

Coosa Valley Voice

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WHAT HURTS AND AFFECTS YOUR CREDIT SCORE? 8 FACTORS & FINANCIAL ERRORS TO FIX

Your credit score is the most important factor in determining your interest rates and creditworthiness. The better your credit score, the less interest you will pay on loans and credit lines. Having a good credit score can mean potentially hundreds of thousands of dollars in savings on interest payments throughout your life. The problem is, the three major credit monitoring companies who determine your score (Equifax, Experian, TransUnion) arrive at that important number via an increasingly complex series of algorithms and other factors. If you can figure out exactly how the FICO score is determined you are probably the smartest person in the world. Fortunately, there is plenty you can do to improve your credit score without agonizing over that mysterious equation. There are also plenty of things not to do. Here are 8 financial missteps that are guaranteed to damage your score.

1. Late/Missed Payments

A consistent and timely payment history comprises 35% of your credit score. This doesn't mean that one late payment will completely ruin your credit. What it does mean is that if you make a habit of missing payments / collections or paying late, your score will suffer. In addition creditors are more than willing to charge late fees and even jack up your interest rate after a few occurrences. So you end up paying for this in two ways: immediate fees for missing the payment and increased rates on later loans and credit lines.

2. Increased Debt/Credit Ratio

If your balances suddenly spike, but you have not been extended a new credit line, watch for a drop in your score. This is especially true if that balance is on a credit card and will not be paid off immediately. The percentage of extended credit you utilize accounts for another 30% of your credit rating. This means that you should be aware of how much credit is extended your way and keep balances as low as possible.

3. Unemployment

Periods of unemployment hit everyone at some point. Luckily, there are unemployment benefits to help us get through the tougher times. When getting unemployment benefits remember that it will affect your credit score slightly, which is why you want to receive these benefits for as short a period of time as possible. Credit bureaus do not know that you are on unemployment but they do recognize the reduction in your income. This may change your ability to pay what is due in a timely manner and that is what will damage your credit score.

4. Too Many Credit Requests

A sudden spike in requests for new credit sends the wrong message to credit bureaus and could drop your score. This most often occurs when applying for more than one line of credit within a short span of time. For example, if you apply for two credit cards in January, a consolidation loan in March, followed by a car loan in April, you can surely expect your score to go down. This may only be temporary especially if you are starting a "new chapter" of your life due to unforeseen circumstances. Just make a point to be keep aware of how often you apply for new credit. Note: If you have multiple requests for one type of credit within a short period of time, such as a car loan, it will count as one inquiry.

5. Private or Government Liens

If you have a lien on any property it will hurt your credit score. Unfortunately it does not matter whether the lien is \$100 or \$100,000. Once the lien is paid off, your credit score will begin to improve, but like bankruptcy, liens will stay on your credit report for 7 to 10 years. If the lien is not imposed by the state or federal government you can petition credit bureaus to have the lien removed.

6. Ignoring Financial Responsibilities

Obviously ignoring loans and lines of credit will hurt your score but how do unpaid cable, utility and medical bills affect your score? The answer is: poorly. Most of these companies do not report for regular payments but you can bet that if you become delinquent your credit will suffer. If necessary, set up a payment plan with these companies to avoid negative impact. For many of these companies good faith is enough to keep your score safe. Keeping in contact with representatives is one of the easiest and most important things you can do if you are having trouble with bills.

7. Closing Cards With Remaining Balances

You may think that getting that credit card off your record is good for your score, but that is not usually the case. In fact, if you have a significant balance left on the card, closing that card will take a toll on your credit score. Since a portion of your score is determined by the overall credit extended to you, removing this card from the equation also removes a chunk of credit granted to you, thus damaging your score. For example, let's say that between your loans and lines of credit, your total available credit is \$22,000. If \$12,000 of this available credit is used, and \$5,000 of it is from the card you are closing, your available credit drops from \$22,000 to \$17,000. That would probably be a good thing if the card had no balance, but if the card you are closing is "maxed out," your used credit remains at \$12,000. This sudden increase in your debt/credit ratio (from 54.5% to 70.5%) will drop your score noticeably.

8. Ignoring Potential Inaccuracies

Failure to check your credit report and fix errors could end up hurting your score as well. They may think they are all-knowing and all-seeing but even credit reporting agencies make mistakes. These mistakes could end up costing you thousands of dollars unless you are proactive enough to catch and correct them. It is simple and free to check your credit reports once per year so do not let this responsibility slip.

It is up to you to make sure that your credit report is accurate and in good standing. Failure to do so can give you years of headaches and potential money problems down the road. So do yourself a favor and avoid doing anything that can damage your financial reputation. Remember it's your responsibility and follows you wherever you go.



Announcements & Info

Coosa Valley Credit Union to be honored by



Coosa Valley Credit Union along with Darlington School has been chosen to receive the Heart of the Community Award in the business category. Robert Smyth AVP of Marketing stated *"We are deeply honored to be included with Darlington and other community minded individuals in receiving this award. Thank you to the Heart Committee for recognizing our efforts in the communities we serve."* Coosa Valley Board member Mr. Randy Quick was also chosen to receive an award this year. The Heart of the Community Award will be presented on February 14, 2015.

To learn more visit
<https://www.facebook.com/HeartoftheCommunity>

IRA Reminder...

Don't forget to make your investment in your Individual Retirement Account. At CVCU, you may choose the Traditional or Roth IRA. Both give superb benefits to you as you prepare for your income tax filing.

Visit any of our 5 convenient branches to meet with one of our Member Service Specialist.

**We are
here to
serve
you.**

Pictured from left to right, Vice President Andy Harris, Retired Marine Colonel and Toys for Tots Coordinator Hal Gosnell, CEO/President of Coosa Valley Credit Union Ron Tomlinson, and Assistant Main Branch Manager Tina Deaton.



CVCU Gives back for the Holidays

Coosa Valley Credit Union has participated with several local organizations during this holiday season to help make their campaigns a success. Coosa Valley Credit Union has made a donation in the name of the company groups it serves to the Toys for Tots foundation to help support their 2014 campaign. Ron Tomlinson President/CEO of Coosa Valley Credit Union stated ***"The Toys for Tots foundation is one of our favorite groups. Not only do they make a difference in the lives of so many children at Christmas, but the organization is run and manned by volunteers. All money raised goes right back to the children."*** Coosa Valley Credit Union also had donation boxes at each branch and the toy donation effort was spear headed by Mrs. Tina Deaton Coosa Valley's Main Branch Assistant Manager. Through her efforts, Coosa Valley was able to fill donation boxes full of new unwrapped toys. The Toys for Tots program was recently turned over to the Exchange Club of Rome. Heading this project is Exchange member Hal Gosnell who is a retired Marine Colonel and also member of the local Marine Corps. League. Mr. Gosnell stated ***"We appreciate this and all donations made to Toys for Tots this holiday season. Its organizations like Coosa Valley and the companies they serve who truly make a difference in our community."***

Bell Ringers pictured above are Head Teller Dawn Jordan and East Rome Branch Manager Kathy Gaston

Coosa Valley's East Rome branch volunteered their time at a local Wal-Mart to ring the bell for the Salvation Army. Robert Smyth AVP of Marketing and Business Development stated. ***"We are grateful for the many blessings the Credit Union has received as a result of the communities we serve and volunteering our time and money to these wonderful organizations that do so much good, is just a small way we can pass those blessings along."***

In the News & Community...

2014 WALK A MILE IN HER SHOES

*The Coosa Valley Boys are Back
and Looking Better Than Ever...*

Employees of the Coosa Valley Credit Union along with over 300 other men from the Rome community came together October 17th for the annual "Walk a Mile in Her Shoes" event to benefit the Hospitality House for Women of Rome. Hospitality House provides shelter and services to adult and child victims of family violence as well as assists families in adopting a non-violent lifestyle. Some of the services provided include a 24-hour crisis line, financial support for housing and transportation, relocation assistance, individual counseling, support groups, legal advocacy, and follow-up services. Men donned high heels, flip flops and a variety of ladies shoes and walked down Broad Street to raise awareness.

"While there were lots of laughs and jokes the cause is a very serious one" stated Ron Tomlinson CEO/President of Coosa Valley. "In the 20 years I have been associated with Coosa Valley Credit Union I can honestly say I have never seen our staff more unified, more supportive and frankly having so much fun while working together to support a cause." Almost every man in the Coosa Valley organization walked along with other employees and family.

The employees at the branches were responsible for decorating the shoes and did an amazing job. This event as well as other community efforts raised thousands of dollars for the Hospitality House for Women.



The Savings Crew

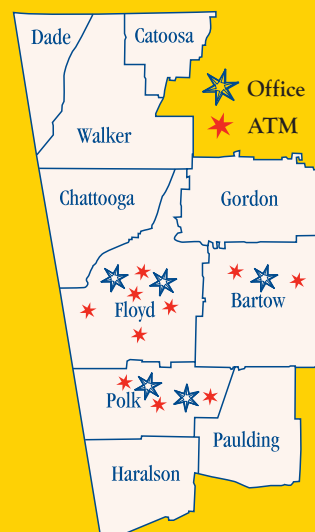
...sailed again this year in area Christmas parades.

The Crew waved and wished "Merry Christmas" to folks in Rome, Cartersville, and Rockmart. Coosa Valley won first place in the commercial division in both Cartersville and Rockmart.

Way to go Crew!



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HOLIDAY CLOSINGS

BRANCHES CLOSED

JANUARY 1
New Years Day

JANUARY 19
MLK Day

FEBRUARY 16
President's Day

Be sure to use
your credit union's
Audio Response,
Home Banking or
ATMs during the
holidays.

Main Office
2010 Redmond Circle
Rome, GA 30165
706-235-8551

East Rome
1504 Dean Avenue
Rome, GA 30161
706-292-0678

Cartersville
1149 N. Tennessee St.
Cartersville, GA 30120
770-382-7234

Cedartown
819 North Main St.
Cedartown, GA 30125
770-748-4901

Rockmart
1400 Chattahoochee Dr.
Rockmart, Georgia 30153
770-684-7436

www.mycvcu.org

Fins & Flip 61st Annual Meeting

Coosa Valley CREDIT UNION Feb 28th 6 pm

Forum, Rome