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This guide was made possible by the Heartland Credit Union Association with support of the Kansas Consumer Credit Counseling Service.
**Planning & Setting Goals**

**PLAN**

This quote is best known as one of Stephen Covey’s habits in his best seller “The Seven Habits of Highly Effective People,” and it fits well with financial management.

Most people would not take a vacation without planning the route. The same process should be used with your personal finances. A guide with financial goals and a spending plan will help you end up where you want to be.

One way to think of your financial goals is to imagine what you could accomplish if you won the lottery. What would you do? Many people say they would pay off debt, replace their car, take a vacation, make sure children have good educational opportunities, pay off or replace their home, and never have to borrow money again so they can retire in comfort. With a good spending plan you can achieve the same goals - it will just take longer.

**GOALS**

Start by setting goals—short, medium and long range goals.

<table>
<thead>
<tr>
<th>SHORT range goals up to 3 years</th>
<th>MEDIUM range goals 3 to 7 years</th>
<th>LONG range goals 7+ years</th>
</tr>
</thead>
<tbody>
<tr>
<td>building emergency fund, debt reduction, saving for a car down payment, saving for a vacation, and permanently reducing everyday household expenses.</td>
<td>education funds, eliminating unsecured debt, saving for a mortgage down payment, or eliminating car payments.</td>
<td>retirement funds, education funds for young children, paying off a mortgage, and estate planning.</td>
</tr>
</tbody>
</table>

1.  
2.  
3.  
1.  
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3.  
1.  
2.  
3.
The key to reaching your financial goals is to make a commitment to spend less than you earn and set aside money toward each goal until it is achieved. Discuss your goals with the members of your household and make your goals as specific as possible. Follow the SMART goals guidelines.

**SMART GOALS**
Make sure your goals are SMART:

**Specific**—What do you want and how much do you need?

**Measureable**—Determine a method to tell if you are on track to hit your goal.

**Attainable**—You can’t save more than you make.

**Realistic**—Even if it’s possible to save every penny you make, it’s not probable.

**Time Oriented**—Set a start and an end date.

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**TIPS TO REACH YOUR SAVINGS GOAL**

- **Picture your goal.** Put a picture of your goal where you can see it every day to help keep you motivated.

- **Track your progress.** Reevaluate and make any necessary adjustments.

- **Consider the alternative.** What happens if you do not set aside an emergency fund? You might be forced to borrow money to pay for emergencies. If you do not save for retirement, you will probably have to live on your Social Security or other government entitlement, work past normal retirement age, or rely on others for financial support. Having enough funds for a comfortable retirement is one goal you cannot achieve by borrowing.

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You have established your financial goals, but saving money is not possible right now. You aren’t alone. Based on recent statistics, many American households spend more than they make every month.
Managing your finances is not something you just ‘know’ how to do. It takes time and effort to learn basic skills.

GUIDELINES TO GET YOU STARTED

Properly manage your financial accounts.
Always keep a current balance in your checkbook and savings registers. Checking your balance online or at an ATM is not enough. This means add deposits and subtract withdrawals as they happen. Save receipts until they are recorded in your registers and information from them is transferred to an expense tracking spreadsheet.

Reconcile your checking and savings registers with the statement from your credit union.
This can be done with monthly statements from your financial institution or online if online banking is available. Reconciling your accounts will help you:

- Find and correct errors.
- Avoid costly overdraft charges.
- Detect unauthorized transactions.
- Prevent identity theft.

Know the difference between your gross and net income.

**GROSS income**
what your employer pays you before subtracting deductions.

**NET income**
your take-home pay...the amount of money available to you after deductions are subtracted from your GROSS income.

**Mandatory deductions** include Federal and State tax withholdings, Social Security, and Medicare. Many people have other mandatory or optional deductions for retirement funds, alimony or child support, insurance, garnishments, charity, etc.
Track expenses.
This will show if you are spending too much of your income in certain areas of your life, and they you can make informed decisions about financial priorities and controlling your spending. Use the excel spreadsheet here.

**Know the difference between needs and wants.**
What’s important is to recognize that nearly everything we want is related to a need.

Think about how much money Americans spend on cars, fashion, eating out, or entertainment. You do not need a fancy, new car with satellite radio. You want a new car with satellite radio. What you can afford is a reliable, used car with a basic radio and CD player.

The bottom line is to learn how to spend only what you can really afford to meet your households needs.

**FIXED**
- Rent
- House payment
- Car payment
- Child care
- Utilities*

**VARIABLE**
- Food
- Gas
- Utilities*

Fixed and variable expenses.
Some household expenses are fixed and do not vary from month to month. *Other expenses are partially fixed and partially variable (like utilities), meaning you know you will have the expense that month, but it may not be the same amount each month. You may find that a good portion of your variable expenses are closely related to the wants of various members of your household.

Finding the controllable portions of your spending and making informed decisions on acceptable reductions is another key financial skill.

**Periodic expenses/hidden costs.**
Some expenses come yearly, instead of monthly. These expenses are periodic expenses, also called hidden costs because they are hidden from your monthly spending plan.

Examples:
- car tags and taxes
- some types of insurance
- holiday and birthday spending
- back-to-school expenses
Start Saving Money

Why save if society is telling us to spend, spend, and spend some more?
If you are serious about making financial changes, you may have to change the way you spend.

46% of Americans are saving 5% or less of their incomes.

47% of consumers could not cover a $400 emergency.

~Bankrate.com, 2015

WHAT SHOULD I SAVE FOR?

Emergency Fund Goal.
An emergency fund can turn a panic situation into a minor bump in the road the next time you experience unexpected medical costs, unemployment, car maintenance, or travel costs. The alternative is increased high interest debt, or even worse financial consequences. An emergency fund should contain at least three months of living expenses.

Write down your goal:
“By June 6th, 20xx we will set aside $6000, which is 3 months of our monthly living expenses.”

Retirement Fund Goal.
The average Social Security payment is less than $1,000 per month. If Social Security is the only option available to you in retirement, will it be enough?

Achieving retirement goals may require investing in accounts that involve some degree of risk. A certified financial planner can assist you in determining how much you will need, the degree of risk you’re comfortable with, and how much you will need to set aside each year to reach your goal. Because of the ‘time value’ of money, the sooner you start on any savings goal, the easier it will be to achieve.

Specific Fund Goal.
Specific goals could include a down payment for a vehicle or a home. Instead of going into debt for a vacation, replacement of a major appliance, or other purchases, try postponing the purchase for a few months and make the same payments to yourself. This will accomplish two goals:
• You will discover if you can really afford the payments on a new item.
• You will accumulate a healthy down payment.

Write down your goal:
“In order to stay within my budget, we will need to save $XXX by April 1, 20xx to purchase a new washer and dryer.”
START AND BUILD YOUR SAVINGS

The hardest part about saving money is changing current spending habits and starting a savings plan. You won’t be able to save if you regularly spend more than you earn.

To build your savings:

- Set specific, realistic goals, and keep track of your progress.
- Thoroughly review each category of spending and determine if you can cut your costs.
- Ensure the spending reduction is realistic and acceptable in your household.
- Be sure to save any spending reduction toward a specific goal.

If saving money is not a regular habit, start with small amounts. You’d be surprised how a little extra savings can go a long way.

- $0.50 a day = $182.50 per year + interest
- $1.00 a day = $365 per year + interest
- $19.20 per week = $1,000 per year + interest

More tips to saving money:

- If you are paid every other week, there will be two months each year when you receive three paychecks instead of two. Save these two “extra” paychecks.
- If you use direct deposit for your paycheck, place a portion of each paycheck in your savings account with every deposit.
- Take advantage of Christmas or other special accounts at your financial institution.
- When you pay off a loan, continue making the payments to your savings account.

- Save at least half of every raise you receive.
- Save financial windfalls like a tax refund, bonus, or overtime pay.
- Save change for a specific short-term goal.
DEBT WARNING SIGNS

☐ You start paying last month’s bills after this month’s bills begin to arrive.
☐ You avoid opening the mail or answering the phone for fear it might be a creditor.
☐ You hide bills from others.
☐ You don’t record transactions in your checkbook or savings register, balance your registers, or reconcile your accounts with your bank statements.
☐ You used cash, checks, or a debit card for most purchases in the past. Now you almost always use a credit card.
☐ You don’t compare prices or value when making major purchases.
☐ You are borrowing more money for longer amounts of time with each large purchase.
☐ Balances on credit cards, home equity lines of credit, or other debt are steadily increasing.
☐ You overspend on gift purchases.
☐ You use cash advances on one credit card to pay the minimum payment on another card.
☐ You spend financial windfalls such as a tax refund, overtime pay, bonus, etc. before you actually receive the money.
☐ You only make the minimum payments on credit cards.
☐ You don’t discuss money, set savings goals, or establish spending limits with your family.
☐ You have little or no savings.
☐ You post-date checks or count on mailing time and rush to deposit funds such as a paycheck, between the time you mail a bill and the time you expect the check to be cashed.
☐ You believe that checking account overdrafts are a normal part of everyone’s financial life.
☐ You don’t know what your living expenses are because you have never tracked your spending.
☐ You spend the entire amount of any raise on consumer goods or services.
☐ The loss of a job in the household would cause an immediate financial crisis.
☐ You borrow money from payday loan offices, pawnshops, or title loan companies.
☐ One or more of your major household items is from a rent-to-own establishment.
GOOD DEBT vs. BAD DEBT

Not all debt is bad. **Good** debt includes:

- **Life saving or medically necessary procedures.**
  Normally unsecured debt. Often there is no choice as to whether or not to go into debt for this reason. This is the most common reason for bankruptcy.

- **Home Mortgage.**
  Home mortgages are discussed more on page 14. Even a very small increase in the interest rate for home mortgages can costs thousands of dollars over the life of the loan.

- **Student Loan.**
  These loans normally last for 10 to 15 years. Student loans are designed to help people obtain higher levels of education, which should lead to better employment opportunities and a greater ability to pay off the education loans.

- **Transportation.**
  Before shopping for a vehicle, the first step is to determine what you can afford to spend to meet all of the expenses you will incur (payment/lease, tags, taxes, insurance, gas, oil, maintenance). It is financially risky to owe more for a vehicle than it is worth. This is an area where many people think a certain car is a *need*, rather than a *want*, and spend a much more than they need to (see page 8).

**Bad** debt is where people can get into trouble. Examples of debt to avoid:

- **Credit Card Balances.**
  Credit card debt is a high interest loan when compared to most other types of debt. Most credit cards also apply a default interest rate to your account if you fall behind or go over the credit limit. This rate is usually more than twice the standard rate and can exceed 30% APR.

- **Home equity loans.**
  These loans are made using the equity or difference between what you owe and what your house is worth, as collateral. Defaulting on a home equity loan could result in the loss of your home (foreclosure). Make sure the purpose of the loan is worth the risk. Sometimes people use home equity loans to pay off credit cards or other unsecured debt. This practice can be dangerous unless the spending habits that built up the unsecured debt are changed. In other words, cut up the credit cards, close the accounts that were consolidated in the home equity loan, and don’t open new accounts.

- **Finance Company Loans.**
  These high interest rate loans may be ‘secured’ by your household goods.
Contracts with rent-to-own companies. **
These contracts can require payments that normally add up to almost TWICE the original value of an item in about two years. This would be the same as a loan with an interest rate of over 60% APR.

Loans from auto title companies. **
These loans are secured—and your car may be taken from you and sold to pay them off. The interest rate on auto title loans could be as much as 264% APR.

“Pay Day” loans. **
The fees charged for these loans equal an interest rate of 391% APR, about 13 TIMES the default interest rate for credit cards.

** In addition to the extremely high interest rates charged for loans in these examples, these businesses typically do not report account information to the credit reporting agencies. Therefore, even if you pay off one of these loans, your credit rating will not improve. The combination of high interest rates and not reporting to the credit reporting agencies is usually what “No Credit Check” means.

If you are in debt, you are not alone*

<table>
<thead>
<tr>
<th>Average household credit card debt:</th>
<th>Average household mortgage debt:</th>
<th>Average household student loan debt:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$15,112</td>
<td>$146,215</td>
<td>$31,540</td>
</tr>
</tbody>
</table>

*NerdWallet, 2013

DEBT REDUCTION

If you have debt, it can take YEARS to pay it off.

$5,000 credit card debt @ 21% APR
Paid down using minimum payment (3% of balance) would take 19 YEARS, 5 MONTHS and $6,556. to pay off an EXTRA
There are a few ways to pay it down even quicker.

First, stop borrowing and using credit cards. This only works if you are not accumulating MORE debt!

**Minimum Payment Method**

Use this spreadsheet to list all debt accounts from highest to lowest by interest rate. Add up all of your minimum debt payments. This total will now be your minimum monthly payment and a FIXED expense until you pay down all your debt. No excuses. Continue to pay this monthly payment until your debt is paid down.

**Snowball Reduction Method**

Add part of your discretionary income to the minimum payment on the first account, the one with the highest APR (even an extra $5 can help.) Fix the payments on the remaining accounts at the current minimum payment. Pay this amount EACH month until the first account is paid in full. When the first account is paid in full, add that monthly payment amount to the NEXT account to accelerate that payment. Continue to make this fixed payment until that account is paid in full. Repeat until all accounts are paid in full.

This chart can help you visualize the payment structure.
The example debts are listed from highest to lowest interest rate. The strategy aims to fix all payments at what the minimum payment is on the account when you start the plan. In this example, an extra $50 dollars is added to the payment for the most expensive debt. As each debt is paid off, the entire amount that was used to pay off that debt is added to the next one on the chart.

If someone just made the minimum payments at 3% of the balance as required by the creditors, the total time to pay off these debts would be 20 years and 4 months. By following the method in the chart below it would only take 3 years and 11 months to pay off the same debt.

<table>
<thead>
<tr>
<th>Debt Account</th>
<th>APR Interest Rate</th>
<th>Balance</th>
<th>3% MINIMUM payment / pay off time</th>
<th>Add $50 to most expensive / pay off time</th>
<th>Add payments from paid off accounts / payoff time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store Card #1</td>
<td>22%</td>
<td>$500</td>
<td>$20 7 years, 3 months</td>
<td>$65 paid off in 9 months</td>
<td>Add $65 to Credit Card #1</td>
</tr>
<tr>
<td>Credit Card #1</td>
<td>21%</td>
<td>$5,000</td>
<td>$150 20 years, 5 months</td>
<td>$150 for 9 months, then add $65</td>
<td>$215 after 10 months 2 years, 10 months</td>
</tr>
<tr>
<td>Store Card #2</td>
<td>18%</td>
<td>$10,000</td>
<td>$300 22 years, 9 months</td>
<td>$300 for 2 years, 10 months, then add $215</td>
<td>$515 until debt is paid off 3 years, 11 months.</td>
</tr>
</tbody>
</table>
Things to remember...

- Make sure your basic living expenses are paid on time every month.
- Establish an emergency fund.
- Be cautious when transferring balances to 0% offers. Read and understand the rules and restrictions.
- Continue to make fixed payments on ALL accounts every month even though the minimum payment on your account statements will probably be for a lower amount.
- If your discretionary income increases, increase the amount of your power payment.
- If used correctly, within income and time limits, debt may be needed to help you reach important goals such as college education or a home of your own.
- If used incorrectly, obtained at too high a price, or from the sources you should avoid, debt can be a major roadblock to reaching your financial goals. Too much debt can lead to financial disaster.
You should know about different types, sources, and costs for credit and loans. It’s also important to know whether the lender reports loan activity to at least one of the three credit reporting agencies (Equifax, Experian, or TransUnion) and to borrow money only from lenders who do report transactions.

## LOANS

The following three types of loans are a good representation of loans that are normally reported to the credit reporting agencies.

### Home Mortgages

Many types of home mortgages exist based on factors such as whether the interest rate is fixed and the length of the loan. Good sources for mortgages are financial institutions, like a credit union, and large mortgage lenders. A good credit rating is essential when shopping for a mortgage.

Mortgages are an example of secured debt because the house is collateral for the loan and can be turned back to the lender, or foreclosed, if payments are not made. Make sure you understand all obligations and fees before signing a mortgage. Consider taking a first-time homebuyers course.

Note: a one-half percent difference can cost thousands of dollars over the life of a mortgage loan:

$100,000 borrowed at 7% APR will cost $11,964 more in interest payments over 30 years than the same loan at 6.5% APR.

### Installment loans

A car loan is an example of an installment loan. They are not secured by collateral. Installment loans are usually at a fixed interest rate for a set number of years, resulting in a regular monthly payment.

### Revolving charge accounts

Credit cards, including cards issued by stores, are revolving charge accounts and are normally not secure, nor are they at fixed interest rates. These loans do not feature a fixed term and as a result, the monthly payment varies based on the amount of debt being carried in the account. Instead, payments are calculated at a small percentage of the debt balance plus any fees. Loans on credit cards are usually at a significantly higher interest rate than mortgages or secured installment loans.
Credit reports include your financial information as it relates to your loan and credit information (see previous section).

Many lenders report your financial information related to credit and loans you have with them to at least one of the three credit reporting agencies. These agencies store information in a file under your Social Security number. When printed, credit file information is commonly called a credit report. The data from a credit file is run through a complicated math formula and produces a 3-digit number from 300-850 called a credit score.

This score was originally used to predict whether or not someone was a good risk for a loan. This section will cover the common features of credit reports, how to get your credit report, how scores are determined, what credit scores are used for now and strategies you can use to improve your credit rating.

**WHAT’S IN A CREDIT REPORT?**

Credit reports from different agencies don’t look the same because the sections may be printed in a different order and some reports contain more detail than others, but all credit reports contain the same basic information organized into sections:

**Identification**
- your name
- spouse’s name
- address history
- Social Security number
- birth date
- employment history

Data in this section comes from the information you supply to lenders and is not used to compute your credit score. This section does not contain income information.

**Public Records**

Contains information on bankruptcies, foreclosures, judgments, and liens.

An item in this section is always damaging to your credit record.

**Account Summary**
- type of account (mortgage, auto loan, credit card, etc)
- date account opened
- credit limit/loan amount
- account balance
- payment history

Depending on the agency, this section may be divided between problem accounts and accounts in good standing.

**Inquiries**

When you apply for a loan or credit card, you authorize the potential lender to evaluate your credit through a copy of your credit report.

This inquiry will slightly lower your credit score because you have applied for additional debt and this makes you a greater credit risk.

When a lender looks at your report to send you a pre-approved credit offer or when you get a copy of your own report, it does not affect your score.
GET A FREE COPY OF YOUR CREDIT REPORT

Everyone in the United States can obtain one copy of their credit report every year from each of the three credit reporting agencies. It’s important that you check it every year. Note: you must disclose your Social Security number and some other personal information to obtain your credit report.

[Image: annualcreditreport.com]

**Tip:** Since each reporting agency allows one free report, space out when you request them. For example, request your report from Equifax in January, request your report from Experian in May, and request your report from TransUnion in September.

[Image: 1-877-322-8228 (automated system)]

[Image: Mail in a form.]

Your file is under your Social Security number and there are security safeguards built into the process to help prevent other people from stealing the information in your file.

If you have moved within the past six months or if you have ever reported an identity theft issue in the past, it is recommended that you mail in the request form with a copy of your Social Security card and either a picture ID or piece of mail with your current address.

Your free report will not include your credit score. At this point, understanding what’s on your report and learning how to improve your score is probably more important than your current credit score.

OTHER WAYS TO OBTAIN A FREE CREDIT REPORT

- If a company takes adverse action against you such as denying your application for credit, insurance or employment—you may ask for your report within 60 days after receiving notice of denial.
- You may obtain one free credit report per year if you are unemployed and plan to look for a job within 60 days.
- If you are receiving welfare payments.
- If your report is inaccurate because of fraud.
BUYING A COPY OF YOUR CREDIT REPORT

If you don’t qualify for a free copy of your credit report, you may purchase a copy from each credit reporting agency by contacting them directly. There may be a charge to access your report.

Equifax
800.685.1111
equifax.com

Experian
888.397.3742
experian.com

TransUnion
800.916.8800
transunion.com

Carefully evaluate the costs of any further services, beyond obtaining your credit report, that you may be offered when dealing with the credit reporting agencies.

HOW ARE CREDIT SCORES DETERMINED?

Information from your credit file is run through a complex math formula to determine your credit score. Five factors are taken into consideration (right) and assigned different levels of importance by the credit scoring formula. The result is usually a number between 300 and 850; the higher the better. The factors most commonly used are listed below with the most important listed first. Understanding the importance of these factors will help you improve your credit rating.

Some lenders or credit scoring agencies add other factors, allowable by law, such as how long you have lived at an address, to refine your credit score.

5 Factors of a Credit Score
1. Payment history
2. Amounts owed
3. Length of credit history
4. Types of credit used
5. New credit

Types of credit used
The mix of accounts you have, such as revolving and installment.

New credit
Your pursuit of new credit, including credit inquiries and number of recently opened accounts.

Payment history
Your account payment information, including any delinquencies and public records.

Amounts owed
How much you owe on your accounts. The amount of available credit you’re using on revolving accounts is heavily weighted.

Length of credit history
How long ago you opened accounts and time since account activity.
IMPROVING YOUR CREDIT SCORE

Credit scores are used for many purposes beyond helping determine whether someone is eligible for a loan at a reasonable interest rate. They may be used as part of an employment decision, whether a landlord will consider renting you an apartment, and the premiums you’ll pay for car insurance, to name a few. Here are some ways to improve your credit score.

**Review your credit reports.**
Look for mistakes. Estimates vary but it’s likely that over half of the credit files in the United States have an error on them. If you find an error follow the instructions on page 19 (Disputing Inaccurate Information in Your Credit Report).

**Play by the rules.**
Study the five factors that affect your credit score (page 17). Use the strategy that applies to your situation. If you are responsible for any debt, do your best to pay each bill on time. Contact your creditor ahead of time if there will be a problem. Don’t build up new debt.
DISPUTING INACCURACIES IN YOUR CREDIT REPORT AND IDENTITY THEFT

The credit reporting agencies are not responsible for the accuracy of the information in your credit report. Many credit report errors are unintentional mistakes. However, some items that look like errors are the result of identity theft.

If you believe you are a victim of identity theft, here are some critical steps to take.

Place a “Fraud Alert” on your credit reports, and review the reports carefully.

The alert tells creditors to follow certain procedures before they open new accounts in your name or make changes to your existing accounts. Equifax, Experian and TransUnion all have dedicated toll-free numbers for placing an initial 90-day fraud alert; a call to one company is sufficient:

- **Equifax**
  - FRAUD ALERT
  - 800.525.6285

- **Experian**
  - FRAUD ALERT
  - 888.397.3742

- **TransUnion**
  - FRAUD ALERT
  - 800.680.7289

Placing a fraud alert entitles you to free copies of your credit reports. Look for inquiries from companies you haven’t contacted, accounts you didn’t open, and debts on your accounts that you can’t explain.

Close accounts.

- **Close any accounts that have been tampered with or established fraudulently.**
  - Call the company where an account was opened or changed. Follow up in writing, with copies of supporting documentation.
  - Use the ID Theft Affidavit at ftc.gov/idtheft to support your written statement.
  - Ask for verification that the disputed account has been closed and the fraudulent debts discharged. Keep copies of documents and records of your conversations about the theft.

File a police report.

File a report with law enforcement officials to help you with creditors who may want proof of the crime.

Report the theft to the Federal Trade Commission.

Your report helps law enforcement officials across the country in investigations.

- [ftc.gov/idtheft](http://ftc.gov/idtheft)
- 877.438.4338 or TTY 866.653.4261
- Identity Theft Clearinghouse
  - Federal Trade Commission
  - Washington, DC 20580
AVOIDING IDENTITY THEFT

You may be able to avoid identity theft by following a few simple steps:

Shred all documentation with personal information before discarding it.

Protect your Social Security number. Don’t carry your card in your wallet or include it on your checks. Give it out only when necessary.

Don’t give out personal information on the phone, through the mail or online, unless you know who you are dealing with.

Never click on links sent in unsolicited emails.

Don’t use an obvious password like your birth date, mother’s maiden name, or the last four digits of your Social Security number.

Keep your personal information in a safe place at home, especially if you have roommates, employ outside help or are having work done in your home.

REPORTING ERRORS

Credit reporting agencies receive information from creditors and place it in your file, and there are many chances for mistakes to happen in the process. The best way to tell a credit reporting agency about errors in your report is in writing.

An example letter with instructions follows on the next page. Make sure you include copies, not originals, of documents that support your version of the information. Send the dispute letter by certified mail, return receipt requested. The postcard you receive in return will let you know the day the credit reporting agency received your dispute letter and the amount of time (usually 30 days) that they have to investigate the situation and remove incorrect information.
EXAMPLE OF CREDIT REPORT DISPUTE LETTER

Date
Your Name Your Address
Your City, State, Zip Code

CRA Dispute Address. (Use CRA dispute address as listed in your credit report.)

To Whom It May Concern:

I am writing to dispute the following information in my credit report. The items I dispute are also circled and numbered on the attached copy of the report I received.

This/These item(s) (identify item(s) disputed by name of source, such as creditors or tax court, and identify type of item, such as credit account, judgment, etc.) is/are (inaccurate or incomplete) because (describe what is inaccurate or incomplete and why). I am requesting that the item be deleted (or request another specific change) to correct the information.

Enclosed are copies of (use this sentence if you actually have copies of documents to support your position and describe any enclosed documentation, such as payment records, court documents, etc.) supporting my position. I understand that according to the provisions of the Fair Credit Reporting Act, these disputed items must be reinvestigated or deleted from my credit record within 30 days. In the interim, these items should be noted on my credit record as ‘in dispute’.

Please send names, addresses and telephone numbers of individuals you contact so that I may follow up.

If it is determined through your investigation that the disputed items are inaccurate or incomplete, please correct my file and send me notification that the information has been updated or deleted.

I’m also requesting a full updated copy of my credit report, sent to my address listed above. DO NOT SEND A SUMMARY REPORT. According to the provisions of the Fair Credit Reporting Act, there should be no charge for this report. If you have any questions or need additional information please contact me at (Your Daytime Phone Number).

Sincerely,

Your Name
Enclosures: (List what you are enclosing)
More for Your Dollar

Housing and Utilities
Do more home repairs, regular maintenance, and lawn care on your own.
Adjust your thermostat so the furnace or air conditioner won’t run as much when no one is at home—or install a programmable thermostat.
Change your furnace filters at least every three months, if not every month.
Only do laundry when you have a full load.
Dry clothes on the lowest heat settings for the least amount of time.
Unplug items when you’re not using them to save on electricity costs.
Set your water heater to the lowest comfortable setting. And flush it out yearly.
Switch to compact fluorescent bulbs.
Reduce or eliminate extra features on cable TV, phones, and Internet service.
Consider a level-pay plan with your utility companies.
Buy a low-flow showerhead and toilet to save water.

Food
Plan menus one week at a time, watch for items on sale, and use coupons for needed items. Make a list and stick to it!
Buy the produce that is in season.
Try store brands. Remember which ones you like and always remember to compare the unit price.
Try using less expensive cuts of meat in a slow cooker. It will save dinner prep time too.
Grow a vegetable garden.
Participate in a cooperative food program.
Eat your leftovers. Don’t let them go to waste.
Take your lunch, drinks, and snacks to work or school.
Use coupons if they apply to the exact item you will be buying. Do not buy an item because you have a coupon.
Don’t take your children with you to the store if you can help it and remember your spouse is usually your biggest child.
Watch for manager specials.
When eating out, drink water and order off the appetizer menu or split an entrée.
Resist buying packaged, pre-processed, convenience foods and using vending machines.
Clothing
Launder and mend clothes properly to make them last.
Watch for seasonal sales. Buy clothes that match and that go together in various combinations.
Consider shopping at Goodwill, DAV and/or garage sales.
If you have internet access, keep an eye out not only for clearance items, but free shipping days as well.

Transportation
Purchase vehicles you can afford, within spending guidelines. Compare all costs. A maximum of 20% of your net income for all vehicle expenses is recommended.
Check the resale value of a vehicle before you buy. Try www.KBB.com or www.NADA.com.
Don’t buy a new vehicle. Try a used car with 36,000 miles or less.
If you can afford it, raise your car insurance deductible to $500 or even $1,000.
Comparison shop your insurance with at least five companies.
Keep your vehicle in good condition (filters, tires, oil changes, etc.)
Combine and organize your errands and share a ride to work or school.
SLOW DOWN!! Aggressive driving uses 30% more gas.
Use the grade of gasoline recommended in your owner’s manual.
Gas prices generally go up before a major holiday. Take that into consideration when filling up.
Use www.gasbuddy.com — the site lists the lowest gas prices in your area. But don’t go out of the way to save a few cents on the gallon.

Medical
Eat right and exercise, cut down or eliminate bad habits. Staying healthy is a great money saving strategy.
Check out store or generic brands of medication. See if buying a 90-day supply is less expensive.
See what services, such as immunizations, are offered at the Health Department.
Be sure to check with the doctor’s office as well as the hospital to see if they have a financial assistance program available.

Children
Use the library for internet, movies, tapes, CDs, and children’s activities - not just books.
Look for free activities offered in your local community.
Rent DVDs or videos after they are no longer new release.
Use programs such as free/reduced meals, WIC, Earned Income Tax Credit, Health Wave, etc.
Consumer Reports

Citizen Information Center, www.firstgov.gov, 800.333.4636 (Single Source for Federal Agencies)
Consumer Information Center, www.pueblo.gsa.gov, 888.878.3256
Department of Labor, Job Training, COBRA, Pensions, www.dol.gov, 866.487.2365
Do Not Call List (telemarketing), www.donotcall.gov, 888.382.1222
Internal Revenue Service, www.irs.gov, 800.829.4477 or local phone listing
Medicare, www.medicare.gov, 800.633.4227
Social Security, www.ssa.gov, 800.772.1213, or phone listing for Social Security Administration

Money Management, Financial Education, and Consumer Information
A.M Best Company rates insurance companies, www.ambest.com, guidebook in libraries
CNN Money, www.cnn.com, click money
MSN Money, www.msn.com, click money
Bankrate.com, www.bankrate.com
Consumer Union publishes Consumer Reports magazine, www.consumerreports.org, 800-666-5261
Credit unions are not-for-profit banks. They have the same services like checking and savings accounts, loans, and credit cards...but the difference is that any profit a credit union makes goes to the people who use the credit union. This is why credit unions have lower or no fees and higher return rates as compared to for-profit banks.

Credit unions were created to serve people. The credit union philosophy is “people helping people.” Money made by the credit union goes back to the people who use the credit union, called members.

Your money is important. But a lot of us need some help managing it. Many credit unions have financial counselors on staff to review your household finances and put you on the path to financial health. Credit unions have programs for all ages including the youngest savers.

Location. Location. Location. A credit union is invested in the community they serve and are about social responsibility and supporting their friends, neighbors and those who live and work nearby.

A credit union is a cooperative financial institution, owned and controlled by their members. Members are similar to customers and they have something in common. They may work together, attend the same church or live in a certain area. Most people can join a credit union. visit asmarterchoice.org

When you join a credit union that is part of CO-OP Network, you have access to nearly 30,000 surcharge-free ATMs and a shared branching network. Credit unions from all over the country share facilities giving members access to thousands of convenient locations.

In 2016, Kansas & Missouri credit unions saved members more than $210 million.