

0 (1s):

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1 (33s):

<inaudible>

2 (39s):

Great to have you here on today's podcast. And I love doing this and having an opportunity to join with you each day on each weekday, I should say five days a week, and there are certain trends I want to make sure you're prepared for here in 21. And one of them is the federal reserve that always saw is a core mission for itself was not to allow the economy to get to a point where it would generate inflation. And right now they're much more interested and having the economy have more strength than they are worried about inflation.

2 (1m 22s):

And so you're going to see some things potentially cost you more. One in particular is these ultra low mortgage rates that we've had, that it bounced along a record bottoms week after week after week through 20. We're likely to see higher mortgage rates in 21, not all at once and not always, but that the trend will likely be higher. And that's because there are more expectations built in of a federal deficit spending and more inflationary pressures in the economy, which means that people that are lending money have to overcome their fears of inflation eroding what they'd earn.

2 (2m 13s):

So they demand more interest. And this originates and the treasury market, which is kind of like CDs for rich people in institutions and then filters into mortgage rates. And there are times that experts will predict Mortgage rates moving higher or lower, and they'll turn out to be flat out wrong. That could happen again. But the likelihood is that rates will remain very, very favorable, but not at the incredibly low rates that we've had in recent months. So the more you shop, the better you're going to do is you are shopping for a mortgage, particularly first-time home buyers tend to only go to a single mortgage lender, and you're going to pay more for that loan in cost and potentially in rate, if you don't shop the market, you want to play one lender against another, and especially do that with the refinances 'cause in a market that the rates may be putting a little bit of a squeeze on your wallet in 21.

2 (3m 24s):

You want to do as much as you can to fight back for your wallet. And you do that by shopping. Another thing that is likely headed Higher is gasoline prices in this is the opposite of what I said six weeks ago. There are specialized factors that have led to roughly a 50 cent, a gallon increase in wholesale prices. Core of this is

that OPEC producers through their cartel had been limiting supplies that they are pumping out in the ground to soak up excess supplies, have oil in the market place that were depressing prices.

2 (4m 6s):

And so that has led to higher prices for us. In addition, people drove more during the winter cycle than people usually do, particularly in the United States. So travel by vehicle is still down in the United States and appreciable percent, but also a lot of oil activity in the oil patch has declined in the United States. And so that's why we're seeing higher price is even at a time that overall driving is still down and certainly not what I expected, but as happens with oil markets, eventually they do self-correct and the recent spikes and prices will moderate and maybe reverse at some point, not too far in the future.

2 (5m 0s):

Our normal patterns though are broken. If you remember, the normal pattern in March is weather starts to get warmer in the United States prices tend to March higher all the way through to the 4th of July, and then start a steady decline. After the 4th of July through the rest of the year, this year, all bets are off all patterns out the window. One other thing I meant to mention on mortgages and forgot. So there are new rules that slipped up during the Christmas holiday season concerning getting a mortgage on a vacation property, particularly in a condo or a tightly controlled homeowners association community that if that condo or homeowners association community allow short-term rentals through Airbnb or other like VRB AU or home, a way that that community can lose its access to traditional conventional mortgages, not just the units that rent out short term, the entire condominium complex or the entire homeowners association community can lose its access to traditional or conventional financing, which means potentially more difficulty selling a property is it becomes harder and more expensive for a buyer to get financing.

2 (6m 37s):

What this is going to do, unless this is overturned at some point, is that it will lead to a very large, a number of condo associations and homeowners associations, banning short-term rentals, which means that if you are somebody looking at buying property specifically to have it in the marketplace for short-term rentals, you need to be able to make the economics work. If you are forced instead to do long-term rentals. If the numbers still don't work, then you don't buy the place. It's time for your questions. You post it for me at Clark dot com slash ask and Joel, what you got for me.

3 (7m 21s):

All right. Clark this one comes from Patrick in Georgia. He says, I keep getting phone calls from Mark who's buying homes from Washington state and asked, asked Patrick to call him. He says one, I don't live in Washington. To I don't own any property, anywhere three. I tried replying to his voicemail by text, but when it, because whenever I call the number, it's always busy explaining these issues and asking him to remove my number from his call list. The second text I sent him, I told him not to call me anymore. Does this count as a, do not call a situation, even though it was by text and not acknowledged. And if so, who do I need to get in

touch with to report him? Cause he calling me every day.

2 (7m 59s):

And so I have not heard what's behind these calls from a Mark, but the thing is junk phone callers, generally a flout, the do not call list don't care what the law allows for and are running some kind of scheme. So I'm particularly interested that when you try the number that it's always busy. So why don't we do some detective work? Did we get the phone number from him?

3 (8m 32s):

Let's see. Did he list a phone number there? No, no phone number listed, but I want to reach out to Patrick.

2 (8m 37s):

Why don't we do some sleuthing and then we can do a follow up on what exactly that deal is behind the scenes, but I'm sure it's not something to your advantage.

3 (8m 50s):

Many of those to

2 (8m 51s):

Be the same way from the same for

3 (8m 54s):

Me, I don't, he is found my number, but just

4 (8m 56s):

People saying I'm buying I've recently bought houses in your area. I'm interested. That kind of thing.

3 (9m 1s):

Yeah, that, that that's something that's going on in a big way. To and like I've been giving a bunch of those. And I think mostly what those people want is, is they wanna offer you weigh less than market value for tribes.

2 (9m 13s):

The whole low ball thing. When people are desperate to sell completely, the key market for them are people who have inherited a house or are getting elderly or whatever. And then they house may need a lot of repairs and they take advantage of somebody's emotional or physical exhaustion and make those low balls.

4 (9m 37s):

Okay. Well, Trisha in Iowa says I currently have a Sam's club MasterCard. I would like another, no annual

fee credit card looking for a 2% cash back one or the Citi double cash card is also a MasterCard. And I know that you recommend one visa and one MasterCard, I don't have a fidelity or a line account in PayPal is a visa, but a synchrony bank product, same as Sam's club. Is it more important to have a MasterCard and a visa or to get the 2% instead of the align account?

2 (10m 8s):

So so I don't care if somebody has a To V is his or her to MasterCard's or to whatever it's really having them from different issuers. So if you have the Sam's club MasterCard, that is that you issue is seeing the crony. They used to have the Walmart business To let me look at my haven't even noticed who issues my Sam's is called a MasterCard and it is sin crony bank. Anyway, if you get the Citi double cash, you would have a card from city bank. The fact that they are both MasterCards is not the relevant thing. The fact that there are issued by two different financial institutions that's core in ki, and you'd have your 2% cash back using the Citi double cash.

2 (10m 57s):

Joel

3 (10m 58s):

Clark Jeff in Ohio says, Hey, Clark I've seen several people on the internet suggesting that I use a home equity line of credit to get out of a 30 year mortgage and only five to seven years. I would love to get your thoughts on this before I jump in, though,

2 (11m 11s):

Man, what is this thing? This, this idea originated from Australia. Well, that's a great things in Australia. This is not one of the good exports. This thing will not go away. It becomes really end for a while. We get a lot of questions about it and then it kind of fades into a Bolivian minute, comes back again. Okay? So here's the whole pitch. They tell you why pay a mortgage for 20 or 30 years instead you can be Mortgage debt free in just a very short period of time. Give up that incredibly low fixed rate mortgage you have and go into a floating rate home line of credit, which is a horrendous idea right now.

2 (11m 59s):

And what you do is it is an account where your money from your paycheck and other income you have and whatever all goes into one account that is your home equity line and your deposit account. All in one in the idea is your paying a daily interest instead of regular interest and their math looks compelling, cause everything is about wiping out the mortgage, but ignores all the other things you need to do in life, which is pay down other forms of debt, build up savings, build up money in investments, retirement accounts like Roth, IRAs, 401ks, blah, blah, blah, blah, blah.

2 (12m 46s):

This is a solution we're looking for a problem that does not exist. If it's something you got by email, delete it. If it's something you're seeing on social media, ignore it. And if it's something that came in the traditional mail, recycle it and coming up next on today's podcast, we're going to talk about what people are doing about the massive cost of medical care. It may not be for you, but it is something that's a choice that more and more Americans are making

0 (13m 23s):

You decided to upgrade your outdoor deck. So you ordered the essentials, a power washer or a set of patio chairs and a shiny new grill. And you used your bank of America cash rewards credit card, choosing to earn 3% cash back on online shopping or up to 5.2, 5% as a preferred rewards member, which you put toward the cost of your most essential deck. Addition of a bird feeder apply for yours@bankofamerica.com slash more rewarding copyright 2020 bank of America corporation

2 (13m 56s):

Pay there. You're up for getting down with low prices, right? Well, Fred Meyer goes lower than low on food. That's fresher than fresh. So when you're crushing on clementines seeking a savory salad or choosy about your chicken, just open the Fred Meyer app, you'll get more ways to save on the fresh new love with personalized coupons, weekly sales and rewards like fuel points, all for prices that are even lower than the everyday low. So go where you know, it's lower than low Fred Meyer fresh for everyone. Remember when you need advice for your wallet, checkout Clark dot com and Clark deals.com. You also can get advice from our team members in the team Clark consumer action center that are available to serve you Monday to Thursday, where you can get free away from the show.

2 (14m 46s):

Advice one on one from a member of our team. And this is something we've been doing now for 28 years, answering your questions off the show one on one, and you can see the Oh, a number of the hours, all the details for the team Clark consumer action center at Clark dot com. So I have been an advocate for, I don't know, 15, 20 years people who either can't afford and operation, they really need or procedure or, or their insurance still would leave them with a large out of pocket.

2 (15m 35s):

They're ignoring their health because of the outrageous costs of medical care in the United States. I have encouraged people to consider going outside the United States. It's for medical and dental care. Dental care has become a giant industry for Americans outside of the United States. People in large numbers around the United States go to Costa Rica for dental care that they have not generally been doing during Corona virus.

2 (16m 16s):

So So. I saw his story in the New York times that American guns are going in very large numbers to Mexico for dental care. And there are a lot a number of communities in Mexico that even have names and spelling

<inaudible> that are about that. What they are about his medical care for a mayor, I'm sorry, dental care for America. Hence, and with people having lost, there are a healthcare by the millions during Corona virus. Americans are also going to other places for medical care because there are a very large number of medical facilities and other countries meet world standards for healthcare, but give more personalized care and attention.

2 (17m 15s):

When you have a purpose, the seizure or an operation outside the United States, people we'll go for things like knee replacements at a 20% of the cost in the United States. People we'll go for a while, various heart operations. And very often they'll go to Thailand or India for these things. And you go to a facility where you have a private duty nurse just for you 24 hours a day, completely than what we're used to with how stretched and overworked nurses are on a hospital for, in the United States, where they are really taken advantage of by the host hospital systems, giving them too many patients to cover and patient care suffers as do the patients who suffer.

2 (18m 13s):

Yeah, the reason I've always been such a fierce advocate of people going outside. The United States for medical care is the medical industry and the United States has not responded to market forces at all to that. And so if your wallet can not afford the cost of medical care in the United States, going overseas is normally a viable alternative. And, and I have been quiet about this for the last 10 months because of the coronavirus. There's a epidemic, but we are in the midst of our worst outbreak, a Corona virus in the United States.

2 (18m 54s):

We are clearly in the darkest before the Dawn phase is we got more shots of people's homes, arms. We're going to be in much better shape with coronavirus and people are going to be able to resume Medical tourism, travel and know that your only choice is not the American medical system that is inefficient poorly run. And I've seen Lee over priced with by far the highest medical care costs in the world. And it's something that a, weight's a solution that we spend so much time arguing and the United States about how we're going to insure people.

2 (19m 40s):

And where are we going to do about the high cost of insurance and all of the rest, which is only a symptom of the core problem. And that is the inefficiency of our medical industry and the United States that has led to embedded self interests that have raised the prices in the United States way, far above world levels, even compared to the To fellow, highly developed countries. We have a broken system that needs to be fixed, but in the meantime, when you're suffering from pain or discomfort, and there is a treatment or surgery you cannot afford in the United States, I've got steps at Clark dot com.

2 (20m 25s):

When the time comes where you can find reputable facilities, that you can go To in other countries to get the care that you need at a tiny fraction of the cost of the broken American medical industry. It's time for your questions and Krista, what you got for me, Clark Marty

4 (20m 48s):

In Florida says I hear more and more commercials for home title insurance, the commercial state, that this is an ever increasing threat and homeowners won't know that they have a problem until the collection threats show up in the mailbox or the call start coming in. Also the commercials state that this is an unlikely event, but it is good to have the insurance just in case. Is this a real problem? And is title insurance necessary?

2 (21m 14s):

So title insurance is different from what's being pitched in these radio commercials. Title insurance is something that you are offered or should be offered at the time that you close on a home. When you take out a Mortgage, you are required to buy what snow is a winter's title policy that protects the lender and the event that the waffle transfer and ownership of a property was legally conveyed to you. The lenders want to be protected and you pay the premium to protect them. Well, at that time, you can do a piggyback or what's known as an owner's title policy at a very low cost that protects your down payment and the payments he make over the years, if there's ever a challenge to your title, what's being pitched in these radio ads is a different thing.

2 (22m 6s):

That is title fraud for a home that was successfully properly, legally sold to you where criminals impersonate you, and then pretend to be, you have to strip the equity from your home. This is a extremely, extremely rare recurrence. And we get questions about it every single week, which means advertising's is the fact that we get so many questions is whether or not you should buy it. We checked with five different real estate attorneys who were unanimous and their opposition to you paying for this coverage.

2 (22m 49s):

What you should know is now more and more counties in the United States have a registry service where you can be notified by email or text, if there's any action on your title, in their jurisdiction. And you will have early warning quicker than you to have with one of these policies that somebody is playing games, trying to strip you with the equity you have built up in your home. Joel,

3 (23m 17s):

Clark Tom in North Carolina says I have no debt. I owe no one. I paid cash for my home. 28 years ago, I pay off any credit card balances when they are due. My FICO score is currently 800 in order to raise my score near to eight 50, though, I have to take out a loan or go into debt. Why I thought the perfect score showed that you are fiscally responsible. I feel like the concept of FICO is oxymoronic.

2 (23m 44s):

Okay. So first of all, did you get upset if you ever got less than an a hundred on a test in school, having an 800 credit score is like having a 95 average through school. You're in great shape. In fact, once you're above seven, 60 to 70 80, you are golden. Any loan you want your fine for. So ignore that stuff that says you don't have sufficient lines of credit. And that that lowered your score all the way to an 800. Your great, you don't need to take out additional lines. You have those credit cards. If you want to manipulate your score up a 20 points or So Christa can tell you how to do that right now.

2 (24m 30s):

Cause I drive her crazy with our company credit cards, doing that.

4 (24m 36s):

Yeah, you can pay off your balances before they even hit. So you keep your, your balances at zero. You make payments. If you make any purchases,

2 (24m 45s):

So you keep your utilization, which counts for roughly a third of your credit score. You keep those as close to zero, as you can usually two or 3%. And that will give a little bit of a booster shot to your score, but you're good. You're fine. Just where you are right now. And Dr. Heal thyself, is that right? I need to remember that for myself, that my credit score is just fine. It sits and the eight hundreds and I don't need to try to get it above the five. Sorry. You don't borrow money anyway. Well, I use credit cards, which is a, I use them as a payment system, but it is legally, technically a form of borrowing

4 (25m 29s):

More. And speaking of credit, Jane and Georgia says, would it help my credit score? If I got rid of credit cards that I don't really use, they just sit there with zeros next to them year after year.

2 (25m 39s):

No, it would not help you. In fact, what would help you? And you could hurt yourself by closing those accounts that haven't had activity of late is for you to use those occasionally. So they show activity because remember when I said you were saying roughly a third is actually a 30% of what makes up your score is your utilization credit. If you close accounts, it then raises your utilization. The percent of your available credit you're using, which would have the effect of lowering your overall score. So I'd rather you keep those cards and just occasionally use them.

2 (26m 19s):

Not very often, keep some active and available on your credit scoring and your mics. If you've enjoyed listening to this podcast, right? But you can see how to click to subscribe.

4 (26m 32s):

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2 (26m 39s):

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