



STAYING CONNECTED

Volume 1, Issue 2
July 2011

News from Family Support

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It is hard to believe a month has gone by and we are already into our second issue!

For this month, I am excited to introduce a new addition to our Panel of Advisors – Al Hofstetter.

Al has a great deal of knowledge with respect to insurance coverage and policies. His column is a first of a series that we hope helps you make sense of the language found in your

homeowner's insurance policy.

In addition to that we have some things you need to know regarding credit scores and credit reports, updated information on our current build in Rhinelander, and other goodies.

We will also begin the process of setting up one-on-one meetings with you and the Family Nurturance Sub-Committee very soon. We

look forward to getting to know you better so we can serve your needs!

If you have any questions or need assistance, please do not hesitate to contact me. You can always leave a message at the Habitat office if you prefer.

Kathryn Gonzalez
Family Support Chair
608-215-6775
kathryn.glez@gmail.com

Credit Scores – Why they matter

(Adapted from http://www.pueblo.gsa.gov/cic_text/money/creditscores/your.htm)

Special points of interest:

- Understand your Homeowner's Insurance Policy
- Credit Scores
- Rhinelander build

A credit score is a number that helps lenders and others predict how likely you are to make your credit payments on time. Each score is based on the information then in your credit report.

Credit scores affect whether you can get credit and what you pay for credit cards, auto loans, mortgages and other kinds of credit. For most kinds of credit scores, higher scores mean you are more likely to be approved and pay a lower interest rate on new

credit.

When lenders talk about "your score," they usually mean the FICO® score developed by Fair Isaac Corporation. It is today's most commonly used scoring system. FICO scores range from 300-850, and most people score in the 600s and 700s (higher FICO scores are better). Lenders buy your FICO score from three national credit reporting agencies (also called credit bureaus): Equifax, Experian and TransUnion.

In the eyes of most lenders, FICO credit scores above 700 are very good and a sign of good financial health. FICO scores below 600 indicate high risk to lenders and could lead lenders to charge you much higher rates or turn down your credit application.

It's now easy to get your credit scores to check your financial health. These can be requested via the Internet, telephone or U.S. Mail.

Boosting your Credit Scores

Your credit scores change when new information is reported by your creditors. So your scores will improve over time when you manage your credit responsibly.

Here are some general ways to improve your credit scores:

- Pay your bills on time. Delinquent payments and collections can really hurt your score.
- Keep balances low on credit cards. High debt levels can hurt your score.
- Pay off debt rather than moving it between credit cards. The most effective way to improve your score in this area is to pay down your revolving credit.
- Apply for and open new credit accounts only when you need them.
- Check your credit report regularly for accuracy and contact the creditor and credit reporting agency to correct any errors.
- If you have missed payments, get current and stay current. The longer you pay your bills on time, the better your score.

Source: http://www.pueblo.gsa.gov/cic_text/money/creditscores/your.htm

Al Hofstetter: Understanding your Homeowner Policy – some basics

“To summarize, a homeowner policy provides 6 categories of coverage—*Dwelling, Other Structures, Personal Property, Loss of Use, Liability and Medical Payments to Others.*”

If you are like many homeowners, you may understand the importance of insuring your home yet find it challenging to determine the exact coverage provided by your policy. I hope to answer any questions you may have in future columns. For now, let us begin with a basic overview of your homeowner policy.

Property coverage provided by your homeowner policy is divided into 4 categories, usually listed as Coverages A, B, C and D:

A--The Dwelling, including *attached* structures (such as garage, decks, built-in appliances, wall-to-wall carpeting), should be insured for its replacement cost—what it would cost to rebuild—rather than what the

house could be sold for or the property's tax assessment value.

B--The homeowner policy provides 10% of the Dwelling limit for Other Structures coverage. If your house is insured for \$120,000, you would have \$12,000 for items such as detached garage, sheds, fences and swing sets. Additional amounts of coverage can be added for a charge if the 10% limit is not sufficient.

C--Personal Property—your household contents and personal belongings—are insured at 50% of the dwelling limit, so \$60,000 of coverage would be available for the house insured at \$120,000.

D--Loss of Use coverage reimburses you for increases in expenses (over and above your usual daily expenses) that

occur because you are unable to stay in your home due to a covered loss—such as when a fire damages your home and you have to stay in a hotel while repairs are being made. The *Loss of Use* limit is 20% of the dwelling limit (\$24,000 on the \$120,000 house).

A deductible applies to property losses. Since the cost of insurance goes down as the deductible goes up, it's a good idea to ask for quotes using different deductible limits.

(continued on page 3)

Homeowner Policy Basics *(story from page 2)*

In addition to the property coverage, Homeowner insurance policies also provide coverage for Personal Liability (Coverage E), which pays for damage or injury you accidentally cause to others and for which you are legally responsible. The standard policy has a \$100,000 limit for *Personal Liability*, but higher limits are available, usually at a relatively low cost.

Finally, the homeowner policy includes Medical Payments to Others (Coverage F). A \$1,000 limit applies to this coverage (again, higher limits are available), which will pay a person's necessary medical expense if they are injured on your property whether or not you're responsible for the injury.

To summarize, a homeowner policy provides 6 categories of

coverage—*Dwelling, Other Structures, Personal Property, Loss of Use, Liability* and *Medical Payments to Others*. Other than the *Dwelling*, which should be insured at replacement cost, the limits for each category are standardized but can be increased.

In our next column, we'll look at covered causes of loss—what events trigger coverage in a homeowner policy.

And, of course, address any questions you may have.

Please send your insurance questions or concerns to Kathryn, Family Support Chair, at kathryn.glez@gmail.com or call her directly. You can also leave a message for her at the Habitat office.

We look forward to serving you!

Cost-Saving Tips for your Home



- Install a programmable thermostat
- Check and change air filters regularly
- Replace high use lights with fluorescent lamps
- Correct leaks around door frames, windows and attic access hatches
- Check insulation levels and possibly add additional insulation
- For homes with forced air heating/cooling systems, seal duct joints with foil backed duct tape and insulate ducts in unconditioned spaces
- Set the temperature on your hot water heater to 115 - 120 degrees F
- Consider fans and dehumidifiers rather than air conditioning to keep your house cool
- Consider replacing single pane with double pane windows
- Properly place trees and shrubs to help reduce your utility bills. Deciduous trees on the west and south sides to keep your home shaded during the peak sun

Q & A for Homeowners

Q: Does Habitat –Northwoods (HFH) report to credit agencies?

A: This is an excellent question since payments to your mortgage have a large impact on your credit scores. Our affiliate does not currently report to credit agencies, although many other Habitat affiliates do so. Our board has discussed interest in reviewing this policy because we understand how much this can help you improve your credit rating. This, in turn, helps you secure better interest rates and future opportunities because, let us face it – we live in a credit-based society and your credit matters!

One important thing to keep in mind is that the most important aspect of credit reporting is to make payments on time. That makes all the difference!



**HABITAT FOR
HUMANITY
NORTHWOODS**

320 Oak Street

P.O. Box 552

Minocqua, WI

54548-0552

Phone:

(715) 356-7203

E-Mail:

hfhnwds@dwave.net

We're on the Web!

Visit us at:

*www.habitatforhu
manitynorthwoods
.com*

Did you know...

Did you know that you can request a free credit report once a year from each of the three national credit reporting agencies - Equifax, Experian and TransUnion?

Monitoring your credit report is very important. Not only does it help you monitor your financial health. It also helps you keep unauthorized activities in check.

Each credit reporting agency offers a different type of credit score to consumers.

Equifax 300-850

Experian score 330-830

TransUnion score 150-934

Rather than requesting your credit report from each of the three at one time, many financial institutions recommend you request a

report from a different agency every four months. This will give you the opportunity to monitor your credit throughout the year at no cost to you.

Free reports available at:

Web: www.annualcreditreport.com

Phone: 1 877 322 8228

U.S. Mail:

Annual Credit Report
Request Service

P. O. Box 105281

Atlanta, GA 30348-5281

What is New...

The exciting news is that, thanks to the efforts of our wonderful Public Relations Committee, our website is now fully updated with current information and pictures of the Rhinelander build, plus updated contact information for all of our board members.

You can find Family Support under the "Family Services" tab. We will add materials to this page on a consistent basis so visit it often – and let us know what information you need to address any concerns you have as a homeowner!



Rhinelander – House #17

This house is going up at record pace! We have changed our goal to complete the build by mid September. If you are interested in working contact us today! We will begin the interior work very soon.

Here is the schedule for the next few weeks (We will be working from 8:30 am to 3:30 pm on Fridays and Saturdays):

Friday July 22nd – Finish setting windows and weather tape and set doors- added frost wall protection

Saturday July 23rd – Finish setting windows and weather tape and set doors- added frost wall protection

Upon showing on site Habitat leadership will help get you going. Please look for Jerry Check (Construction manager), Kevin Eggers (Project Manager), Dan Siewert (volunteer coordinator), or other habitat leadership.

Also if you are interested in providing lunches or refreshments for the volunteers please let me know so I can schedule the weekend and let you know approximate numbers of volunteers. Currently volunteers need to bring their own food.

If your group is interested in volunteering on the build please let me know so I can make arrangements.

To volunteer or for any other questions contact Dan at 715-282-6150, or by e-mail at desiewert@wisconsinpublicservice.com