



Newsletter 1

President's Message

Déjà Vu All Over Again

I don't read much of the mail that shows up at our house, but one piece

recently got my attention. It came from the bank that currently holds our mortgage (a well known bank in south-east Michigan), letting me know that I may be eligible to refinance under the "Making Home Affordable" program in President Obama's stimulus package.

Now I will confess that I haven't been paying much attention to the news over the past 6 months or so, for a variety of reasons. I know the big things that have taken place. . . Michael Jackson died, Elderick Woods is in therapy, Nancy Pelosi is still a nut, Kwame can only afford \$1.39 of restitution. . . the big stuff. But this "**Making Homes Affordable**" plan. . . well, that's something that I missed.

As I read on, I was amazed to learn the following:

"Some benefits to refinancing under this plan now include:

- Refinance up to 125% loan-to-value ratio
- No appraisal required
- No minimum credit score
- No employment, income or asset verification required"

I had to read the entire letter again to let it sink in. Surely this must be a mistake. "Could it be an old letter from a few years ago???" No, Obama wasn't in office a few years ago. HmMMM. . . "

Nope, it's legit. And I couldn't help but wonder to myself: *Are you \$%^&!*& Kidding Me?!? We aren't even out of the current real estate melt-down that was caused by this EXACT ISSUE!!!*

Once I stopped bashing my head against my desk, I realized that this is the reason I stopped watching the news.

On a somewhat related note, checkout the [FICO Score article](#) to see how your FICO score is impacted by various circumstances, and what it means to the amount you'll pay for a loan (unless you fit into the plan above where you don't need income verification, etc.)

In other news. . . NBC projected that they'll lose \$200 Million (give or take) on the **Winter Olympics**. I've tuned in a few times over the past week and I've noticed something strange. Either there's a LOT of women's curling coverage, or my timing is really poor. Because it seems that whenever I tune in, I'm watching a group of gals playing **shuffleboard on ice** while screaming at teammates to sweep faster (the ice

doesn't even look dirty to me.)

After watching a few minutes of this, it seemed **obvious to me why NBC is taking a \$200 Million bath** on the Olympics (HINT: STOP SHOWING SO MUCH CURLING!)

Incidentally, why is curling an Olympic sport? What is the training regimen – 6 months in Florida at Del Boca Vista on the shuffleboard court? How is it fair that a ski-jumper or speed skater gets the very same Gold medal that a CURLER gets?

It might be fun. It might be entertaining (might not). But it ain't athletic. Those cross-country skiers look like they're gonna DIE when the cross the finish line. How'd you like to come in 4th place in cross-country skiing, then watch some curler get a gold medal?

But I digress. . .

For more winter sports coverage, check out the photo insert showing a recent [snowmobile trip](#) I took in the U.P., as well as some photos from our [Client/VIP Party](#) back around Thanksgiving.

As always, there's lots going on so check out the [What's Happening](#) page as well.

Best Regards,

Todd Rammler, CMA, MSA
President

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Your FICO Score: FICO reveals how common credit mistakes affect scores

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Tech Tips

Practical tools you can use every day

What's Happening?

Exciting News at Michigan CFO Associates—check it out!

Photo Stories

See the insert for photos of our Client/VIP party and my recent snowmobile trip!

Comedian Arj Barker on Global Warming:

"Everybody's convinced that the earth has a problem, because it's **HOT**. But for some reason, I haven't heard a single person suggest the seemingly obvious possibility that the earth is just fine, but there's something wrong with the **SUN!** I'm not a scientist but I'm pretty sure that's where all the heat's coming from. And all I'm saying is. . . "when I burn my toast. . . I don't blame the BREAD".

FICO Reveals How Common Credit Mistakes Affect Scores

By Jeremy M. Simon

Disclosed for the 1st time, 'damage points' taken off for late payments

Borrowers already knew that late payments hurt their credit scores, but for the first time, they now know the extent of that damage.

Did you max out your credit card? Expect a credit score drop of 10 to 45 points. Declare bankruptcy? Your score will plummet by up to 240 points, and your odds of getting credit will nose-dive with it. The "damage points" data, unveiled recently by FICO, are part of the most revealing glimpse into the firm's once-secret -- and still mysterious -- credit scoring model. The new information discloses how many points borrowers' scores will drop when they make the most-common mistakes.

DAMAGE POINTS: HOW MISTAKES AFFECT FICO SCORES		
Credit mistake	If your score is 680	If your score is 780
Maxed-out card	Down 10 to 30 pts.	Down 25 to 45 pts.
30-day late payment	Down 60 to 80 pts.	Down 90 to 110 pts.
Debt settlement	Down 45 to 65 pts.	Down 105 to 125 pts.
Foreclosure	Down 85 to 105 pts.	Down 140 to 160 pts.
Bankruptcy	Down 130 to 150 pts.	Down 220 to 240 pts.

Source: FICO

The greater transparency about FICO scores is important because American consumers' ability to get credit rises and falls with the number. FICO, the company that pioneered credit scoring, assigns consumers a three-digit number from 300 to 850, depending on how well they handle credit. Other companies also offer scores, but FICO's version is the most widely used by lenders in determining whether a consumer can borrow, and at what rate.

FICO's credit score has been around for decades, but only within the past decade have consumers gradually gained access to theirs. Though the raw numbers can be purchased, how they're figured remains a FICO secret, as closely guarded as the formula for Coca-Cola. Until recently, FICO revealed only broad categories of factors influencing the score, but not the number of points at stake for consumers who fail to pay as agreed. The "damage points" information, revealed in a report by personal finance writer Liz Pulliam Weston, will be made available through its myFICO.com Web site. FICO's information shows that bankruptcy does the most serious damage to a credit score (up to 240 points), followed by foreclosure (up to 160 points) while maxing out a credit card has the least numerical impact (as few as 10 points).

Those with good or excellent credit -- so-called prime borrowers -- put more points at risk with each mistake. For example, someone with an average credit score of 680 who pays a bill 30 days late will see a drop of 60 to 80 points. But for someone with an excellent credit score -- 780 -- that same delinquency can send a FICO score tumbling by 90 to 100 points.

Helping You Make Better Decisions

While knowing the numbers may not keep you from filing for bankruptcy if given no other choice, the information may help you make the best decision when faced with a bad situation.

FICO scores -- and the access to credit they provide -- are a valuable asset to consumers and supply a safety net when incomes are stretched. It's an asset that needs to be protected, Sherry says, even if job loss or catastrophic illness makes bill paying problematic.

"In that period of time, paying down debt is the last thing on your mind. Paying the minimum payment may also be the last thing on your mind, but you'll be doing yourself a big favor if you do," Sherry says.

Just For Fun

If you're feeling like no one cares, no one's there for you, check out this link.

<http://www.tom-phillips.info/powerpoint/youre.always.on.my.mind.pps>



"That there's funny, I don't care who y'are!"

- Larry the Cable Guy



Client Event

In November we held a pre-Thanksgiving Day Client & VIP cocktail party. We had a great turnout, and a terrific time at Loccino's Italian Grille & Bar in Troy. Don't miss the next one!



From Left: Mike Meldrum (Complete Communications), Todd, Al Federlein (Huntington Bank), Jeff Wright (Hennessey Capital)



From Left: Anthony Schena (Schena Roofing), Erica Johnson (MICFO), Dan Englehart & Jason Wang (Peter Basso Associates)



Mike Decker (DEM Group), Peter Basso (Peter Basso Associates)



From Left: Joe Romeo (Hennessey Capital), Jennifer Kohl (Complete Communications), Joe Carabell (Carabell Leslie CPA's)



From Left: Mark Kirchmer (PolyFlex Products), Mike Schena (Michigan Custom Machines), Al Federlein (Huntington Bank)

Snowmobiling Trip

Every January, myself and a group of other nutcases who think cold weather and snow are a good thing, head up to the U.P. for some fun in the snow. This year we started with a group of 8, but within the first 60 minutes lost 2. . .one hit a tree, and another drove him to the hospital (where he spent the night with a broken wrist). Despite the early setback, we managed to get in some great riding and saw some beautiful scenery.



Tahquamenon Falls, near Paradise, MI



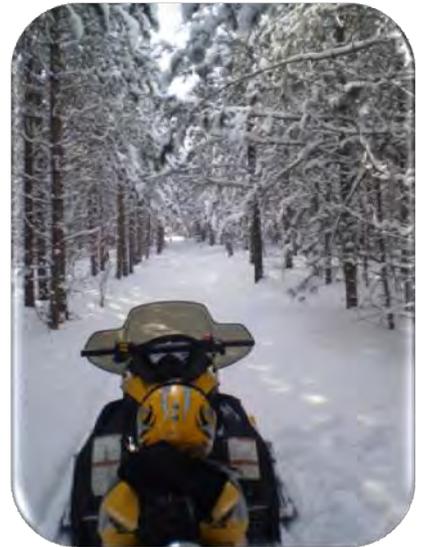
Tahquamenon Falls Shoreline... iced up from the mist



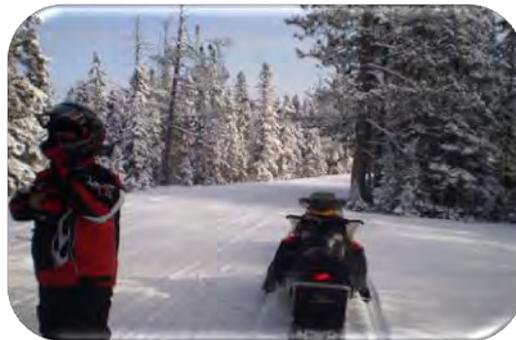
John, Mike, Ron, Steve, Todd & Mike
Not pictured – guy who hit tree (Ronan) and
the guy who picked him up from the hospital (Jim)



A "secret" off-map trail in an old-growth forest



Another off-trail adventure



A brief stop on the main trail between
Trout Lake & Hulbert in the U.P.



Tech Tips

KeePass Password Software. These days almost everything you do on a computer requires a username and password. It was easy for a while, using the same ones over and over again. But now many sites require complicated passwords, some even force you to change them at regular intervals. I got tired of keeping a spreadsheet full of passwords and discovered KeePass, a free password management tool. You can organize your passwords into groups, search quickly for keywords, and actually use the mouse to drag your username and password from KeePass into an on-line form, eliminating the need to actually type them in. If you find yourself fumbling for passwords, this may be your solution. I'm definitely hooked! For more info visit www.keepass.info.

MeetingWizard. Tired of being the middleman trying to schedule a meeting between multiple people with complicated schedules? MeetingWizard is a great tool for coordinating busy schedules, eliminating the need to continually follow up with people while trying to find a time that works for everyone. And it's FREE. It does, however, require a username and password. . . so go back and re-read the previous paragraph on KeePass. 😊 Visit www.meetingwizard.com.

What's Happening?

Radio interview. In December Todd was interviewed by Robert Skrob on **Business Nation Radio** in support of the book [30 Day Total Business Makeover](#). Robert owns several businesses and is also the President of the [Information Marketers Association](#). To hear the interview (or other Radio & TV interviews) click on www.michiganCFO.com/media.

Webinars. In previous newsletters we've mentioned the research project commissioned last year, which has now been boiled down to a 1 hour webinar entitled **WARNING: Slow Growth Ahead**. If you have not yet seen it, it is great content on what causes businesses to stagnate as well as what they can do to avoid these issues. The events are FREE and you can register at www.michiganCFO.com/webinars. We will also be adding other webinar topics in the coming months.

A.C.E. Event. In January we attended the **Annual Collaboration for Entrepreneurship (ACE)** in Ann Arbor. Over 800 people attended the event which featured breakout sessions on getting your business funded, cool new technologies & businesses, and the ever popular elevator pitch competition. We had a great time and met a ton of people at our booth. For more information on ACE visit www.ace-event.org.



Todd Rammler (left) and John Seaman, having a ball at the A.C.E. Event

Red Wings Ticket Giveaway Update



The excited Red Wing ticket winner, Demetri Preonas of Deepwood Marketing

Congrats to Demetri Preonas of [Deepwood Marketing](#) in Bloomfield Hills! Demetri was the lucky winner of our **Newsletter Subscriber Drive** from the Fall issue. His name was drawn and he received two, 2nd row tickets to see the Red Wings take on the Nashville Predators (Wings won 4-2).

Look for similar opportunities in future newsletters. **If you missed your chance, refer 2 people NOW** (Click [Here](#)) and we'll send you a \$5 Starbucks gift card!

Michigan CFO Associates

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**The Winter 2010
Newsletter is here!**

Newsletter ①

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