



CREDIT MONITORING GUIDEBOOK

The *Financial Principles Guidebook* is a comprehensive collection of our planners' insights to help you along your pursuit of financial independence.

IN THIS GUIDEBOOK

Page 2	Review your credit reports
Page 2	How to review your credit reports
Page 3	What's a good score?
Page 3	How do I improve or maintain a good score?
Page 3	What credit card should I use?
Page 4	Questions? Contact your advisor!

When was the last time that you reviewed your credit report? You would be surprised how often mistakes, or even fraudulent activity, can affect your credit. We have prepared this Guidebook as a resource to help you in monitoring, and even improving, your credit history. ***We hope that you find this information valuable. Should you have any questions, please do not hesitate to contact our office. If you have a friend, family member, colleague, or client who may benefit from this Guidebook, please do not hesitate to share it with them.***

FOCUSED ON YOUR FINANCIAL INDEPENDENCE

WHEN WAS THE LAST TIME THAT YOU REVIEWED YOUR CREDIT REPORT?



Did you know that you are entitled to a free copy of your credit report from all three credit reporting bureaus each year? It is a good practice to review a copy of your credit report from each of the three bureaus each year. You would be surprised how often a mistake, or even fraudulent activity, can appear on your credit history and affect your credit.

A good practice is to review the free copy of your credit report from one of the three reporting bureaus every four months. For example, you can review your Experian report in January, your Equifax report in May, your TransUnion report in September, and then start all over again in January.

There are also credit monitoring services available who, for a fee, will monitor your credit on an ongoing basis and alert you of any changes to your credit (such as a new account being opened).

BUT WHAT SHOULD I LOOK FOR?

When reviewing your credit report, you will want to first and foremost confirm that all of your information is accurate (such as your name, date of birth, social security number, address(es), and employers). You will also want to make sure there is no information on your credit report that is not familiar.

When reviewing your credit report, you should ensure that you recognize all accounts listed on your credit history and that the payment history is accurate. For example, if you have two credit cards and they are always paid on time, you will want to confirm that you do not have more than these two active accounts and that the payment history shows no delinquencies or past due amounts.



WHAT IF THERE IS AN ERROR IN THE INFORMATION?

If there is a mistake on your credit report, you should contact the reporting agency from which you obtained the report immediately. If the mistake relates to a credit account (an account that you do not recognize, incorrect information about your balances or payment history, etc.) you should also contact the creditor of the item that you are disputing.

A copy of your credit report will have the contact information for all creditors and information about how to file a dispute for an inaccurate item. The reporting agency must investigate items in dispute.

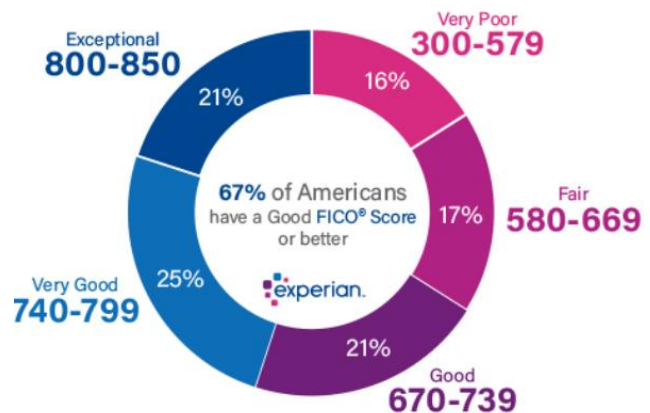
HOW DO I GET A COPY OF MY FREE CREDIT REPORT?

You can receive your free copy of your credit report from each of the three bureaus at AnnualCreditReport.com. If you feel more comfortable having a copy mailed to you, you can request a copy by calling 1 (877) 322 – 8228.

WHAT'S A GOOD SCORE?

A FICO® Score, created by the Fair Isaac Corporation is the most well-known types of credit scores and ranges from 300 to 850. Generally, a score above 670 is considered good while anything over 800 is usually considered to be exceptional.

Source: myFICO, 2021



WHAT KIND OF CREDIT CARD SHOULD I HAVE?

One of the easiest ways to build credit history is using a credit card for your everyday purchases. Today, credit card companies are competing for consumers' business and seem to always be trying to one-up each other's sign-up bonus and rewards programs. While many consumers will default to using the credit card program available through the financial institution where they do their banking, consumers should always make sure they are earning rewards from their credit card. While picking the best rewards card (and whether you should select a card that has an annual fee) depends on your own individual spending habits, we recommend that all consumers have a credit card that offers rewards through points, miles, or cash back. There are many no annual fee credit cards that offer points, miles, or cash back rewards on everyday purchases. The Points Guy (www.thepointsguy.com) is a great resource offering reviews of different credit cards and even tricks on maximizing your rewards!

TIPS TO MAINTAIN, OR BUILD, GOOD CREDIT

- **Pay bills on time-** as simple as this may seem, pay your bills on time, every time. We highly recommend that you set up autopayment or online alerts and reminders to ensure your payments are always on time.
- **Pay your credit card bill, in full-** you should try to never carry balances on your credit cards from month to month. However, if you must, make sure you always pay at least the minimum payment amount by the deadline.
- **Keep balances low-** while in the age of tap and go payments, miles, points, and rewards we all use our credit cards more than ever. However, the amount of your available credit that you utilize is an important determinant of your credit score. You should make sure that you keep your credit balances low and if you regularly use your credit lines and credit cards for purchases, you should consider requesting a credit increase to keep your utilization ratios low.
- **Long credit histories help your scores-** credit history is a factor in determining your credit score. The more positive history you have, the more it will help your score to be higher. Try not to change credit cards or financial institutions too frequently. For college aged children and grandchildren, consider a low credit limit card to help build credit history at an early age.
- **Don't be too tempted by store cards and their sign-up bonus or discount-** rating agencies look at the number of new accounts opened, and a large number of accounts opened in a short period of time can adversely affect your credit score.



**HAVE A TOPIC YOU WANT TO
SEE COVERED IN THE
GUIDEBOOK?**

Call or email your advisor with a suggestion for a topic to be covered in The Guidebook. If we have covered it, we will send you that edition. If we haven't, we will cover it!



**HAVE A FRIEND, NEIGHBOR,
COWORKER, OR RELATIVE
WHO COULD BENEFIT FROM
THIS GUIDEBOOK?**

Feel free to forward our Guidebook to anyone you feel would benefit from this information. We would be happy to speak with them and answer any questions that they may have.



HIGHTOWER
Financial Principles, LLC

FINANCIAL PRINCIPLES, LLC
A HIGHTOWER WEALTH MANAGEMENT PRACTICE

310 PASSAIC AVENUE, SUITE 203, FAIRFIELD, NJ 07004
505 FIFTH AVENUE, 4TH FLOOR, NEW YORK, NY 10017
973-582-1000
WWW.FINANCIALPRINCIPLES.COM

FOCUSED ON YOUR FINANCIAL INDEPENDENCE



Bradley H. Bofford, CLU[®], ChFC[®], CFP[®]
Managing Director, Partner
973-582-1002
bbofford@hightoweradvisors.com



Michael Flower, CFP[®]
Managing Director, Partner
973-582-1004
mflower@hightoweradvisors.com



Daniel Trout
Partner
973-582-1006
dtrout@hightoweradvisors.com



Steven Gelber, AIF[®]
Associate Wealth Advisor
973-582-1015
sgelber@hightoweradvisors.com



Andrew Olivier, CFP[®]
Associate Wealth Advisor
973-582-1005
aolivier@hightoweradvisors.com

Securities and investment advice offered through HighTower Securities, LLC, Member FINRA/SIPC. HighTower Advisors, LLC, is an SEC Registered Investment Advisor. Financial Principles, LLC, is under separate ownership from any other named entity.

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual.

The information contained herein has been obtained from sources considered to be reliable, but accuracy or completeness of any statement is not guaranteed.

No information contained herein is meant as tax or legal advice. Please consult the appropriate professionals to see how the laws apply to your situation.

Third-party links and references are provided solely to share social, cultural and educational information.

Any reference in this post to any person, or organization, or activities, products, or services related to such person or organization, or any linkages from this post to the web site of another party, do not constitute or imply the endorsement, recommendation, or favoring of Financial Principles or Hightower Advisors, LLC, or any of its affiliates, employees or contractors acting on its behalf. Hightower Advisors, LLC, does not guarantee the accuracy or safety of any linked site.

©Financial Principles, LLC, 2021. Reproduction of this material is prohibited without consent of Financial Principles, LLC.