

**Stacy Notley, The Manning Group, live on Ringside Politics WSGO 990AM with host Jeff Crouere, October 13, 2021**

**Jeff:** [There are] a lot of concerns out there about our economy, and one way you can help yourself is to make sure you've got good credit. And maybe that is the most important thing you can do to preserve your economic health. And we have an expert with us who's going to share with us some tips and help us navigate all this. I'm very pleased to be joined by Stacy Notley who is with us. Stacy is president of The Manning Group, a family-owned company that has helped clients enhance their credit rating and establish a better financial future. They have been doing it for many years. He is also the author of *Credit Solutions*. The website is manning-group.com. Stacey Notley is here with us this morning. Hey Stacy, how goes it? Good morning, welcome.

**Stacy:** Hey Jeff, thanks so much for having me on.

**Jeff:** Hey, congrats on your success. So, you grew up poor and you built yourself a financial future that is pretty strong. How did you do it because we hear that bootstrapping out of poverty is pretty much impossible these days?

**Stacy:** Yeah, I would like to say modest and, you know, you appreciate it. Eddy Chiles, who brought the Washington Senators to Texas to become the Rangers, said he's been rich and he's been poor and rich is better. And I totally agree with that but with regard to credit, you and I -- at least me, it makes me sound a lot older than I think I am -- but when we were kids, time out was when mom's belt arm got sore, a remote control was the youngest kid in the room, and you had a relationship with your banker. You would sit across a desk and he'd say, "I know Jeff. I know the Crouere family. They are great folks. Go pick out a car for high school. We will do the paperwork later". Now it's press 1 for English, 2 for Spanish and if you want to talk to me send me an email. It's just not the same thing. You mentioned a couple things and credit, I describe, is a lot like your car in that depending on how far you drive, you fill up once a week, every few months you should change the oil, rotate the tires for better mileage and to protect the engine, every six months the belts and the fluids and one a year a tune up. Your

credit rating is absolutely no different. You need to pay attention and know what people know about you.

**Jeff:** So, your credit rating has been described as your ticket to the American dream. Explain that if you could.

**Stacy:** Well, you know the truth is I don't care if you, Jeff, or anyone else uses cash or credit but I care that it is your choice. And like I said, back, you know when we were kids, there was a relationship with your banker.

**Jeff:** Right.

**Stacy:** Most millennials, and I've got three of them, think a banking relationship is knowing where an ATM is and it's really not the same thing. And with regard to credit, you don't have the same opportunity. You go online, you fill out an application. They pull up a three-digit number and based on your number, you either get a loan with good rates, you get a loan with poor rates or get denied altogether.

**Jeff:** It seems like in my dad's day, you go to a bank, say hey you need a loan, "Sure! Of course! You know, whatever you need, you got it". Now, it's like, again, going through an act of Congress to get a loan. It just seems much more difficult. Am I dreaming or is that the case?

**Stacy:** No, you are absolutely right. You know, people, a lot of the people I deal with are very affluent. And I tell most of my clients that only successful people have credit problems. Somebody who has never bought a house, bought a car, used a credit card, you know, may not be able to pay a cable bill or maybe a cell phone and it's more of a cash flow problem. Credit is based, again, on your FICO score.

**Jeff:** Stacy Notley with us, President of The Manning Group. They deal with credit and debt management. And I guess those two things go hand and hand. Right? I mean the more debt you have, the more debt problems if you can't pay your credit card. If you've got a debt that's very high, you don't have a lot of available credit. That's going to be a problem with your credit score. Correct?

**Stacy:** Right, well FICO scoring comes from the name Fair Isaacs -- the FI -- and it was Bill Fair and Earl Isaacs that created an algorithm back in

the fifties or sixties and it's a lot like the SAT. When you and I went to high school or college you took the SAT, you got high scores, good chance of getting into a college of your choice and low probability of you failing. Same thing with your FICO score. If you have high scores there is a good chance you will pay back your bills and low scores don't mean you won't pay back your bills but there is a better chance that you won't pay back your bills. FICO scoring has five components and it's your payment history, your utilization, how long you have had the account, your mix and then new credit and enquiries.

**Jeff:** Enquiries can be harmful, right? Explain that if you could.

**Stacy:** Sure. An enquiry is -- well there are two basic types of enquiries. One if you went to a car dealership, Jeff, and you applied for a car loan or you applied with your bank or credit union, then they run a hard enquiry. A soft enquiry is kind of promotional. You probably get lots of offers in the mail that you have been pre-selected, pre-qualified to apply for. That is a soft pull that doesn't affect your credit. A hard enquiry can stay on for up to two years on your credit report but after about six months it doesn't have that much of an impact.

**Jeff:** Stacy Notley with us. Jeff Crouere here. It's Ringside Politics on the airways on WGSO 990 AM WGSO.com. So, for our listeners out there that are having trouble, don't have a credit score they need for a mortgage or for what they are looking to do in their financial life. How can they turn it around Stacy?

**Stacy:** Well, if you take your car to a mechanic the first thing you want them to do is lift the hood. And one of the things we at The Manning Group do is we run a merged credit report and give you an analysis, no strings attached. I will mark it up and make suggestions on what you can do, or anyone can do to improve their credit and enhance their FICO scores. You wouldn't take your car to a mechanic and say, "can you fix it?" or "how much to fix it?" without looking under the hood. Most people think that just paying on time is enough and it's not. If you pay on time but don't have much room to charge it hurts you. If you have too many installment loans and not enough credit cards it hurts you and so, again, the best thing I can

tell you is it's on ongoing thing like exercising. You never get to a point, Jeff, where you say, "I don't need to exercise anymore. I've done pushups."

**Jeff:** "I'm done!"

**Stacy:** Even though we might wish that.

**Jeff:** Now, does it make sense to apply for more credit cards, to have more than five credit cards or less? Is there a magic number?

**Stacy:** Oh, that is a great question. I will tell you this, and I get in lots of, I'll say, domestic discussions on this one. Having too few credit cards is very damaging. Let's say someone says, "Hey Jeff, I just want four cards, MasterCard, Visa, maybe an Exxon, and a Home Depot." You've got plenty of cards, you've got a good payment history, you've got 100%. Miss one payment on any one of those four cards you could go from 100 to a 75 or an A to a C. If you miss two payments -- and it may not be your fault, maybe it's misapplied -- you would go from an A to a 50 or an A to an F. I suggest having about ten cards. And it sounds like a lot, but let's say you have a MasterCard and a Visa, if you own a home, maybe a Home Depot and a Lowes, you are up to four, you drive so a Shell, Texaco, Exxon Mobil, whatever gas stations you like, then a couple of department stores, you are up to ten. If you have ten accounts, ten cards, and you miss one payment, 10% is negative, 90% is still positive. Miss two payments, you are in the B range, but you are still a passing grade. Having too few cards is like having New Orleans only have four chances to score -- and thank you, by the way, for beating Washington last week, being a Cowboy fan -- but the gist of it is, you want your team to have as many chances to score as possible and if you can manage ten cards, keep them.

**Jeff:** Stacy Notley with us, Jeff Crouere here, talking about credit, the importance of some of your actions in turning things around, what you need to look at when dealing with bankers when trying to get a loan. And, of course, when you are making online and travel purchases, what is the benefit or consequences, Stacy, of using credit cards versus debit cards?

**Stacy:** Oh Jeff, great question. I won't let my kids have a debit card. Now, what I tell them is that credit cards offer protection, debit cards offer convenience. Let's say you have a debit card and you travel. Some rental

agencies won't let you rent a car with a debit card or they block off \$500 or \$600 -- and you are only renting the car for a day -- because they want to make sure you have enough money to pay them. With a credit card you can charge it without any concern or whatever else. And by the way, if you lose your -- let's say you have an account with \$10,000 that is attached to your debit card -- you lose it, you've got a couple days to notify the bank there's a problem and you could be liable for every penny in your account. If you buy it with a debit card, then you are going after the vendor you bought something from. If you have a credit card and you lose it, you've got two billing cycles, or basically a month or two, before you have to notify them and at most you will be liable for \$50. So, I like the convenience of credit cards. I like -- I'll say they both have convenience, but I like the protection and the convenience of a credit card.

**Jeff:** Yeah. And with a debit card you have to put in your PIN. Right?

**Stacy:** Absolutely.

**Jeff:** And, with that stolen, what if someone is peering over your shoulder when you put the PIN in?

**Stacy:** Well, you know, I do that and I also tell my kids that on the back of your debit or your credit card, put "see ID" instead of signing it. And if you put "see ID", if they are really looking closely, they will ask you for some identification (which is very rare) but no one is going to have your signature, Jeff, so they can't forge it. In fact, when I go to a restaurant, I always round up to the nearest dollar. If we've gotten good service we round up, if we've gotten poor service we might round down, but it's always an even amount -- \$21.00, \$41.00, \$110.00 -- but that way, when I go through and I see it's at a restaurant, if there's any variation of it being an even dollar I know it wasn't me or was fraudulent.

**Jeff:** That is a good point.

**Stacy:** And I do the same thing at gas stations. We have, with my kids and my wife and I, we have five cars and we use an Exxon nearby.

**Jeff:** Five cars! Wow!

**Stacy:** No, one each. Don't get me wrong. One each.

**Jeff:** Oh, okay.

**Stacy:** Not like you rich radio guys. I'm still paying.

**Jeff:** Oh, right! Yeah, sure!

**Stacy:** Well, the nice thing about it is when I go through the Exxon bill, if it's rounded up to 05 or 0, I know it was either me, my wife or the kids. And that way, we don't have to worry about it. And I never sign my signature to anything that I buy with a credit card. I do my initials. That acknowledges that I am buying it, but my initials are SCN and that is what I sign and that way, again, no one has my signature.

**Jeff:** Stacy, where can our listeners get more information if they want to delve into this in a deeper way and maybe turn around their credit situation?

**Stacy:** Jeff, I would love it. We've got two ways. One, we've got a toll-free number which is 888-458-9100, 888-458-9100 or, like you said, the website which is manning -- my dad's name -- manning-group.com and run a credit report. It's one of those things that you don't know what you don't know.

**Jeff:** See where you stand. Hey, Stacy Notley, we will do it again. Thank you so much for the great information.

**Stacy:** Jeff I really enjoyed it. And, hey, let's do a \$10 lunch bet when the cowboys play you on December 2<sup>nd</sup>. Okay?

**Jeff:** You got it, you got it. Alright. Stacy Notley, manning-group.com, and we will see about those Cowboys.