

Everyday Cheapskate: Credit scores reflect character

by *Mary_Hunt*

Dear Mary: I read your column every day, and you often discuss credit scores. I also hear about the negative effects of a bad credit score over and over on TV. I have one credit card, which I pay off every month; I own my home and cars, and I don't plan on taking out any loans ever again. So I'm curious. Why should I care about fluctuations in my credit score? -- Beth L., e-mail

Dear Beth: These days, it isn't only your lender who cares about your credit score. Insurance companies, employers and landlords are keeping score, too. You must give them permission to pull copies of your credit score in application processes. They use credit ratings to determine premiums and how reliable an employee or tenant you will be. Your credit score and your credit report have become important character references.

This does not mean you need to check your score often. In fact, you probably can forget about it, provided you always pay your bills on time, you are not applying for new credit and you're not closing old accounts. While there is a charge of about \$15 to get your credit score at www.MyFICO.com, you can go to Bankrate.com and make use of the credit score calculator. It's not exact, but when you type in your pertinent information as required, it's very close, and it's free.

Dear Mary: My husband and I have been married for about four years. We have no children.

We just bought our first home, and I am wondering whether it is prudent to have a will. I don't think it's necessary, because we have no children. My life insurance and 401(k) list my husband as the beneficiary. We have joint bank accounts, and the house is in both of our names. I don't see a reason to have a will. What do you think? -- Vee, Texas

Dear Vee: You both absolutely need wills. Even if you don't have children, you need to spell out your wishes so that there will be no room for interpretation or dispute by any family members, insurance companies, creditors or state officials. Your wills need to be clear about your intentions in the event that you both are struck down at the same time. Without clearly drawn legal wills, your home, insurance proceeds and other assets could go to the state or be tied up in probate, racking up big legal fees. Your families could be left with a big mess. It is not an expensive proposition to have your wills drawn. Take a look at LegalZoom.com for guidance and specifics required by your state. You may be able to draw your wills right there, online. Whether you do it that way or meet with an attorney, I'm certain you can take care of it for less than \$200. I hope you will.

Do you have a question for Mary? E-mail her at mary@everydaycheapskate.com, or write to Everyday Cheapskate, P.O. Box 2135, Paramount, CA 90723. Mary Hunt is the founder of DebtProofLiving.com and author of 17 books, including "Debt-Proof Living."

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