

Elder\$mart\$

**FINANCIAL
AWARENESS**

YOUR CREDIT

FINANCIAL AWARENESS INTRODUCTION

The goal of the Elder\$mart\$ program is to stop financial abuse of senior citizens and give you the tools to take control of your finances.

After going through this program, you will be able to:

- Recognize common financial scams.
- Understand the negative effects scams can have on your financial resources.
- Identify trustworthy sources of financial advice and assistance.

Be S.M.A.A.R.T.

Stop! Take time to think through any financial decisions you make.

Make decisions on your own time, not because others pressure you to decide quickly. Never fall for high-pressure sales tactics.

Avoid businesses that contact you directly. You know your needs best and can contact services when you need them.

Ask questions about any financial deal you make. Know what you are entering into and that it is exactly what you want.

Research your options before making decisions.

Talk to people you trust before making a financial decision.

A recent study estimates that the elderly are swindled out of nearly \$3 billion each year.

Another study found that 1 in 5 senior citizens had been the victim of a financial scam.

43% of Americans spend more money than they earn.

YOUR CREDIT

Receiving an outside opinion on your financial affairs can be helpful in rebuilding your credit.

Credit Counseling

Credit counselors review your accounts and debts, and they offer advice on how to solve your financial problems. Receiving an outside opinion on your financial affairs can be helpful in rebuilding your credit.

Debt Management

Debt management is more involved than credit counseling. You pay money to an agency and they use that money to pay your debts. The debt management company negotiates with your creditors to pay your unsecured debts.

Debt Settlement Services

Debt settlement services claim they can reduce your debts for less than you owe without harming your credit history.

PROTECT YOURSELF

Watch out for services that charge high fees or have hidden fees.

Be suspicious of services that ask for details about your financial affairs, like account numbers and balances, before you have begun their program or received counsel.

PROTECT YOURSELF

Ask if the organization is licensed to do business in your state.

Do not use organizations that do not inform you of the fees involved with their program.

Be suspicious of debt management programs that have complicated fee schedules and high fees for late payments.

PROTECT YOURSELF

Some services that represent themselves as viable companies but actually just take your money and do little to help with your credit.

These services often charge high fees for something that you could do yourself. There is also no guarantee that a creditor will accept the service's plan.

Debt Consolidation Services

Debt consolidation services involve borrowing money by using your home as collateral to pay off your debts. This is often done through a second mortgage or a home equity line of credit.

PROTECT YOURSELF

Understand deadlines on when you have to pay the money back, because consolidation costs can add up quickly.

Remember, you can lose your home if you don't pay the money back.

Credit Repair Services

A credit repair agency can offer to remove negative information from your credit report in order to improve your credit rating.

PROTECT YOURSELF

These companies often take a fee and provide little to no assistance. There is little that they can legally do for you that you can't do yourself.

Do not use services that counsel you to commit fraud by creating a new "credit identity" for yourself. This could involve registering for an Employment Identification Number instead of using your Social Security number.

Be suspicious of companies who don't contact any of the three major credit reporting companies (Experian, Equifax or Transunion), or ask you to do so.

Remember, there is no magic plan for debt reduction!

Careful budgeting and planning may be the best solution to reducing debt. If something sounds too good to be true, then it probably is.