Understanding Credit

CASFAA Conference 2019
November 3, 2019

Presenter: Thalassa Naylor, Director of Business Development
Agenda

• Understanding Credit and Credit Scores
• Understanding Your Credit Report
• Managing Your Credit
• Protect Yourself
• Budgeting and Financial Health Tips
Understanding Credit and Credit Scores
Credit Basics

Credit health plays an important role throughout an individual’s life, whether someone is trying to qualify for a loan or even looking for certain types of jobs.

• **Credit** is an arrangement an individual makes with a company or individual to receive goods, products, or services now that will have to be paid for later.

• A **credit history** is a collection of all the financial information that relates to an individual’s life. It helps creditors decide, “If I loan someone money, what are the odds that they will repay it?”

• A **credit score** is a number that summarizes an individual's credit risk. A credit score helps lenders evaluate your credit profile and influences the credit that’s available to you.

Source: [http://ficoscore.com/education](http://ficoscore.com/education) October 2019
FICO Scores

FICO® Scores are used in 90% of lending decisions in the United States. Lenders can request FICO® Scores from all three major consumer reporting agencies — TransUnion, Equifax, and Experian. FICO® Scores can influence the credit limit, interest rate, loan amount, rewards programs, balance transfer rates, and other terms offered by lenders.

A FICO® Score is a three-digit number calculated from the credit information on an individual’s credit report at a particular point in time. It summarizes information in your credit report into a single number that lenders can use to assess your credit risk quickly.

FICO® Scores generally fall within the 300-850 score range.

Learning your FICO® Score can help you better understand your credit health.

Source: https://ficoscore.com/education October 2019
What is a “Good” FICO Score

<table>
<thead>
<tr>
<th>FICO® Score</th>
<th>Rating</th>
<th>What FICO® Scores in this range mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>800+</td>
<td>Exceptional</td>
<td>• Well above the average score of U.S. consumers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Demonstrates to lenders you are an exceptional borrower</td>
</tr>
<tr>
<td>740 - 799</td>
<td>Very Good</td>
<td>• Above the average of U.S. consumers</td>
</tr>
<tr>
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<td></td>
<td>• Demonstrates to lenders you are a very dependable borrower</td>
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<tr>
<td>670 - 739</td>
<td>Good</td>
<td>• Near or slightly above the average of U.S. consumers</td>
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<td>• Most lenders consider this a good score</td>
</tr>
<tr>
<td>580 - 669</td>
<td>Fair</td>
<td>• Below the average score of U.S. consumers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Though many lenders will approve loans with this score</td>
</tr>
<tr>
<td>&lt; 580</td>
<td>Poor</td>
<td>• Well below the average score of U.S. consumers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Demonstrates to lenders that you are a risky borrower</td>
</tr>
</tbody>
</table>

Average FICO® Score of U.S. consumers in October 2019 was 706

Source: [http://ficoscore.com/faq](http://ficoscore.com/faq) and [https://www.nerdwallet.com/blog/finance/credit-score-ranges-and-how-to-improve/](https://www.nerdwallet.com/blog/finance/credit-score-ranges-and-how-to-improve/) October 2019
Components of Your FICO Score

1. Payment history (35% of your scores): Whether you’ve paid past credit accounts on time
2. Amounts owed (30% of your scores): The amount of credit and loans you are using
3. Length of credit history (15% of your scores): How long you’ve had credit
4. New credit (10% of your scores): Frequency of credit inquires and new account openings
5. Credit mix (10% of your scores): The mix of your credit, retail accounts, installment loans, finance company accounts and mortgage loans

A good FICO® Score means better financial options for you

Source: http://ficoscore.com/faq/ October 2019
Good Credit vs. Poor Credit: What is the Impact?

**GOOD CREDIT**

- Lower interest rates
- Could save hundreds, if not thousands, of dollars in interest costs
- Allows you to be more selective when choosing a lender
- Can mean preferred rate on car insurance

**BAD CREDIT**

- Higher interest rates
- Can result in loan applications being rejected
- Can get denied for basic services
- Can mean high cost premium on car insurance
Building a Credit History: Student Loans

Q: Does taking out a student loan have a negative impact on my FICO® Score?
   A: Student loans are considered in your FICO® Score. When you open a student loan, it will increase your amount of debt, but if you pay your bills on time, lenders tend to view you as being a relatively lower credit risk.

Q: Does deferring payments on my loan until after graduation harm my payment history?
   A: Deferred loans do not harm your FICO® Score. In fact, the existence of your loan can help establish your length of credit history and mix of credit.

Q: I have the option of starting to pay my student loan while I’m in college. Will that impact my FICO® Score?
   A: When you pay student loans on time, it shows responsible behavior, lowers your outstanding debt, and lenders tend to view you as being a relatively lower credit risk. Missing or late payments will have a negative impact on your FICO® Score.

Q: Does moving my loan into forbearance impact my FICO® Score?
   A: Your FICO® Score does not consider the fact that a loan is in forbearance, so moving a loan into forbearance would not affect your score like missing a payment would. However, your loan is still considered part of your personal credit. Even in forbearance, the amount of your loan will be taken into account and could impact your score.

Source: Understanding Credit by Sallie Mae and Fair Isaac Corporation MKT13788 October 2018
Building a Credit History: Credit Cards

When selecting a card, you should compare different cards’ Annual Percentage Rates (APR). An APR is the annual cost of borrowing, including all interest, fees, premiums, etc., expressed as an annualized percentage rate. You should also be aware of hidden fees. If you miss a payment, make a late payment, or exceed your credit limit, you may be charged fees.

Q: Should I open a secured credit card to establish a credit history for the FICO® Score?

A: A secured credit card is like a savings account that you can charge against. Your credit limit is based on the amount of money that you deposit. A secured credit card can be a great option for people without credit or with poor credit. Before you open a secured card, make sure that the issuer reports to the consumer reporting agencies (Equifax, TransUnion, and Experian). Not all secured cards are reported.

Q: How many credit cards should I have?

A: There is no one answer for everyone. Having a single credit card can be risky if you have a large unplanned expense. You may want to consider having more than one card. On the other end of the spectrum, maintaining a large number of credit cards can complicate your financial health management.

Q: Will closing credit cards increase my FICO® Score?

A: Closing cards won’t increase your score and may actually lower it at least slightly. A better way to increase your score is by managing your credit cards responsibly.
Credit Inquiries

Soft Credit Inquiries
All credit inquiries where your credit is NOT being reviewed by a prospective lender, including:
- Checking your own credit (such as checking your score in myFICO)
- Credit checks made by businesses to offer you goods or services (such as promotional offers by credit card companies)
- Inquiries made by businesses with whom you already have a credit account

Hard Credit Inquiries
Credit inquiries where a potential lender is reviewing your credit because you've applied for credit, including:
- Credit checks when you've applied for an auto loan, mortgage or credit card
- Each of these types of credit checks count as a single credit inquiry

Rate Shopping
Your FICO score considers all inquiries within a 45-day period for a mortgage, an auto loan or a student loan as a single credit inquiry. This same guideline also applies to a search for a rental property such as an apartment.

**Myth vs. Facts**

**Myth:** A poor score will stay poor forever

**Fact:** FICO® Scores are based on a snapshot of credit behavior. As behavior changes, so will that snapshot. Healthy credit decisions, such as paying bills as agreed and waiting for negative items to "age", will cause scores to improve over time.

**Myth:** Checking my own FICO® Scores will lower my scores

**Fact:** Checking your own scores will never impact your scores.

**Myth:** I have to have a large income to have high FICO® Scores

**Fact:** Your income does not factor into your FICO® Scores

**Myth:** My FICO® Score isn't important

**Fact:** When you apply for new credit or a new loan, your FICO® Scores may impact your ability to get the best rates, terms and promotions. In fact, high FICO® Scores could save you thousands of dollars.

Source: [https://ficoscore.com/education/](https://ficoscore.com/education/) October 2019
Ways to Improve your credit score

Credit scores are continually changing, depending on how well - or poorly- the person manages their credit

General tips for improving your financial health:
• Pay bills on time
• Apply for credit only when necessary
• Avoid having any account go to collection.
• Keep credit card balances to less than 50% of the available credit limit
• Make more than the minimum payment
• Have a mix of credit account types
• Do rate shopping within a short period of time
• Review your credit report regularly at annualcreditreport.com

Tip: The longer your credit history, the better!
Understanding Your Credit Report
Credit Report Overview

When you apply for credit, the company from whom you’re requesting it will check your credit report from one or more of the major consumer reporting agencies:

- TransUnion®
- Equifax®
- Experian®

Credit reports differ from credit scores

- A credit report is a detailed view of your outstanding credit, payment history, and public records
  - Credit reports are provided by one of the three major consumer reporting agencies
- A credit score is a number calculated using the information in your credit reports, how many times lenders requested information, and any collections, among other items
  - FICO® is a leading provider of credit scores
  - There are other credit scores available; they may vary because the companies calculate credit factors differently

Your credit score does not appear on your credit report
Credit Report: Reviewing Your Credit

Why you should review your credit report

• Credit reporting companies sell the information to lenders and other businesses that use it to evaluate your applications for credit
• The information in the report can impact whether you’ll qualify for a loan (student, home, auto) and how much interest you’ll have to pay
• Potential employers may be able to view your credit — which could affect whether you get certain types of jobs

When you should review your credit report

• Annually, to make sure there are no mistakes
• Before an activity that requires a loan, like applying for a student loan, purchasing or leasing a car, or buying a house

How you can review your credit report

• The Fair Credit Reporting Act (FCRA) requires each nationwide credit reporting company to provide you access to free copy of your credit report every 12 months
• Request a free copy each year at AnnualCreditReport.com or call 1-877-322-8228
## Credit Report: What it Includes

### Personal Information

<table>
<thead>
<tr>
<th>Name:</th>
<th>Date of Birth:</th>
<th>Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joe Sample</td>
<td>09/15/1979</td>
<td>901 Main Street</td>
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<tr>
<td></td>
<td></td>
<td>Anytown, USA 12345</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>SSN:</th>
<th>Telephone:</th>
</tr>
</thead>
<tbody>
<tr>
<td>XXX-XX-XXXX</td>
<td>(555)555-5555</td>
</tr>
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</table>

### Employment Information:

<table>
<thead>
<tr>
<th>Acme Widgets</th>
<th>2011-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joe Sample</td>
<td>1997-2012</td>
</tr>
</tbody>
</table>

### Account Information

<table>
<thead>
<tr>
<th>My Bank:</th>
<th>Pay Status:</th>
<th>Date Opened:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Name</td>
<td>Paying as Agreed</td>
<td>10/24/2010</td>
</tr>
<tr>
<td>Balance:</td>
<td>Account Type:</td>
<td></td>
</tr>
<tr>
<td>$10</td>
<td>Revolving Account</td>
<td></td>
</tr>
<tr>
<td>Credit Limit:</td>
<td>Loan Type:</td>
<td></td>
</tr>
<tr>
<td>$500</td>
<td>Line of Credit</td>
<td></td>
</tr>
</tbody>
</table>

### Payment History:

<table>
<thead>
<tr>
<th>Year</th>
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### Public Record

None listed.

### Credit Inquiries

<table>
<thead>
<tr>
<th>Bank</th>
<th>Requested</th>
<th>Inquiry Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town Bank</td>
<td>09/12/2011</td>
<td>Credit Transaction</td>
</tr>
</tbody>
</table>

### Special Message

None at this time.

### Bureau Contact Information

Please contact us for any reason at (123)444-5678 or online at CreditReportingBureauofAmerica.com

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Each credit reporting agency’s report may look different, but they all contain:

- Your identifying information
- The amount of credit available to you
- The amount of credit you’re using
- A record of whether you make payments on time or are delinquent
- Collection activities
Credit Report: Personal Information

Personal Information

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| SSN: XXX-XX-XXXX | Telephone: (555)555-5555 |

Employment Information:
- Acme Widgets (2011-2015)
- Joe Sample (1997-2012)

Account Information

- My Bank:
  - Bank Name
- Balance: $0
- Credit Limit: $500
- Pay Status: Paying as Agreed
- Account Type: Revolving Account
- Loan Type: Line of Credit
- Date Opened: 10/24/2010

Payment History:

```
Year | Jan | Feb | Mar | Apr | May | Jun | July | Aug | Sept | Oct | Nov | Dec |
-----|-----|-----|-----|-----|-----|-----|------|-----|------|-----|-----|-----
2015 | ok  | ok  | ok  | ok  | ok  | ok  | ok   | ok  | ok   | ok  | ok  | ok  |
2014 | ok  | ok  | ok  | ok  | ok  | ok  | ok   | ok  | ok   | ok  | ok  | ok  |
```

Public Record
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Credit Inquiries

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Special Message
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Bureau Contact Information
- Please contact us for any reason at (123)444-5678 or online at CreditReportingBureausOfAmerica.com

Personal information:
- Information that distinguishes you from others with similar names:
  - Name
  - Current and previous addresses
  - Social Security number
  - Telephone number
  - Date of birth, etc.

Employment information:
- Past and present employers, your position, and when you were hired
# Credit Report: Account and Public Record Information

## Personal Information

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## Account Information

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<tr>
<th>My Bank: Bank Name</th>
<th>My Bank: Balance</th>
<th>My Bank: Credit Limit</th>
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</thead>
<tbody>
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<td></td>
<td>$0</td>
<td>$500</td>
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</table>

<table>
<thead>
<tr>
<th>My Bank: Pay Status</th>
<th>My Bank: Account Type</th>
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<tbody>
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<td>Paying as Agreed</td>
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<table>
<thead>
<tr>
<th>My Bank: Loan Type</th>
<th>Date Opened:</th>
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<tbody>
<tr>
<td>Line of Credit</td>
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## Public Record Information

- Delinquent accounts
- Liens
- Bankruptcies
- Lawsuits, etc.

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## Special Message

None at this time.

## Bureau Contact Information

Please contact us for any reason at (123)444-5678 or online at CreditReportingBureauofAmerica.com
Credit Report: Inquiries, Messages, Contact Information

Personal Information

Name: Joe Sample
Date of Birth: 09/15/1979
Address: 901 Main Street
Anytown, USA 12345

SSN: XXX-XX-XXXX
Telephone: (555) 555-5555

Employment Information:
Acme Widgets 2011-2015
Joe Sample 1997-2012

Account Information

My Bank: Bank Name
Pay Status: Paying as Agreed
Date Opened: 10/24/2010
Balance: $0
Account Type: Revolving Account
Credit Limit: $500
Loan Type: Line of Credit

Payment History:

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Public Record
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Credit Inquiries

Bank: Town Bank
Requested: 09/12/2011
Inquiry Purpose: Credit Transaction

Special Message
None at this time.

Bureau Contact Information

Please contact us for any reason at (123) 444-5678 or online at CreditReportingBureauofAmerica.com

Credit Inquiries:
- People or companies who have requested your credit report, the date they requested it, and the reason for the request, over the past two years.
- Businesses must have a legitimate reason to access your report.

Special Messages:
- Notes about your credit report; these can include discrepancies within your personal information or reported fraud or theft.

Bureau Contact Information:
- Who to contact if you see mistakes or have questions about anything in your credit report.
Credit Report: Correcting Errors

Check your credit report once a year to make sure there are no errors or fraud; if you do find something:

- Write to the credit reporting company about the error and include supporting documents (and keep a copy of your letter!)
- The company generally has 30 days to investigate the issue
- If they find there is an error, they have to notify all three major credit reporting companies

Guard against identity theft:

- Thieves can use your name or Social Security number to open new credit cards in your name;
- When the account is delinquent, it can affect your credit
- If you suspect identity theft, contact the credit reporting company immediately and file a police report
National Credit Bureau Agencies

EQUIFAX:  
Phone: 800-685-1111  
Website:  www.Equifax.com

Experian:  
Phone: 888-397-3742  
Website:  www.Experian.com

TransUnion:  
Phone: 800-916-8800  
Website:  www.TransUnion.com
Managing Your Credit
Average Debt for U.S. Households

These are the totals owed by an average U.S. household with this kind of debt.

- Credit Cards = $6,829
- Auto Loans = $27,708
- Mortgages = $188,903
- Student Loans (Fed + Private) = $46,783
- Any type of debt = $136,206

Don’t Borrow More Than You Need

Calculate your debt-to-income ratio:

Minimum debt payments  Monthly gross income
(including mortgage or rent)

Example: You earn $5,000 each month in gross income, and a yearly bonus nets you $500 a month. Your total monthly income is $5,500.

You pay $200 a month in student loans, $500 in rent, $150 on a car payment, and $150 on your credit card and other expenses. Your total monthly debt payments are $1,000.

$1,000 (debt) divided by $5,500 (income) = a ratio of 18.2%

How much is too much?
• 35% or less – Excellent
• 36% to 49% – Opportunity to Improve
• 50% or higher – Danger! Take Action!

Source: https://www.wellsfargo.com/goals-credit/smarter-credit/credit-101/debt-to-income-ratio/understanding-dti/ October 2019
Distinguish Between Good Debt and Bad Debt

WHAT’S GOOD DEBT?
Interest rate is low and fixed, and the loan is used to buy something that grows in value:
- House, Business, or College Education.

WHAT’S BAD DEBT?
Loans with high or variable interest rates that are used to buy things that lose value or get used up.
- High-interest personal loans.
- Auto loans stretching five years or longer.
- High-interest credit cards with increasing balances.

WHAT’S TOXIC DEBT?
- No-credit-check loans and loans with APRs above 36%
- Loans requiring collateral you can’t afford to lose (your car).

https://www.nerdwallet.com/blog/finance/how-much-debt-is-too-much/ October 2019
Using Credit Cards the Right Way

- Start small with one card and a low credit limit
- Make small everyday purchases – not extra purchases to get rewards
- Pay off your balance each month
- Understand your spending by analyzing the statement each month

✓ Know and watch the interest rate
✓ Get the “full scoop” on special introductory rates
✓ Stay out of the “penalty” box
Most Common Mistakes to Avoid with Credit Cards

- Overspending
- Spending just to earn more rewards
- Making only minimum payments
- Not paying your bill on time
- Using convenience checks or other cash advance features
Recognize the Signs of Financial Difficulties

Financial problems, once started, tend to get worse if they are left unsolved

• Some warning signs of financial problems:
• You have to wait for your paycheck or other income to pay bills
• Your credit cards are charged up to the maximum
• The amount you owe gets bigger every month
• You overdraw your account
• You’ve received letters or calls from creditors

Actions you can take:

• Review your spending plan/budget
• Ask for assistance from parents or a mentor
• Consider credit counseling
Bankruptcy: It’s not an Easy Out

People who are unable to pay their debts file for bankruptcy

- Bankruptcy allows the court to discharge your debt
  - Bankruptcy filings may stay on your credit report for up to 7 years
- Student loans may not be eligible for a discharge via bankruptcy
- Should only be used as an absolute last resort
Protect Yourself
Know a Scam When You See One

• Debt relief scams
• Advance-fee loan scams
• Credit repair scams
• Be aware of the following:
  ✓ Organizations that have no website or cannot be found in Google
  ✓ Organizations that ask for credit card information, bank account information, social security, drivers license, or other personal information
  ✓ Return address is a free domain (Hotmail, Gmail, Yahoo)
  ✓ Offer contains a lot of hype and promotional language but little on how it works and the cost
  ✓ Offers a prize, in which you have to pay “processing fees”
Guarding Against Identity Theft

If someone steals your identity, your credit is at risk

• Guard your social security number
  - Keep your card out of your wallet
  - Don’t put it on your driver’s license or checks
• Pick passwords carefully
• Pay attention to your mail and trash
• Check your credit reports annually

 ✓ Be careful when purchasing items online
 ✓ Read your monthly statements
 ✓ Do not sign up for unfamiliar contests
 ✓ Don’t reply to messages asking for personal or financial information
 ✓ After a disaster, give only to established charities
What if My Identity is Stolen?

• Alert a credit reporting agency
  - Place a fraud alert (free)
  - Ask them to contact the other 2 agencies on your behalf
  - Alert stays on your credit report for 90 days

• Get copies of your free credit report from each of the agencies
  - Contact the fraud department at each of the companies with impacted accounts
  - Follow up in writing & keep copies

• Create an Identity Theft Report
  - FTC Identity Theft Affidavit (www.ftccomplaintassistant.gov)
  - Police Report
Financial Health Tips
The Benefits of a Budget

Budgeting refers to the process of determining how you are going to spend your money. It is a great idea for everyone to create and have a budget.

Why create a budget?
1. Gives you control over your money
2. Keeps you focused on your money goals
3. Makes you aware of what is going on with your money
4. Helps you organize spending and savings
5. Makes you decide in advance how your money will work for you
6. Enables you to save for expected and unexpected costs
7. Enables you to communicate with your significant others about money
8. Provides you with an early warning for potential problems
9. Helps you determine if you can take on debt and how much
10. Enables you to produce extra money

Source: https://www.budgetingincome.com/10-benefits-of-budgeting-your-money/ October 2019
The Budgeting Process

Follow these steps:

1. Communicate
2. Consider personal or family situation
3. Set goals
4. Estimate income
5. Estimate expenses
6. Balance the budget plan
7. Put the budget into action
8. Keep track of income and spending
9. Adjust the budget as necessary
10. Use for future planning
Budgeting Tips

1. Keep it simple
2. Be realistic and consider all expenses
3. Build in a margin of safety
4. Keep working with your budget and record keeping until you find a system that works well for you
5. Provide for personal allowances in your plan
6. Create a personalized budget rather than trying to use someone else’s
7. Distinguish between wants and needs
8. Borrow with care
9. Develop an emergency fund
# Know What You Owe

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student loans</td>
<td>$</td>
</tr>
<tr>
<td>Other loans:</td>
<td></td>
</tr>
<tr>
<td>- Credit card balance(s)</td>
<td>+$</td>
</tr>
<tr>
<td>- Automobile loan</td>
<td>+$</td>
</tr>
<tr>
<td>- Mortgage loan or rent</td>
<td>+$</td>
</tr>
<tr>
<td>Other money owed:</td>
<td></td>
</tr>
<tr>
<td>- Utilities, cable, internet</td>
<td>+$</td>
</tr>
<tr>
<td>- Phone</td>
<td>+$</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$</td>
</tr>
</tbody>
</table>
10 Rules of Smart Credit Management

Credit plays an important role in managing your money – do not take on more than you can handle.

1. Live within your means
2. Know what you owe
3. Borrow only what you can afford
4. Maintain a good credit rating
5. Check your credit report annually
6. Use credit wisely
7. Recognize the warning signs of financial difficulty
8. Know a scam when you see one
9. Guard against identity theft
10. View bankruptcy as a last resort
Financial Health Tips

Create a Budget:

• Sallie Mae has a downloadable monthly budget worksheet that can help you stay in control of your finances during college. Create yours at SallieMae.com/CollegePlanningToolbox.

Pay On Time

• According to FICO®, late payments and collections can impact your FICO® Score.
• If you’ve had a hard time paying your bills on time, consider signing up for an automated bill pay service.
• If you’re having trouble paying your bills, contact your creditors. Don’t wait and hope it gets better.

Manage Your Accounts

• Keep your balances low. According to FICO®, high balances on your credit cards and other revolving credit can lower your FICO® Score. Consider increasing your monthly payments until all balances are manageable.
• According to FICO®, in general, having credit cards doesn’t hurt your FICO® Score if you make payments on time. People without credit cards, for example, tend to be at slightly higher risk than people who have shown they can manage credit cards responsibly.
Financial Health Tips

Monitor Your Credit
- Request a free copy of your credit report every 12 months at annualcreditreport.com. Check for errors to ensure you haven’t become the victim of identity theft.
- Check and monitor your FICO® Score 6-12 months before applying for a big loan.

Correct Mistakes
- If you find mistakes on your credit history, contact the following credit bureaus directly:
  - Equifax: Equifax.com or 1-800-685-1111
  - Experian: Experian.com or 1-888-397-3742
  - TransUnion: TransUnion.com or 1-800-916-8800
Questions?

The information contained in this presentation is not comprehensive, is subject to constant change, and therefore should serve only as general, background information for further investigation and study related to the subject matter and the specific factual circumstances being considered or evaluated. Nothing in this presentation constitutes or is designed to constitute legal or financial advice. For school use only. Not to be distributed to students.