

Credit



Additional Income		
	Month	Amount
Mid Year Bonus	June	2,000
Year End Bonus	December	3,000
	January	
Total Additional Income		5,000

Planned Expenditure	
Expenditure	Month
November vacation	November
Home for the holidays	December
Gifts for family	December
Family vacation	July
	January
	January
	January

Credit & Money Management Program

Credit Orientation Workshop

HOPE Inside TRUIST BANK

Kiva Akoto



Get your credit report



Understanding Your Credit

Grow Your Credit Score!

730+ excellent credit

700-729-good/above average credit

670-699-good credit

585-660-fair credit

584 or below-poor credit



step ONE

Select the type of loan

30-Year Fixed ▾

step TWO

Select the state you live in

Georgia ▾

A 30-year loan in which the interest rate does not change during the entire term of the loan.

REAL LIFE MORTGAGE LOAN EXAMPLE

step THREE

Enter the loan principal amount

\$ 299300

FICO Score	APR	Monthly Payment	Total Interest Paid
760-850	2.527 %	\$1,187	\$127,949
700-759	2.748 %	\$1,222	\$140,458
680-699	2.925 %	\$1,250	\$150,623
660-679	3.138 %	\$1,284	\$163,028
640-659	3.565 %	\$1,355	\$188,455
620-639	4.109 %	\$1,448	\$221,899

step FOUR

Select your current FICO Score range

640-659 ▾

calculate

If your score changes to 760-850, you could save an extra \$60,506

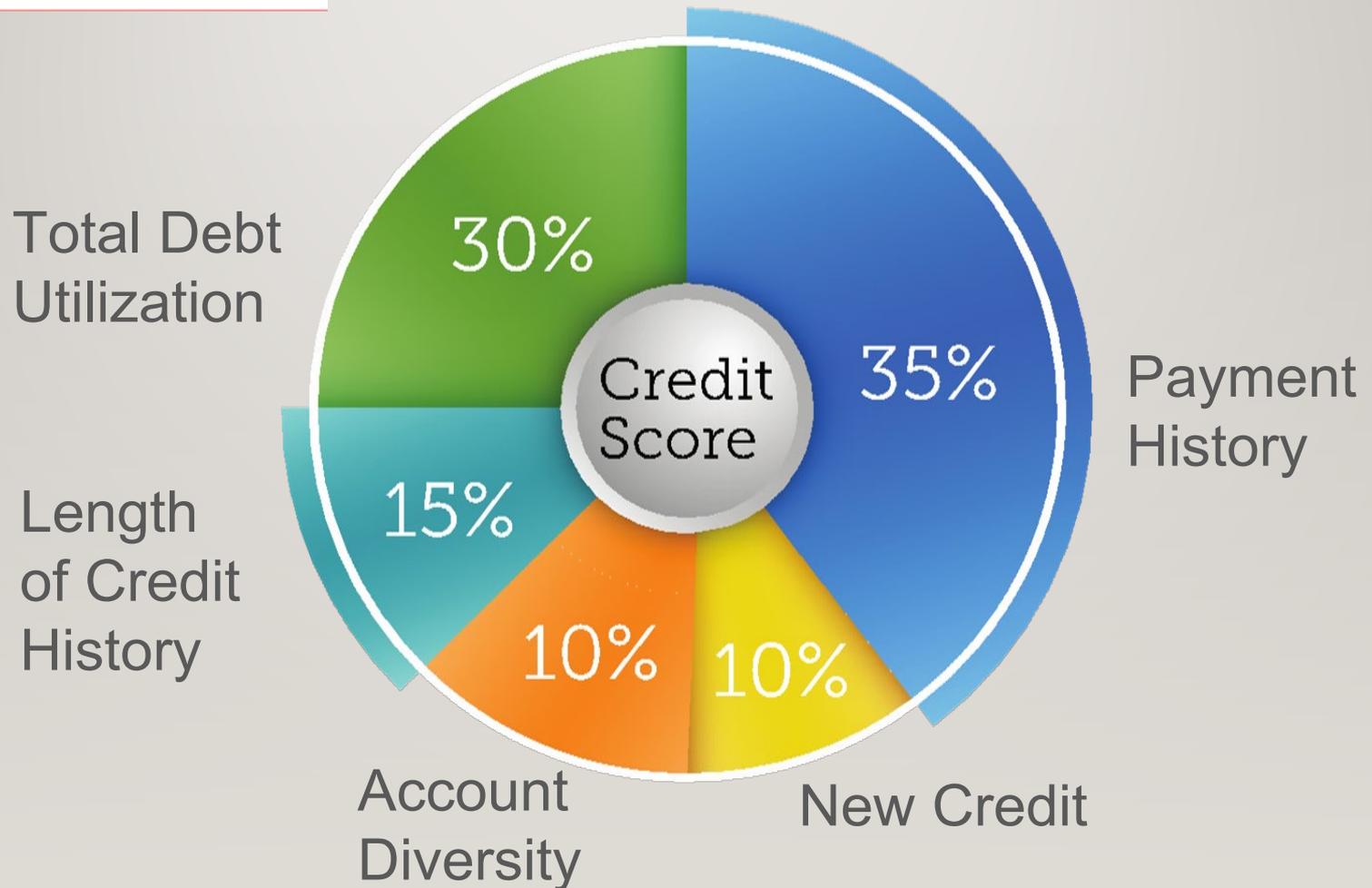
If your score changes to 700-759, you could save an extra \$47,997

If your score changes to 680-699, you could save an extra \$37,831

If your score changes to 660-679, you could save an extra \$25,426

If your score changes to 620-639, you could pay an extra \$33,445

What makes up your credit score





Payment history 35%

- Identifies if you have paid past credit accounts on time
- Includes the payment history of all revolving and installment debt
- Includes public record and collection items
Details on late or missed payments
- Calculates how many accounts show no late payments



Amounts owed 30%

- Revolving accounts only
- Takes into consideration the amount that you owe (balance) versus the maximum amount you can borrow (credit limit)
- Credit score is maximized by keeping revolving account balances less than 30% of the total credit limit

Part of the...
or a given credit profile.

Length of Credit History

... history will increase your score
... available credit on

Length of credit history 15%

- How long your credit accounts have been opened
- The age of your oldest account
- The average age of all of your accounts
- How long specific credit accounts have been opened
- How long it has been since you used certain accounts

LOAN APPLICATION

New credit 10%

- How many of your accounts are new
- When was the last time you opened a new account
- How many times you have requested credit
- How long since inquiries were made by your lenders
- If after past payment problems you have had good recent payment history



Types of credit in use 10%

REVOLVING

Credit Cards

Home Equity Line of Credit

Personal Line of Credit

The type of credit accounts you have:

INSTALLMENT

Mortgage

Student Debt

Car Payment

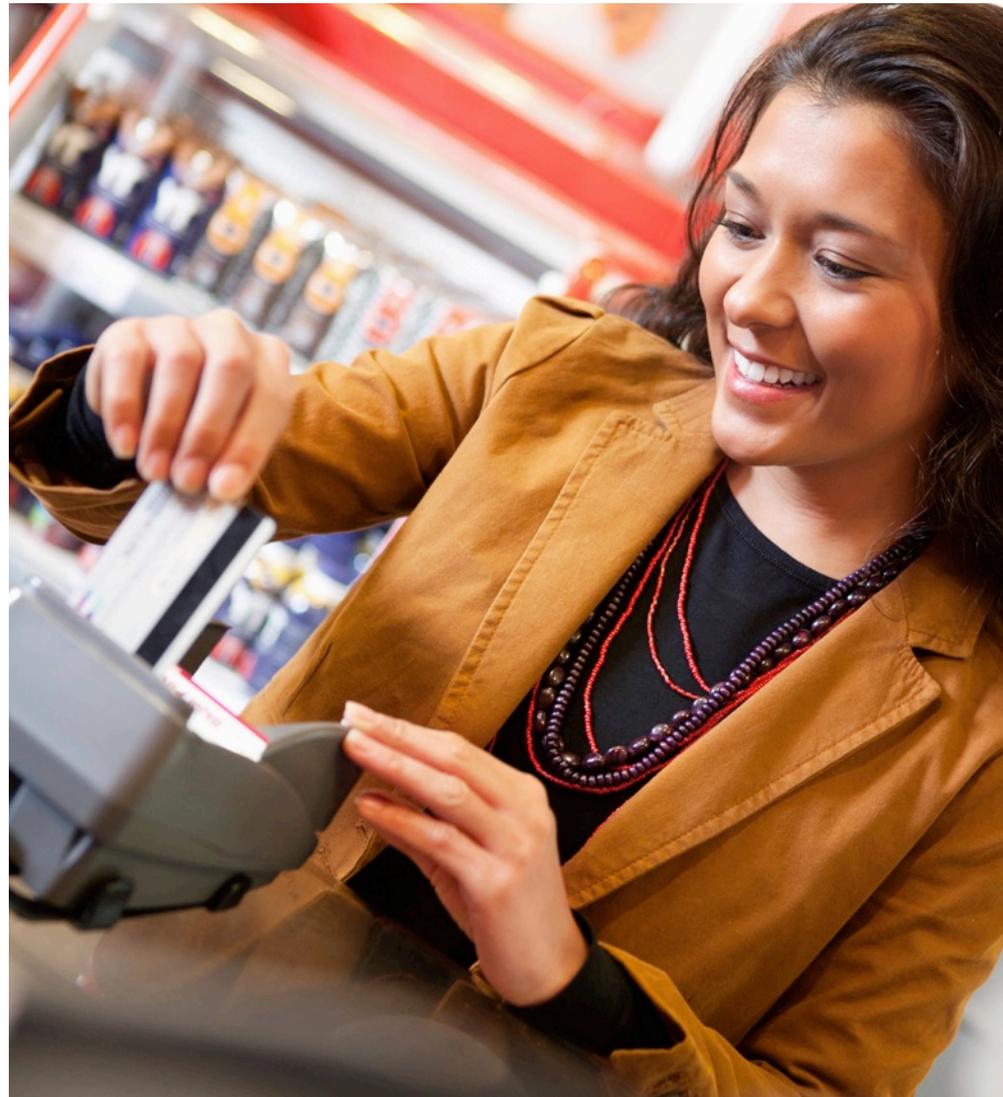
Personal Loan

MASTER YOUR CARD



A community empowerment program sponsored by  **mastercard.**

Why Electronic Payments matter



Payment Cards are:

Safe



- With payment cards you are protected and can fight back when you need to.
- Suspicious transactions are detected and declined.
- Your money is protected if your card is lost, stolen or used fraudulently.
- Robbery, mugging and purse snatching is a lower risk when you aren't carrying cash.

Simple



- No hassles, and so easy you might not even realize how payment cards simplify your life.
- Pay in person, by phone, online or by mail, any time, anywhere.
- You can see details of your spending almost immediately in your card statement.

Smart



- Help you manage and access your money. No wasting time or paying fees for check cashing or money orders to pay bills.
- Armed with cards, you can shop around to find the best deals online or in stores, anywhere.
- Provide automatic tools to set spending limits, get alerts, see where your money goes and know exactly what's in your account.

Not all cards are Credit Cards !!

Empower yourself with the right card !

Debit?

Credit?

Prepaid?



Prepaid

Your own money loaded into a payment card

- No credit history required
- You don't need to have a bank account
- Easy to use, anywhere credit or debit cards are accepted
- No possibility of going into debt
- Safer than cash, as you are protected if your card is lost or stolen

Debit

Your own money in a bank account

- Easy access to your money
- Function like electronic checks
- Use your own money to pay everywhere payment cards are accepted
- Easy access to cash through ATMs or cash-back at stores
- You can't spend more than what you have
- You are protected from fraudulent transactions

Credit

You borrow money from a bank that issued card

- Helps establish or improve your credit history and score
- Like a short-term loan, useful in case of emergency
- You are protected in case of fraudulent charges
- In many cases offer rewards programs, insurance and other benefits
- Accepted everywhere

The cost of cash

Paper Paychek (estimated monthly cost)

ACCESSING MONEY

Check cashing..... \$29 - \$78

- $1.5\% \times \$450/\text{week} = \6.75
- $52 \text{ pay periods} \times \$6.75 = \$351$
- $\$351 \div 12 \text{ months} = \29
- $4\% \times \$450/\text{week} = \18
- $52 \text{ pay periods} \times \$18 = \$936$
- $\$936 \div 12 \text{ months} = \78

ATM withdrawals..... N/A
No access.

PAYING BILLS

Rent, car insurance, car payment..... \$3 - \$12
Three bills via money order at \$1 - \$4 per bill.

Phone, cable, electricity..... \$3 - \$6
Three bills via brick and mortar bill pay services at \$1 - \$2 per bill.

ESTIMATED TOTAL MONTHLY COST..... \$35 - \$96

Alex

- Works full-time for a hospitality company.
- Makes \$450 per week.
- Doesn't have a bank account because of minimum balance requirements and other fees.
- Can't sign up for direct deposit.



Scenario represents an estimate based on pervasive customer behaviors, and depicts a probable range of alternatives. All numbers have been rounded. Scenario research by Towers Watson commissioned by MasterCard, delivered May 2010, using the following source data: - Dollar Financial Corp., Annual Report on Form 10-K, filed August 29, 2008; - CFSI, One Size Does Not Fit All: A Comparison of Monthly Financial Services Spending, May 2009.

The cost of cash

Paper Paychek (estimated monthly cost)

ACCESSING MONEY

Check cashing..... \$29 - \$78

- 1.5% X \$450/week= \$6.75
- 52 pay periods X \$6.75= \$351
- \$351 ÷ 12 months= \$29
- 4% X \$450/week= \$18
- 52 pay periods X \$18= \$936
- \$936 ÷ 12 months= \$78

ATM withdrawals..... N/A
No access.

PAYING BILLS

Rent, car insurance, car payment..... \$3 - \$12
Three bills via money order at \$1 - \$4 per bill.

Phone, cable, electricity..... \$3 - \$6
Three bills via brick and mortar bill pay services at \$1 - \$2 per bill.

ESTIMATED TOTAL MONTHLY COST..... **\$35 - \$96**

The value of cards

Payroll Card (estimated monthly cost)

ACCESSING MONEY

Check cashing..... N/A



ATM withdrawals..... \$0 - \$18
Four withdrawals per month. Range ~ \$1 - \$4.50 per withdrawal.
One free ATM access per pay period.

PAYING BILLS

Rent, car insurance, car payment..... \$0 - \$3
(three bills via bill pay or check at \$0 - \$1 per bill)

Phone, cable, electricity..... \$0 - \$3
(three bills via bill pay at \$0 - \$1 per bill)

ESTIMATED TOTAL MONTHLY COST..... **\$0 - \$24**

Scenario represents an estimate based on pervasive customer behaviors, and depicts a probable range of alternatives. All numbers have been rounded. Scenario research by Towers Watson commissioned by MasterCard, delivered May 2010, using the following source data: - Dollar Financial Corp., Annual Report on Form 10-K, filed August 29, 2008; - CFSI, One Size Does Not Fit All: A Comparison of Monthly Financial Services Spending, May 2009.

MASTER YOUR CARD



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Establishing & rebuilding credit

- Protect against Identity Theft
- Dispute inaccurate information
- Settle accounts
- Prioritize which debt to pay off first
- Establish credit with a secured card
- Clear up any Public Record
- Don't close accounts
- Pay off closed accounts with balances

How long do negative items stay on my report?

Type of Negative Information	Maximum Time on Credit Report
Charge-off & Collection Accounts	7 years from the date it became delinquent.
General Civil Judgments	7 years from the filing date.
City, County, State and Federal Tax Liens	7 years from the date paid (if not paid it may remain on your report indefinitely).
Chapter 7, 11, & 12	10 years from the filing date. Accounts included in bankruptcy (BK) will remain 7 years from the date they were reported as included in the BK or from original delinquency date.
Chapter 13	7 years from the filing date. Accounts included in bankruptcy will remain 7 years from the date they were reported as included in the bankruptcy or from original delinquency date.



Know your rights

- The Equal Credit Opportunity Act (**ECOA**)
- Credit Card Accountability Responsibility, and Disclosure Act (**CARD Act**)
- The Fair Credit Reporting Act (**FCRA**)
- Fair Debt Collection Practices Act (**FDCPA**)

BUDGETS

UNDERSTANDING HOW TO BUDGET

BUDGETS ARE ONE OF THE BEST TOOLS IN YOUR FINANCIAL SECURITY TOOLBOX

- Budgets often get a bad rap. When people hear the word, they immediately think it means cutting back on doing the things they like, which often involve spending money.
- In reality, a well-thought out budget lets you do more with your money, have greater financial peace of mind, and stay secure if an emergency like losing your job or getting an expensive medical bill arises.
- Understanding and creating a budget requires a little knowledge and self-reflection.

A BUDGET IS A DETAILED WRITTEN PLAN FOR HOW TO SPEND YOUR MONEY.

- It follows the general principle that a budget is:

Income – Expense = Zero Dollars at the end of the month

Zero Dollars does not mean you're broke.

It means that every dollar has been accounted for, including those added to your savings.



BUDGETS CONTAIN THREE TYPES OF LINE ITEMS

- Your income
- Your expenses, which can be categorized as fixed, flexible and discretionary.
 - **Fixed expenses:** necessary expenses that you need to account for every month – such as food, rent, mortgage, student loans, utilities, insurance, and transportation.
 - **Flexible expenses:** items you can easily spend less on or eliminate entirely from your budget if need be – such as entertainment, eating out, or spending on hobbies. Several flexible expenses might make up an overall fixed expense – for example, gas and subway might make up transportation.
 - **Discretionary expenses:** items you want to buy, but do not need to spend your money on each month (such as saving money toward a long-term goal, daily coffee and concert tickets).
- Your savings, which you can add to each month and use if an emergency arises.

WHAT MAKES UP YOUR BUDGET

Start With:

Your Total Income

Include all forms of income, including:



Main Monthly Income



Side Job Income



Gifts

Calculate and Subtract:



Expenses

Include all expenses, including:

Fixed Expenses

Discretionary Expenses

Flexible Expenses



Savings



Add to your savings each month to use if an emergency arises

End With:

\$0

REMEMBER:

Zero dollars does not mean you're broke, it means that every dollar has been accounted for, including those added to your savings.

BUILDING YOUR SAVINGS

- Pay yourself first. If you wait to see what's left over, you are less likely to save. Determine in advance how much money you plan to keep on deposit each month. If you receive a raise, increase the amount of money deposited into your savings account.
- Take advantage of bank technology. Consider automatic payroll deductions or automatic transfer from checking to savings. Arrange to have a specific amount transferred to your savings account every pay period.
- Pay your bills on time-and pay more than the minimum amount. Although 97 percent of Americans pay their bills on time, some consumers find themselves paying late fees. Alleviate the hassle by scheduling time once a month to pay bills, and put them in the mail with enough time to get to the creditor.

BUILDING YOUR SAVINGS

- Determine needs versus wants. Do you need to eat out every day for lunch? Do you need that gourmet cup of coffee in the morning? By bringing your lunch to work a couple days a week, you can save hundreds of dollars a year.
- Shop around. There are thousands of options for financial services products. Be selective, and get the best prices, services, convenient locations and lowest fees for credit cards, bank accounts, mortgages and CDs.
- Consider investments. For long-term goals, such as saving for a home or retirement, look into bonds, mutual funds, real estate and stocks.
- Consult your local bank. Ask which package of bank products and services would best suit your needs. Your banker is the best source of information about accounts and interest rates available at your bank.



Next steps

As part of this program, you receive individual coaching sessions on credit and money management at no cost.

Schedule an appointment today!

HOPE Inside Truist Bank

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