – 2br, 2.5ba, 2 car grg  
 Pool, spa, fitness ctr, tennis, sauna, kayaking,  
 all the amenities! \$1450/mo + sec

For more information on any of these rental properties, or our first-time buyers' program, phone Realty Executives Suncoast, Rick Crabtree at 727-637-2347 or e-mail us at : bentecrabtree@hotmail.com