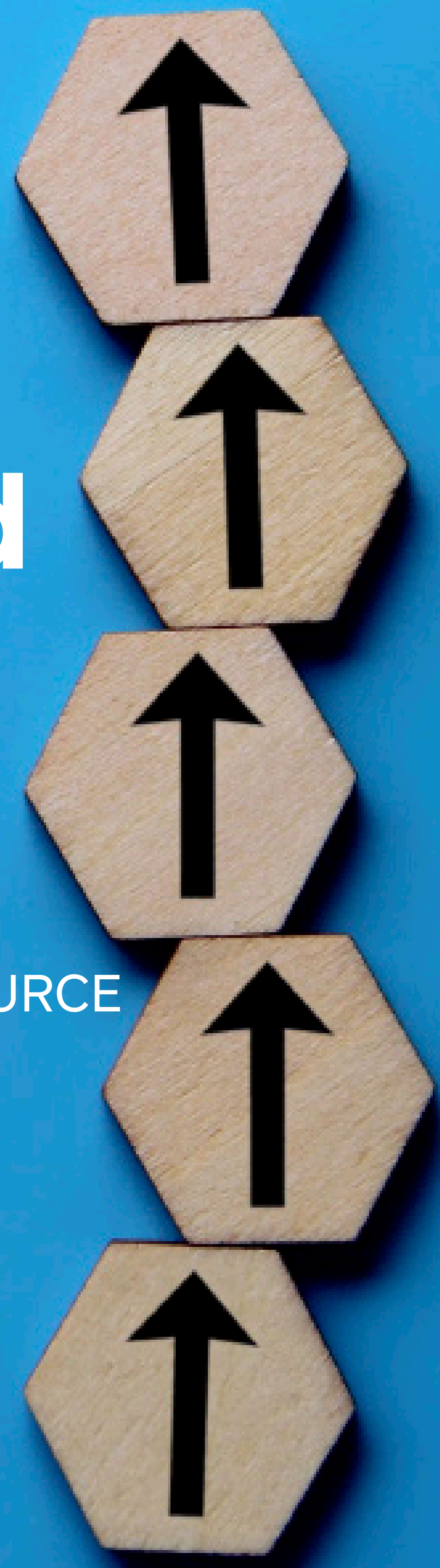
The Allstate Foundation

Moving Ahead Curriculum

A FINANCIAL EMPOWERMENT RESOURCE



Allstate Foundation

NNEDV
NATIONAL NETWORK TO END DOMESTIC VIOLENCE

Table of Contents

Introduction—3

Module 1: Understanding Financial Abuse-Keeping Safe and Starting Over—7
- Financially Abusive Relationships—8
- Financial Safety Planning—12
- Separation, Divorce, and Child Support—18
- Disclosing Abuse—26
- Privacy Protection—27

Module 2: Learning Financial Fundamentals—33
- Financial Management—34
- Budgeting and Saving—39
- Assets and Liabilities—50
- Banking Options—53

Module 3: Mastering Credit Basics—57
- Reviewing Your Credit Report—58
- Understanding Your Credit Score—65
- Improving Your Credit Score—69
- Understanding Bankruptcy—78

Module 4: Building Financial Foundations—81
- Financial Paperwork—82
- Loan Options—86
- Housing Options—92
- Home Ownership—98
- Mortgage Application Process—102

Module 5: Long-Term Planning—105
- Saving Strategies—106
- Investment Options—110
- Insurance Overview—115
- Education Opportunities—118
- Education Finances—120

Glossary—125

Introduction

Financial planning and management is a life-long process. And your journey to gain control of your financial future can start here. This curriculum is designed for domestic violence survivors and can help provide the guidance and tools you need to make important financial decisions and work toward gaining long-term financial security.

We commend you for taking this step toward gaining control of your financial future. Surviving from day-to-day, struggling to make ends meet, escaping abuse, and starting over can be frightening. Trust in your right to be safe. **You are not alone.**

For immediate help, you can contact a domestic violence advocate at The Hotline. Contacts are confidential and advocates are available 24/7.

Phone: 1-800-799-7233

TTY: 1-800-787-3224

Text: “START” to 88788 (msg & data rates may apply)

Live chat is available at thehotline.org

Limitations of this curriculum

You will find that this curriculum often uses gender-specific language. It does not mean that men or those who are male-presenting can't be victims of domestic violence nor does it mean that women or those who are female-presenting don't commit acts of violence. However, it's true that domestic violence is a gender-based crime, and that statistically, women are significantly more likely to be victims.

Many political, social, and cultural beliefs affect our views about money. There are varying ideals and ways to measure financial success. This curriculum can't reflect all beliefs. But it does attempt to address a range of value systems. This curriculum also offers information about community resources and how to access them. Discrimination on the basis of race, ethnicity, income, sexual orientation, immigration status, and disability does exist and can impact one's access to resources.

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Course Partners

The Allstate Foundation

Established in 1952, The Allstate Foundation is an independent, charitable organization made possible through subsidiaries of The Allstate Corporation. The Allstate Foundation works to create prosperous communities where people are inspired and empowered to fulfill their hopes and dreams by empowering youth, ending domestic violence, strengthening nonprofit leaders and transforming communities. Learn more at allstatefoundation.org

National Network to End Domestic Violence

The National Network to End Domestic Violence (NNEDV), a social change organization, is dedicated to creating a social, political, and economic environment in which violence against women no longer exists. NNEDV is the leading voice for domestic violence victims and their advocates in America and represents the 56 state and U.S. territory coalitions that connect local service providers to services for survivors. For more information, please visit nnedv.org

The National Domestic Violence Hotline

24 hours a day, seven days a week, 365 days a year, the National Domestic Violence Hotline provides essential tools and support to help survivors of domestic violence so they can live their lives free of abuse.

Contacts to The Hotline can expect highly-trained, expert advocates to offer free, confidential, and compassionate support, crisis intervention information, education, and referral services in over 200 languages. Learn more at thehotline.org

Goals

This course will provide you with:

Strategies to address financial and safety challenges-whether you are in an abusive relationship, planning to leave, or have left

Resources to help with quality-of-life changes that may happen when starting over

Ways to address challenges if an abusive partner or former partner misuses your personal information

Methods to manage your finances, including budgeting, saving, building credit, and managing debt

Special thanks to the survivors and advocates across the country who shared their stories and experiences with us. Your dedication, persistence, courage, and resourcefulness are truly heroic.

To the survivors who are reading this curriculum, know that you are not alone. It is possible to recover from financial abuse, and we congratulate you on taking this step toward financial independence. By increasing your financial knowledge, you will be able to secure a better future for yourself and your family.

Module 1

Understanding financial abuse: Keeping safe and starting over

- Financially abusive relationships
- Financial safety planning
- Separation, divorce, & child support
- Disclosing abuse
- Privacy challenges

Financially abusive relationships

Financial abuse is a common tactic used by a person who is inflicting abuse upon a current or former partner. It's used by one partner to control the other. The consequences can be devastating.

The process of navigating an abusive situation is different for every survivor. If you need specific advice, consult a domestic violence advocate, The National Domestic Violence Hotline, or a financial advisor or attorney.

Fatima's story of survival

Fatima is an immigrant who came to the United States after marrying. Her husband controlled every aspect of their lives, including managing the bank accounts, paying the bills and how Fatima cared for their children. She wasn't allowed to leave the house.

After five years, Fatima left the relationship. But she didn't know where to go for help in her new country. At a library, she found some information that led her to a domestic violence program. She worked with an advocate at the organization to make plans to support herself and her children.

She filled out an application for an apartment, but it was denied due to her poor credit rating. That's when Fatima pulled her credit report, which revealed that she was responsible for more than $33,000 of debt. Her husband had put his business in her name. Suddenly, Fatima faced the additional challenges of managing this debt and rebuilding her credit.

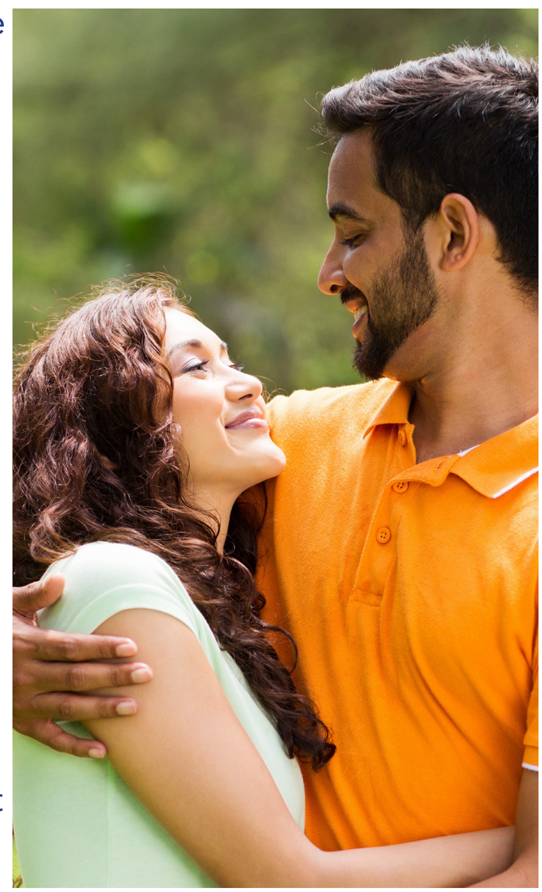
After months of hard work and occasional setbacks, Fatima was able to recover financially and gain independence. She did this by seeking appropriate help, working hard, staying focused, and never giving up despite the challenges that continued to cross her path.

Healthy financial relationships

Family finances are rarely easy. In fact, most couples argue about money. It is, however, possible to have a healthy financial relationship. Healthy financial relationships are about compromise and equality. They are based on open communication and work towards agreement in all financial matters.

In healthy financial relationships:

- Both partners have access to all financial information
- They work together to develop joint financial goals and achieve them
- Both partners understand and respect that decision making is equal regardless of differences in income
- Both partners have access to their money. No need to ask permission or hide day-to-day spending.
- Large or long-term financial decisions are made jointly
- Both partners are honest
- Both partners know where and how their money is spent



Financial abuse

Domestic violence is a pattern of behaviors or actions that are used to intimidate and threaten another person.

Financial abuse—like other forms of abuse—aims to gain power and control.

Financial abuse is one tactic used by abusers to control victims by preventing access to money or other financial resources.

Abuse can take many forms such as emotional and physical abuse. Manipulation, intimidation and threats are also forms of abuse.

Abuse often begins subtly and progresses over time.

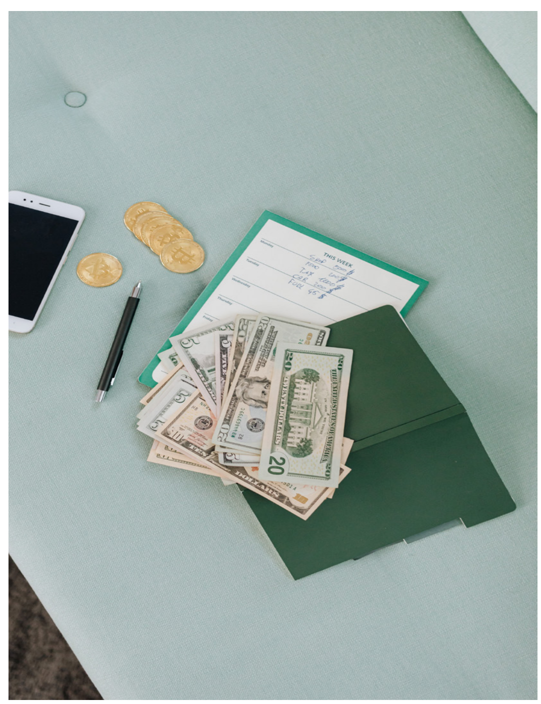
Each tactic is a tool to get and maintain control over another person. The goal is to trap the person in the relationship.

Financial abuse includes

Financial abuse works by controlling access to money and other resources. It can include and is not limited to:

- Controlling how money is spent
- Withholding money or “giving an allowance”
- Withholding basic living resources, medication, or food
- Not allowing a partner to work or earn money
- Stealing a partner’s identity money, credit, or property

Financial abuse can happen to anyone. It’s not based on income, education, or level of independence.



Questions to ask yourself

It's not always easy to know if you are in a financially abusive relationship. Here is a list of questions to ask yourself. Does your partner:

- Steal money from you or your family? Force you to give access to your money or financial accounts?
- Make you feel as though you don't have a right to know any details about money? About household decisions?
- Make financial or investment decisions that affect you or your family without consulting or reaching agreement with you?
- Refuse to include you in important meetings with banks, financial planners or retirement specialists?
- Forbid you to work? Or to attend school or training sessions?
- Overuse your credit cards? Refuse to pay the bills?
- Force you to file false tax claims or other legal/financial documents?
- Prevent you from obtaining or using credit cards or bankcards?
- Withhold physical resources from you? These could include food, clothes, medications or shelter.
- Force you to work in a family business for little or no pay?
- Refuse to work to help support the family?
- Interfere with your performance at work? This could include frequent telephone calls, emails or visits to your workplace.
- Force you to turn over your benefit or public assistance payments? Threaten to falsely report you for "cheating" on your benefits so they will be cut off?
- Force you to cash in, sell or sign over any financial assets or inheritance you own? This could include bonds, stock or property.
- Force you to agree to a power of attorney? This would enable your partner to legally sign documents without your knowledge or consent.

If you answered yes to one or more of the questions you might be in a financially abusive relationship. This can be very difficult to deal with. But know that there is help available. You are not alone. Please continue reading this module. It will give you strategies. There strategies can help you understand your situation. They can empower you to regain control over your finances.

Financial safety planning

If you are in an abusive relationship, safety planning is critical. A good safety plan can help keep you and your family safe. Domestic violence advocates are experts at safety planning and can help you work through the strategies in this course.

If you need to find an advocate, the National Domestic Violence Hotline is available 24/7 at 1-800-799-7233, by texting "START" to 88788 or via online chat. They can help with safety planning and provide connections to local advocates.

What should you do?

Whether or not you choose to leave your relationship, financial safety planning can improve your options. Do you feel able to manage your finances? If you don't, understand that your abuser probably wanted you to feel this way. This was a way to maintain power and control over you.

Gaining confidence is in reach. With information, assistance, and support, you can set and work towards financial goals

1 Gather information about your finances

It is common for abusive partners to hide information about assets, bank accounts, and liabilities (debts). Consider looking for financial documents including:

- Identity documents (social security numbers, marriage and birth certificates, immigration documents)
- Copies of bank and credit card statements
- Copies of any benefits (public assistance, retirement) or insurance coverage (medical, auto, life, etc.)
- Property records related to homes, cars, furniture, valuables

2 Store the information safely

If it is safe to do so, make copies of the records you find and hide them in a safe place. Consider also including a list and/or pictures of the things you own together (furniture, keepsakes, valuables, etc.).

One possible hiding place is a safety deposit box at a bank or credit union. You can rent one for a small fee without telling your partner. You can also store copies at a friend's or family member's house. Or you can hide the documents somewhere else that is safe for you.

3 Save money secretly

Consider finding a way to secretly save some cash for yourself. This could be used for emergencies or if you need to flee. Some possible ideas:

- Save change from purchases
- Open a bank account your partner is unaware of. Have bank statements sent to a safe mailing address or a private email account
- Have gifts or raises from work that your partner is unaware of deposited into your secret bank account
- Open a secret Paypal account and store funds there-be sure the account isn't connected to a shared bank account

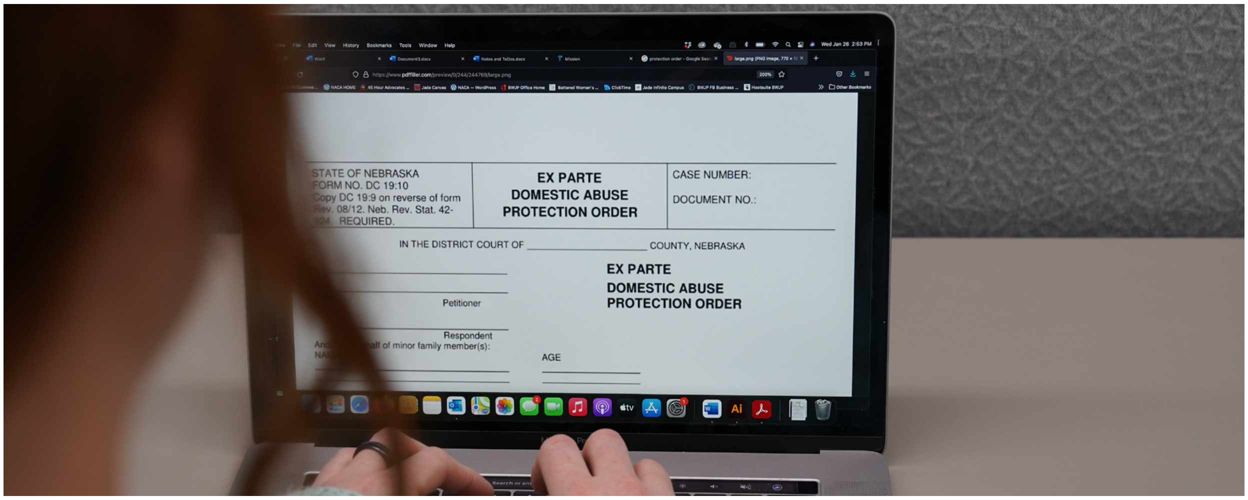
If you leave, consider taking at least half the money in any joint accounts with you Many victims have been surprised to learn their partner drained their joint bank accounts when they leave. This can be a very powerful method of regaining control. Taking at least half of the money is a way of protecting yourself.

Withdrawing money from a joint account can provide you the means to take care of yourself and your children. If you remove funds from a joint account, it's important to keep receipts and track how the funds were spent. This is in case a judge or court asks you to show how the money was used. This is especially tree when children are involved. If you are hesitant to withdraw money, remember that you can always return it. Let taking care of yourself and any children be your top priority.

4 Continue seeking financial independence

Consider applying for a credit card solely in your name. If you don't have a non-joint checking account, consider secretly opening one. Having a personal checking account and at least one credit card in your name ensures that you have your own personal credit history. See Module 3 to learn more about how credit works.

Orders for protection



An order for protection is a court order that prohibits a batterer from threatening, stalking, or harassing a victim of domestic violence. Different states have different names for these orders including: protective order, restraining order, protection from abuse order, and others. Orders for protection are available in every state and territory. Each state/territory has its own process and requirements.

Orders for protection can:

- Remove a partner from your home
- Ban a partner from coming to your home, school or workplace
- Ban a partner from contacting you
- Be issued on behalf of minor children if they were abused as defined in your state's laws
- Provide additional forms of relief

Protection orders & economic relief

Physical safety is the primary purpose of protection orders. Many states recognize that having access to money (economic relief) is a key to staying safe. The options vary based on location and some common forms of available economic relief are:

- Temporary child and/or spousal support
- Mortgage and/or rent payment
- Temporary possession of shared property
- Require the other party to maintain insurance coverage or utilities
- Reimbursement for medical expenses or property damage
- Payment of debts, bills, and insurance that come due during the order
- Reimbursement for lost wages, attorney's fees, or moving expenses

Protection order considerations

Safety

Protection orders can be an important tool for safety. However, they can't guarantee your safety or access to economic resources. Orders for protection are not the right choice for everyone. A domestic violence advocate can help you sort through the pros and cons of an order for your individual circumstances.

Immigration status

Protection orders are available regardless of immigration status. They can serve as evidence for survivors who are seeking legal status. Be aware that partners who violate protection orders may jeopardize their own immigration status. Attorneys or advocates with special training in immigration might be helpful in obtaining and understanding a protection order if you and/or your partner are not U.S. citizens.

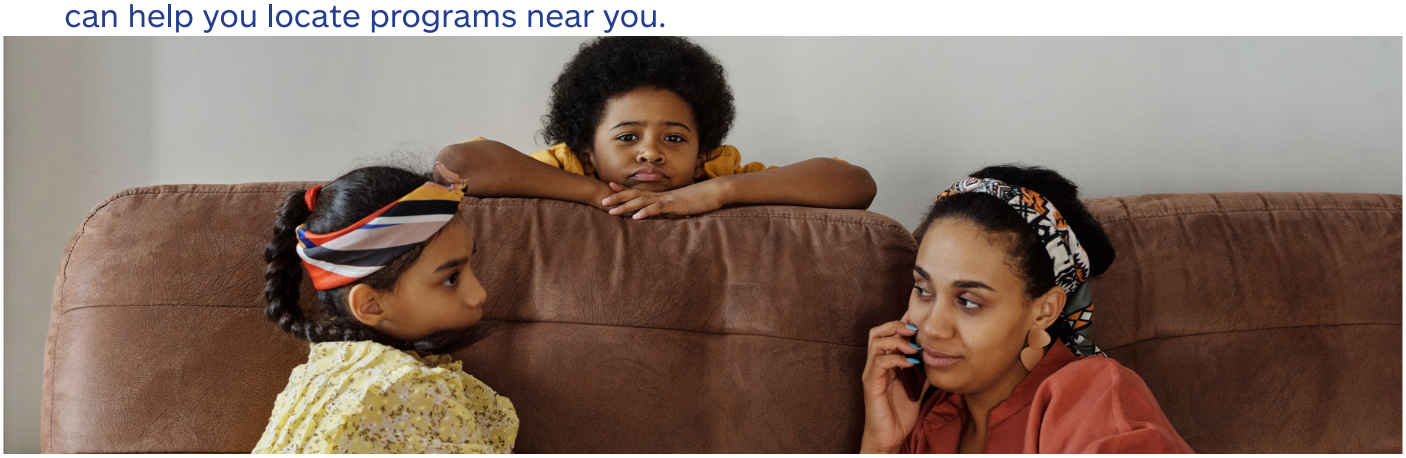
Process

If you are potentially interested in seeking a protection order, consider talking with a domestic violence advocate or attorney. They can identify which forms of protection you may be eligible for and help you sort through the pros and cons. Together, you can decide if a protection order is right for you. An advocate may be able to attend court with you for support.

Learn more

Here are resources for more information about protection order laws in your state:

- Go to WomensLaw.org and type "order for protection" and your state name in the search box
- Complete an internet search with "order for protection" and the name of your state as key words
- Contact your local domestic violence program. The Hotline's directory of local resources can help you locate programs near you.



Safety Planning

In addition to the strategies already covered, here are some additional things to keep in mind when seeking independence from your abusive partner.

Housing

If you have left and move to your own apartment, an abusive partner might use a credit report to find you. Large property-management firms tend to check credit histories through a credit bureau. Limiting your housing search to private property owners may help. They tend to work with the credit history you provide on your application.

Tips:

Supply your own copy of your credit report when applying for housing. That way you may be able to avoid your new address showing up on your credit report.

If you are getting a roommate, consider having the utilities listed in their name. This will help limit where your contact information can be found.

Technology

Your personal information may be online. You can find out how much with free and fee-based websites. You can search for your phone number and address on these sites and many others: www.google.com, www.whitepages.com

Be cautious with the internet including online applications and communicating with your landlord or mortgage company. Information sent over the internet can be intercepted and read.

Set up a news alert on www.google.com/alerts It will notify you whenever your name, address or phone number are used on the internet. Google collects and stores about four billion web pages.

Contact your state or local domestic violence program. Through them, you can learn more about technology safety and privacy strategies. You can also visit www.techsafety.org

Work

If it is safe, available and appropriate consider the following:

- Provide your supervisor and company security with a copy of your protection order, if you have one
- Provide your employer's security and reception people with a photo of your partner
- Ask security to escort you to/from your car or public transit
- Screen your telephone calls
- Change your schedule and/or travel patterns to/from work
- Save emails, voicemails, letters and gifts from your abuser. If you choose to use the legal system, this evidence will be helpful. If you have a protection order, document violations of the order
- Request your workspace be moved to a more secure area or another site if possible.

Separation, divorce and child support

Gather information

Good legal advice is essential and is different for every person/situation. Gather as much of the following information as possible before meeting with an attorney:

- Past income tax returns
- At least one pay stub for you and your partner
- Employee benefit statement(s)
- Copies or photos of retirement, bank, and/or investment account statements
- A list of your possessions-your home, car, furniture, etc. Categorize the list by:
    1. Things that are yours
    2. Things that are your partner's
    3. Things you bought while married

Expenses and insurance

Estimate your current living expenses, including any money you spend on your children. This will be important during the divorce process. Your financial situation may change drastically, so it's also helpful to consider ways you could cut back on expenses.

It is also important to consider insurance coverage. If you're now covered under your partner's health plan, you may be able to continue it. You can also request that your children's health care benefits be covered by your partner during a divorce settlement. It's important to consider the pros and cons of this for your situation with an attorney.

Division agreement

A divorce settlement includes a property division agreement or order. This will include both assets (property) and liabilities (debt). Some of the common assets that must be divided include your home, savings, retirement plans, and household items. Before meeting with an attorney it can be helpful to think about what assets you want to keep and the assets/liabilities you are most open to negotiating about.

Legal counsel

Divorce laws can be complicated and it can be overwhelming to try to represent yourself. The stakes are especially high when children are involved. In that case, not only will the divorce impact your financial future and emotional well-being, but also the custody of any children resulting from the marriage. Under these circumstances, it would be best to work with an attorney.

Finding an attorney

Divorce laws can be complicated and it can be overwhelming to try to represent yourself. The stakes are especially high when children are involved. In that case, not only will the divorce impact your financial future and emotional well-being, but also the custody of any children resulting from the marriage. Under these circumstances, it would be best to work with an attorney.

Legal services organization:
Every state has non-profit legal services organizations that provide free legal services to low-income residents if they meet other qualifying factors. However, often times, the demand for free legal services far outweighs the supply of lawyers and so it may be difficult to get an attorney or there may be a waiting list.

Local domestic violence program:
Some programs have an attorney on staff or might be able to give you a referral for a reduced fee or volunteer attorney.

State bar association lawyer referral services:
Local bar associations usually have a Lawyer Referral Service where they can refer you to an attorney who specializes in your type of case. The attorneys will usually charge a reduced rate, between $25-$50, for the initial 30-minute consultation. They may also be able to provide information on whether an attorney has been the subject of an ethical complaint or inquiry.

Law schools:
Some law schools provide free legal counsel by students who are supervised by a licensed attorney.

Pro se divorce

Sometimes, people only have the option to file on their own. This is called pro se litigation. Most courthouses provide divorce forms and some even have a pro se office where they can provide support and guidance through the process. If you cannot hire full legal representation, it might be useful to consult, if you can afford it, with a licensed attorney who practices family law to make sure you are protecting your rights to the best of your ability. In addition, there are online resources, such as WomensLaw.org's Preparing for Court By Yourself page, that can help guide pro se litigants through the process.

Paying for an attorney

Attorney costs can vary. The most typical fee arrangements are: charging by the hour, flat fee, contingency plan and prepaid legal plans. You will find a more detailed description of each of these on the next page. Any of these arrangements should be clearly written out and include the attorney's responsibilities, communication expectations, and when payment is expected. Don't be afraid to negotiate the terms and don't sign anything you don't understand.

Charging by the hour
This rate is usually based on the attorney's experience. You will be billed for all their time on your case including emails and phone calls. The attorney will most likely require a retainer. A retainer is a single, up-front payment. The contract should detail how the retainer is used and whether it's refundable if you don't use the full amount.

Flat fee
This is a set amount of money for a specific action.

Contingency fee
This arrangement provides the attorney with a portion of any money received by their client in a settlement or verdict.

Prepaid legal plan
A participant (or employer) pays for future needed legal services. Usually, participants pay a fixed amount each month or year for benefits to be used when needed.

Child support

Child support can be voluntary or it can be ordered by a judge or other agency. This depends on the laws of the state where child support is being determined. Child support covers some of the regular expenses involved in raising a child and can include medical support, educational assistance, and insurance costs. States have their own methods for determining child support amounts. They generally consider total income as well as parenting time when determining amounts.

Paternity and child support

For unmarried partners, paternity is not legally automatic. If an affidavit of paternity was not signed at birth, either party can file in court to establish paternity. A judge may order a DNA test. Paternity is a legal relationship. It may mean certain benefits are due from the legal father. These may include: child support, inheritance, veteran's benefits, social security benefits, and life insurance. Not all mothers want to establish this legal relationship, especially in domestic violence situations.

Child support has pros and cons

For some, child support provides welcome financial support. For others, it leads to custody and visitation struggles and unpaid child support. At times, it can lead to physical and emotional violence from the abuser against the survivor and her children. Child support decisions can be very difficult. It's best to begin by getting advice specific to your situation and state. Speak with an attorney and/or domestic violence advocate before making a decision.

Frequently asked questions about child support

What agency enforces child support?

Child support enforcement programs are run by the states. They are often run by the Human Services Department, Attorney General's Office, or Department of Revenue. Tribal Nations often have their own child support enforcement programs. When a person ordered to pay child support is a military member, there may be additional enforcement options through the Defense Finance and Accounting Service and/or the chain of command.

In addition to state laws, there are federal laws regarding child support. To get information about child support enforcement in your state, you can contact the Office of Child Support Enforcement:

Office of Child Support Enforcement
Administration for Children and Families
Department of Health and Human Services
370 L'Enfant Promenade, SW
Washington, DC 20447
202-401-9373 www.acf.hhs.gov/css

Am I eligible to receive child support?

You may be able to collect child support if:

- At least one child for whom you are seeking support is under 18. In some states, it might be as high as the age of 21. There may also be exceptions if the child is going to school or if they are disabled.
- You are a parent/legal guardian of the child(ren) for whom you are seeking support and they are financially dependent on you.
- People who receive assistance under TANF (Temporary Assistance to Needy Families), Medicaid and other public benefits are automatically referred for child support enforcement services. Talk with an attorney or advocate to learn more about your options.

If I receive public assistance, will it impact my child-support options?
If you disclose that you have been abused and are receiving funds through TANF, you must cooperate with the state. In order to collect child support, they need to find your children's father. This means you may need to provide information about him, including his name and address.

Provide this information unless you believe that collecting child support would put you or your child in danger. If you choose not to cooperate, you could lose some or all of your TANF assistance unless you can demonstrate you have a "good cause" not to cooperate. See the answer about good cause below for more information

What does a protection order have to do with child support?
A protection order can provide safety protections from abusive partners. It can also help you and your children obtain financial support. A protection order may order your partner to pay for various expenses including child support. In this situation, child support will end when/if the protection order expires or when a permanent order for child support is issued in a family court proceeding (e.g. divorce or child custody)

What does good cause mean and what does it have to do with my child support options?
Everyone who applies for or gets TANF benefits must establish paternity and pursue support. At times, domestic or family violence makes complying with these requirements dangerous. If so, the recipient may be excused or waived from participation based on good cause. You can request good cause from your state child enforcement agency at any time. Some states automatically approve good cause claims from address confidentiality program participants.

Good cause will usually be granted if pursuing support would:
- Make it more difficult for a family or household member to escape domestic violence
- Place a family or household member at risk of further domestic violence
- Unfairly penalize a family or household member because of domestic violence
- The child who needs support was raped by the biological father
- The child who needs support was born as a result of rape or incest.

What happens if I have good cause for not pursuing child support?
When someone requests good cause, a caseworker or family court is notified. When that happens, they will delay collection until the request has been considered. Requests are generally referred to the child support enforcement office or to a specific caseworker.

They should help fill out the domestic violence verification form. Or they may supply verification in cases of rape, incest, or adoption. Once the form is complete, the survivor and her caseworker should work together to obtain a formal response to the good cause claim.

What are some common child support strategies to consider?

If you are applying for a protection order, consider requesting child support as part of the order if your state allows it.

Income information from both partners is required in child support enforcement cases. Consider consulting an attorney if the financial statement from your ex appears inaccurate or fraudulent.

Disclosing abuse

Domestic violence advocates can provide confidential guidance and support and can help you to understand the consequences and long-term implications of disclosing abuse. Sometimes it may be best to not disclose current or past abuse. At times, disclosure results in:

- People who respond insensitively and blame you for your situation
- Discrimination in employment, housing, and access to services
- Loss or reduction in public assistance
- Referral to state child protection agencies

Questions to ask before disclosing

Trust your instincts. Sometimes disclosure is necessary. Sometimes it may be best to not disclose. Each time, consider:

- What are the short and long-term consequences of disclosing? Of not disclosing?
- Are there ways I can mitigate potential negative consequences?
- What choice is most likely to be the safest for me?

Questions to ask before disclosing to community organizations

- Are they mandated reporters who are required by law to report neglect or abuse?
- What are their policies for disclosing cases of domestic violence?
- Why do they need the information?
- Where are the records kept, and who has access to them?
- How will the information be used?
- What will happen if I don't disclose?

Questions to ask before disclosing to an employer

- What is the company's confidentiality policy?
- Do they have an employee assistance program?
- What are your legal rights to take time off (including extended leave or vacation time)?
- Does your employer have a partnership with a domestic violence program?
- What are the state's unemployment insurance policies? If you have to leave your job due to domestic violence, will you qualify for benefits?

Privacy challenges

Protecting your privacy can help you protect your safety. Consider the following:

- If your state has an address confidentiality program, consider enrolling. If there isn't one, consider getting a PO Box address.
- Block online and automated access to your Social Security number. Do this by calling 1-800-772-1213 or calling your local Social Security office.
- Contact banks, utilities, department store credit cards, phone companies, etc. Place a new or extra password on your account.
- Reduce the number of accounts in your name, such as utilities. Try to find housing that includes utilities in the monthly rent. If you have a roommate, ask them to put household bills under their name.

Address confidentiality programs

Address confidentiality programs (ACPs) exist to protect victims of stalking, domestic violence, sexual assault, and other crimes. They give participants a legal substitute address (usually a post office box) to use in place of their physical address. This address can be used whenever an address is required.

First class mail sent to the substitute address is forwarded to the victim's actual address. ACPs generally only allow standard first class mail so you won't be able to get newspapers, magazines or packages delivered to your physical address in your name. ACP participation can add several days to mail delivery.

Most, but not all, states have an ACP. The comprehensiveness and specifics vary from state to state.

In order for an ACP to be effective, your address needs to be unknown to the person you fear at the time you enroll. ACPs can be a helpful piece of a comprehensive safety plan and are not an adequate safety plan in and of themselves.

Identity theft

Identity theft occurs when someone steals and uses your personal information. It is not uncommon for abusers to commit identity theft against their victims. There are two types of identity theft.

1. Account takeover: This occurs when someone uses your existing credit account information to purchase products and services. The actual credit card or the account number and expiration date is used.
2. Application fraud: This is also called "true-name fraud." It occurs when someone uses your Social Security number and other identifying information to open new accounts in your name.

Ways your identity can be stolen

There are many different ways your identity can be stolen including:

- Digging through trash for documents
- Stealing mail from a mailbox
- Accessing a credit report by posing as someone else
- Using the internet to find your information
- Paying someone for a background check report

Identity theft and domestic violence

Identify theft can happen to anyone. Victims of domestic violence may need to be extra cautious about identity theft by a partner or former partner. This can also include the theft of children's identities.

Some abusers steal their partner's identity to:

- Open new credit accounts
- Impersonate them
- Find out where they are living
- Ruin them financially
- Track the survivor's activity

Possible signs of identity theft

Possible signs of identify theft include:

- Charges you don't recognize on your credit card bill
- Receiving a bill for a credit card you never opened
- Your address is incorrect on your credit report

What to do if identify theft happens to you

If you are a victim of identity theft, take the following actions immediately:

1. Notify credit bureaus
2. Contact your creditors
3. Call the Social Security Administration at 1-800-772-1213
4. Obtain a new driver's license number
5. Document all conversations regarding the identity theft
6. Consider reporting the crime to the police

You can set up either a freeze or an alert on your credit reports. A freeze limits access to your credit report so no one—including you—can open new credit until the freeze is lifted. An alert requires companies to verify your identity before granting new credit in your name.

How to protect yourself against identity theft

There are many ways to protect yourself against identity theft.

Be data savvy and limit the information you share
Google your name to see what information about you is already online.
Be mindful of what you post online, and tell your children to do the same. This includes social media and picture sharing websites.

Businesses and individuals sometimes ask for personal information. Ask why they need it. Question anyone who requests your Social Security number, address, email address, or phone number.

Learn what information about you is available to the public. For example, in some states, voter registrations are public record and available online. If you participate in an address confidentiality program, learn what options it provides for protecting your information.

Read privacy notices and understand opt-out choices
If businesses or individuals ask for personal information, ask why. Ask financial institutions and credit card companies what information they share and how they protect your information.

Ask for a copy of their privacy policy. Read the small print! Details about your personal information and who has access to that information is embedded in the small print.

When possible, request to “opt-out” of information sharing. Financial institutions often share information with others (called third parties). However, they must offer you the right to choose not to participate in this data-sharing process in some circumstances. “Opting out” protects your privacy. It controls the security of your information. Keep in mind that you will most likely have to ask to opt out. Otherwise, the institution will continue sharing your information.

Protect physical and electronic information
Shred all paper documents containing personal information before discarding when you no longer need them.

Change passwords and PINs regularly, and don’t use the same passwords across accounts. Never use your birth date, Social Security number, phone number, or name in passwords.

Some identity thieves send emails that appear to be from a financial institution. This scam, called “phishing,” appears legitimate. Check with the financial institution before you respond to this type of email. Avoid clicking any links in the email or replying to the email. You can go directly to the financial institution’s website or give them a call.

Practice Computer Safety
Be sure you have anti-virus and anti-spyware software running on your computer. Use a software or hardware firewall to protect your personal information when you use the computer. Keep your firewall settings at a high or moderate level. Never use the low firewall settings.

Do not open email attachments from people you do not know. It could be a malicious virus, spyware, or worm that could steal your data or crash your computer.

If you donate a computer to charity, first remove the hard drive. Many charities encourage this practice to protect any personal information that was stored on the machine.

Consider identity theft insurance
You can purchase identity theft insurance as a stand alone product or sometimes as an option on homeowners or renters insurance.

These policies cover many costs associated with restoring your credit.

Costs that may be covered:
- Mailing statements to credit agencies
- Obtaining credit reports
- Making long distance phone calls
- Re-applying for any loans you were denied because someone stole your identity

Module 2

Learning financial fundamentals

- Financial management
- Budgeting and saving
- Assets and liabilities
- Banking options

Financial management

Deanna's story of survival

Deanna lived with her abusive boyfriend, Martin, for two years. She had no family to call for help and Martin did not allow her to have a job, friends, or money. She wanted to leave him.

The first time she left, she ate at a soup kitchen three nights a week. The staff running the program gave her clothing and offered to help her find additional resources, but Deanna refused. She was ashamed. They also encouraged Deanna to get her GED, but she was afraid to start something she might fail.

So Deanna lived in her car and worked for a day-labor program. She earned enough money to buy gas, food, and personal items from time to time. Eventually, she returned to her boyfriend.

Martin continued his controlling behavior. Deanna began to plan to leave again, and she wanted this time to be different. She wanted to find a job that was stable and paid better. Before she met Martin, Deanna dreamed of opening her own childcare center. That dream seemed out of reach until Deanna learned that there were people, programs and organizations ready and willing to help her.

Deanna gained financial independence by getting a part-time job at a daycare center. This job also had a tuition reimbursement program that paid for her schooling. She not only got her GED but also attended a community college. She received an Associate's Degree in Early Childhood Education.

Deanna continued to pursue her dream. It was not easy, but after five years she was able to open her own childcare center. Today, Deanna is proud, happy and financially secure.

Financial management

Regardless of your personal finances, the first step in effective money management is to be well-informed and prepared.

There are many resources to help you learn more about money management, including friends and co-workers who can give you reliable advice, trusted professionals, websites that offer information on money management, financial workshops.

Sometimes, it can help to consider worst-case scenarios and have a plan to deal with them if they happen. This may help you overcome fear and move forward. Once you've gathered enough information about your finances, you can set small, obtainable goals and start working toward them.

What are your financial concerns?

Having restricted access to your own finances or limited knowledge about how to manage finances can make leaving an abusive relationship challenging. Consider which of the following are concerns or sources of stress for you:

- Understanding your current financial situation
- Being able to pay for day-to-day needs for yourself
- Being able to pay for day-to-day needs for your children
- Identifying what benefits you might be eligible for
- Understanding how to manage your finances
- Knowing where to get help with financial decisions

Services that can help

Domestic violence programs offer services such as shelter, support groups, short-term economic planning, referral programs, legal advocacy, and peer support.

Public and private resources may offer free or low-cost services to help you and your children. They may also offer benefits to help with basic day-to-day needs, including housing, food, utilities, and clothing. Visit the federal government's benefits information website (www.benefits.gov) to learn more about your state's benefits.

Accessing public resources can be difficult. Work with a domestic violence advocate to learn about available community resources.

Public Assistance

The Personal Responsibility and Work Opportunity Reconciliation Act was passed in 1996. This created the Temporary Assistance for Needy Families (TANF) program. The act gives each state the choice to elect Family Violence Options (FVO) as part of its TANF state plan. FVO provides special provisions for people who are victims of family violence.

Temporary Assistance for Needy Families (TANF) provides financial assistance to families on behalf of children who don't have the support of one of their parents. Eligibility for most programs is based on income level in relation to household size.

Once you receive public assistance, you will likely be required to regularly meet with a caseworker and show that you meet program requirements to keep receiving assistance. If you think your application or claim for benefits was unfairly denied, consider filing an appeal. A domestic violence advocate can help you.

Every state TANF plan has some form of Family Violence Options implementation that includes special provisions for persons who are victims of family violence including:

- Domestic violence or abuse screening
- Confidentiality protections for survivors
- Information and referrals to DV services
- Waivers for program requirements

Waivers (suspensions of a rule or policy) for FVO program requirements are granted when program requirements make it more difficult to escape abuse, present safety risks, or unfairly penalize domestic violence victims. Possible requirements that can be waived include:

- Time limits
- Residency requirements
- Child support cooperation requirements (good cause)
- Family cap provisions

For more information on FVO in your state, contact your local domestic violence program.

What to know before applying for public assistance

Before you meet with a representative for public assistance, discuss the following with an advocate:

1. The pros and cons of disclosing domestic violence.
2. If you should request that domestic violence indicator flags be placed in your TANF file
3. Any work or training requirements for accessing federal and state assistance programs and whether childcare is provided in those programs.

If you contact a state or county public assistance office, request:

- A list and explanation of all programs and services available in your city and state, including cash assistance, child support, food stamps, free/reduced school lunch, child care assistance, medical insurance, and medical assistance
- Information on how to access applications and how to complete and submit them
- A list of eligibility requirements and required documents
- Income and asset limitation documents
- If you are homeless (including if you are living in a shelter), ask about priority processing to receive emergency assistance services.

Receiving public benefits

You will have to show that you continue to meet program requirements on a regular basis to continue receiving benefits. You will likely have regular contact with your caseworker.

Be prepared to answer questions and provide documentation about your finances at any times.

If your claim for benefits or your application is denied unfairly, consider filing an appeal.

Social Security

If you are 62 or older, remember that you are eligible for social security benefits. These benefits are determined by the amount of income earned over your working life. You can be eligible to obtain benefits based on the working life of your spouse or ex spouse if you were married for at least 10 years and they are also 62 or older. Drawing these benefits does not affect the benefits your spouse or ex spouse receives.

You can apply for Social Security benefits in person, online, or over the phone.

www.socialsecurity.gov 1-800-772-1213 TTY: 1-800-325-0778.

You will need the following information:

- Your Social Security Number
- Your birth certificate
- Your W-2 forms or tax return for the last year
- Military discharge papers (if applicable)
- Proof of US citizenship or lawful alien status
- Bank name and account information if you want benefits direct deposited

You will need original documents or certified copies. If you go to your local Social Security Administration office they will make copies and give you your original documents back.

Budgeting and saving

What is financial security?

The definition of financial security varies for each person and can change over time. For some, it may mean having food, shelter, and a decent job. For others, it can mean being able to live comfortably and afford childcare or being able to prepare for retirement and pay for college. Whatever your definition, most survivors find that their standard of living decreases, at least temporarily, after leaving a relationship.

Understanding and managing finances

Financial planning is critical and it starts with a budget. A budget is a tool that will help you make critical spending decisions.

If you end a relationship, your income and financial assets may change dramatically. Creating a budget can help you anticipate and prepare for these changes to your financial situation.

A domestic violence advocate might be able to provide resources for additional financial guidance. Understanding your financial situation and creating a budget can help you work toward financial security.

Creating a budget

1. Identify your net monthly income
This is the money that comes into your household, after deducting taxes, Social Security, insurance, and any other withholdings. The amount of a paycheck is your net pay.

2. Identify your monthly expenses
Monthly expenses include food, rent, and utilities as well as periodic expenses like car insurance payments and medical expenses.

3. Subtract your monthly expenses from your income
The difference between your income and expenses shows whether you have any money to spare. If you have extra money, you'll need to decide whether to spend it or save it. If you don't have extra money you'll need a plan. Can you reduce expenses? Earn more money?

By distinguishing between needs and wants, you can better identify areas where you might be overspending.

4. Revisit your budget regularly
Budgeting is an ongoing process. It is important to revisit your budget monthly and make adjustments as needed.

Pay yourself first

Saving should be treated as part of your budget. It's important to put aside money each month for savings, even if it's just a few dollars. Start by deciding how much you can comfortably save each month and then consistently follow these rules:

First pay your saving account, even if it's a small amount
Next pay your required bills (rent and utilities, etc)
Then pay other bills, like revolving credit cards

Knowing you have money saved for the future feels good and can give you more options. Over time, it will get easier to pay yourself first.

Needs vs. wants

One way to help manage your finances is to identify your needs and your wants.

Needs: Needs are things you must have in order to live. Needs include food, shelter, a car and gas (or access to public transit), heat and other utilities, and clothing.

Wants: Wants are expenses that help you live more comfortably. You could live without them, but life is more enjoyable with them. Wants include things like a cup of pricey coffee, an evening out, or designer clothing.

Strategies for creating a budget

There are many strategies for creating a budget. The best place to start is to identify your current financial situation, identify financial goals for the immediate and long-term, and find strategies and resources to help you reach those goals.

A sample paper budget form can be found in the course resources. In addition to paper-based budgeting tools, there are also free budgeting tools available online, such as www.mint.com or Quicken's free budget calculator. If you use an online budgeting tool, be sure to check the privacy policies first to make sure it is a safe option for you.

Budgeting in Action

In order to determine your monthly budget, you'll need to subtract your monthly expenses from your monthly income. That will give you your balance for the month.

Monthly Income
Enter your monthly income (also include any money left over from last month).

$

Monthly Expenses

Rent or Mortgage Payment
Enter the total of your monthly rent or mortgage (include principal and tax).

$

Insurance Payments
Enter the total of your monthly insurance payments (home, car, health/medical, life, disability, etc.).

$

Savings
Enter the total of your regular monthly savings (this is considered an expense).

$

Utilities
Enter the total of your monthly utility costs (electric, gas, water, etc.).

$

Childcare and Education Costs
Enter the total of your monthly childcare and education costs.

$

Other Fixed Expenses
Enter the total of your other monthly fixed expenses (include car or phone payments, loan payments, etc.).

$

Other Flexible Expenses
Enter the total of your other monthly expenses (food, clothing, gas for your car, household supplies, medical/dental, recreation, charity, etc.; also include any shortfalls from last month).

$

Total of Monthly Expenses
Add up all of your monthly expenses from the lines above.

$

Monthly Income		Monthly Expenses		Your Estimated Monthly Balance
$	−	$	=	$

When you calculate your budget, a negative number means your expenses are higher than your income. The negative number is how much more you're spending than you earn.

Debt

If you have considerable debt, don't despair! Debt is common in the US and there are resources to help you manage it. Don't let fear of debt prevent you from moving forward.

Get started by:

- Documenting the assets and resources you currently have such as housing, child support, employment, health insurance, a car, etc.
- Reviewing your financial liabilities. Do you have credit card debt? Do you owe money to family or friends?
- Working with an advocate to help you identify and access financial resources that may be helpful for you.

Financial goals and emotions

For many of us, emotions and money are closely tied and we sometimes spend to fill an emotional need. This can make sticking to a budget difficult. If you are having trouble with emotional spending, ask yourself:

- What emotion(s) am I experiencing?
- Am I shopping just to make myself feel better?
- Is there another way that I can fill this emotional need?

Survivor story: Carrie

After her divorce, Carrie finally felt free. In her marriage, her husband controlled all of the spending. Carrie rarely got to even choose what clothes she could wear. She wanted to enjoy her new freedom and buy new clothes.

At first, she kept her purchases to a minimum, but over time the shopping increased. Carrie was struggling financially and she was angry about the abuse she had suffered. Shopping was becoming a way of coping with her anger, but it was putting her further in debt.

After identifying what was happening, Carrie worked with her advocate. Together, they found other ways of expressing her feelings. In time, Carrie got her spending under control.

Survivor story: Maria

Maria fled to a shelter with her three children to escape Vincent's abuse. After spending two months in a shelter, Maria and her children moved into transitional housing. They were now safe, and it was hard to live with less income.

The children often complained that they missed their old neighborhood. They frequently threw tantrums for not getting new toys that they wanted. Every time the children went to visit Vincent, he bought them things and took them places that Maria couldn't afford. The children blamed Maria for the situation.

Maria felt guilt that the children had experienced Vincent's abuse and that she couldn't give them the things they wanted. Still, she didn't understand why the children didn't give her more credit. After all, she had worked so hard to get them to safety. She was doing the best she could.

Not knowing what to do, Maria began buying things for the children that she couldn't afford.

Strategies for dealing with emotions and money

Having a plan can help you overcome emotional spending. Write down your financial goals. Estimate how much time and money it will take to get there. Keep your written goals in a place where you will see them. Read them often to remind yourself of your goals. Consider setting electronic reminders or words of encouragement on your phone or other electronic device. This may help keep you on track if your emotions start to take over.

Examine your feelings and notice when you are being tempted to overspend based on emotions. When you feel tempted, consider an alternative way to meet your needs. Remind yourself of how you will feel when you meet your financial goals. Consider putting a purchase off for a day. Do you still want it 24 hours later?

Here are some questions to ask yourself before making a purchase:

- Did I compare prices?
- Is this a need?
- Can I afford it?
- Will this delay me from reaching my financial goals?

Treats

It can be helpful to find inexpensive ways to treat yourself and your children.

Possible ideas for yourself:

- Give yourself a manicure
- Enjoy your favorite dessert at home
- Read a good book
- Go for a walk
- Spend time with a friend
- Invite friends over for a potluck

Possible ideas for your children:

- Cook or bake together
- Read them a story
- Spend the day at the library
- Play their favorite game with them
- Invite their friends for a play date or sleepover

Teaching children

Teaching children how to manage money can be a challenge, but if they understand the difference between wants and needs, learn how to budget, and know how to save, they will know more than many adults do. Having your kids on board can help create a home where everyone is working towards the same goal. Make a game of finding the best prices and working towards your goals. Your children will pay attention and learn from how you manage money. Let them see you budget, comparison shop, and make regular contributions to a savings account.

Emergency savings fund

Experts advise working towards an emergency savings fund. It should have enough money to pay three to six months of basic living expenses such as housing, transportation, and food. For many of us, this amount seems impossible and out of reach. Don't let that stop you—begin with a savings goal that feels realistic. You can start small and build from there. It's ok that goals can take years to reach. Save something every month. Every dollar helps and adds up over time.

It's important to put money away consistently and spend it only for true emergencies. It's better to save $10 every month than to save $25 only occasionally.

Savings in a bank

Depositing your savings in a bank helps your money grow through interest. Saving money is a good thing. Earning interest on your money is important. Having your savings grow through compound interest is a great thing.

Even modest savings can generate real growth given time and dedication. Consider setting up an automatic transfer or direct deposit so your saving happens regularly and automatically.

Compound interest

Compound interest arises when interest is added to the principal, so that from that moment on, the interest earns interest. Take a look at the savings account chart below for an example.

Year	Deposit	Interest	Total Deposit	Total Interest	Balance
1	$120.00	$1.31	$120.00	$1.31	$121.31
2	$120.00	$3.76	$240.00	$5.07	$245.07
3	$120.00	$6.26	$360.00	$11.33	$371.33
4	$120.00	$8.81	$480.00	$20.14	$500.14
5	$120.00	$11.41	$600.00	$31.55	$631.55

This shows that saving $10 a month, for just 5 years, at 2% interest, would grow to over $630.

Savings account options

Interest-earning savings accounts
Typically, these accounts will earn you the least interest of all the options, however, they are very safe and money can be withdrawn at any time. Ask if your bank or credit union offers high-yield savings accounts which typically offer a higher interest rate than other interest-earning savings accounts.

Money market accounts
Money market accounts typically pay about one-half percent higher interest than traditional savings accounts, but they may require a higher minimum balance. You can usually make as many deposits as you want for free, however, there are often limits regarding the number of withdrawals that can be made each month.

Certificates of deposit (CD)
If you have money that can be tied up for three months to six years, certificates of deposit will usually offer the highest interest rates, depending on the term (how long it must remain deposited) you choose. There are penalties for early withdrawals, so choose a term you can live with.

Assets and liabilities

The next step in financial management is to begin identifying your income and assets, plus your debts and liabilities. Assets include those you own alone and those you own with your partner or former partner. This could also include assets just your partner/former partner owns.

Questions to consider

- Are your property and financial assets held in both of your names or is everything in your partner's name?

- Is your apartment lease in both your names? Is your home titled to both of you jointly?

- Do you have joint bank accounts? Individual bank accounts?

- Has your partner threatened to make you cash in any property or financial assets you own, so that they can share the proceeds?

- Does your partner have a pension or retirement plan from current and/or previous jobs?

- Do you know what information must be in the court order, decree, or property settlement for your partner's pension or other plan to pay benefits directly to you?

The following questions will be useful if you pursue child support, need to divide property or if you go through a divorce. This is information to share with your attorney and possibly advocate. If you suspect that your partner may attempt to hide assets, it's important to start investigating your finances before initiating divorce proceedings.

- Does your partner own tools, collections or other items of value that could be underestimated?

- Does your partner receive income that has not been reported on tax returns or financial statements?

- Is your partner's name on an account with your children or in your children's names?

- Could your partner have asked their employer to delay any bonuses, stock options, or raises?

- Has your partner recently paid any "debts" to a friend or family member that you think may be phony?

- Could your partner have accounts you're unaware of?

- Does your partner own a business?

Sorting through assets and liabilities

You can't fairly divide your joint property, assets, and liabilities if you don't have the full financial picture.

Sorting through finances you shared with an abusive partner can be difficult and sometimes dangerous. Work closely with your attorney and advocate to navigate this process.

Lack of cooperation

Following separation and during a divorce process, abusive partners often refuse to cooperate. They may attempt to manipulate the process. Be aware of your safety risks as you face these challenges. You may discover that your partner has:

- Opened accounts and created additional debt in your name
- Hidden or undervalued their assets
- Refused to comply with payment plans established by creditors
- Quit a job or obtained a low-paying job to escape financial responsibility

Financial mediation

You may be asked to use a mediator to divide your finances. Mediation is not always safe or helpful for victims of domestic violence. Let the court know if mediation is not a safe option for you. You may decide to agree to mediation.

Before deciding, learn more and speak with your attorney. www.mediate.com is one possible source of information about mediation. Ask your advocate or attorney for information specific to your jurisdiction.

Banking options

If you don't already have a bank account that is separate from your partner, the next step is to open one. Selecting a financial institution that meets your needs is critical to successful financial management.

Banks

Banks are financial institutions that accept deposits and use the money for lending activities. A traditional bank issues stock and is therefore owned by its stockholders (shareholders). Banks are for-profit businesses and serve customers from the general public. Most offer online banking services and some banks are online only.

Credit unions

Credit unions are community-based financial institutions that offer a wide range of services. They are owned and controlled by their members who are also shareholders. Credit unions serve their members and membership is defined by a credit union's charter. For example, a credit union may offer membership through certain employers or to certain professions. Some credit unions have broader membership. Credit unions often offer lower interest rates on loans.

Payday lenders

Payday lenders are companies that lend customers small amounts of money at high interest rates. The borrower agrees that the loan will be repaid when the borrower's next paycheck arrives. Payday loans are small cash advances, usually $500 or less. To get a cash advance, a borrower typically gives the payday lender a postdated personal check or authorization for automatic withdrawal from the borrower's bank account.

Payday loans come with hefty fees. For a two-week payday advance, a borrower will pay at least $15 for every $100 borrowed. The loan fees can end up being 400% of the loan. Expensive loan fees often push the borrower into deeper debt. This debt can be very difficult to get out of. Before taking this type of loan, explore all other options including consulting your advocate and any other support systems.

Check cashing

Check cashing stores are small businesses that cash checks for a fee. In general, the fee is about 4%. However, you can likely avoid these fees if you have a bank account or are a member of a credit union.

Choosing a financial institution

When considering which financial institution to choose, shop around. Look for the services and features that are going to work best for you and your situation.

Generally speaking, a large national or international financial institution will offer the widest range of services. However, it may provide a less personalized service than a smaller one.

For some people, culturally-specific services are important. Look for banks that have bilingual employees or websites and information in other languages. Some institutions are specifically owned by, and run for, specific ethnic, religious, and/or cultural clientele. For instance, you may want a bank that offers a competitive rate for wiring money to family in another country.

Information needed to open an account

Generally, all banking institutions require proof of the following information:

- Name (possible documents: unexpired passport, birth certificate, driver's license)
- Date of birth (possible documents: unexpired passport, birth certificate, driver's license
- Residential address within the US (possible documents: utility bill)
- Identification number (possible documents: Social Security number, Individual Taxpayer Identification Number-ITIN)

If you participate in your state's address confidentiality program, check with the program to learn how to safely set up a new bank account.

Services and fees

When comparing banks, it's important to consider the services they offer and the fees they charge. Consider the following:

- Do you need a branch location close to your home/work or on a bus line?
- Which institutions offer the services you need?
- How comfortable do you feel with the staff?
- Does the bank meet your cultural needs and requirements?
- What are the fees, minimum balance requirements, and overdraft charges for their checking accounts?

- Where are ATMs available and what are the fees?
- What are the interest rates, restrictions, and withdrawal penalties for savings accounts?
- Are the branch hours convenient for your schedule?
- Are telephone services available 24/7?
- Are online banking and bill pay available?
- Is the bank insured by the Federal Deposit Insurance Corporation (FDIC) or credit union by the National Credit Union Administration (NCUA)?

FDIC and NCUA

If a bank is "FDIC Insured", deposits are currently insured for up to $250,000. In the event that a bank is financially unable to repay deposits, FDIC will repay them. A financial institution that is FDIC insured will display a government logo at its front door, in the lobby and at the tellers' counter to indicated that it is federally insured.

Credit unions are insured by the NCUA. If a credit union is "NCUA insured", deposits are currently insured for up to $250,000. In the event that a bank is financially unable to repay deposits, NCUA will repay them. Federally insured credit unions will indicate their insured status in their advertising and display the NCUSIF logo in their branches.

Automated Teller Machines (ATMs)

To use an ATM, you will need a bank account and an ATM card. When you get this card, you will set a personal identification number (PIN) that you will need to enter to access ATM services.

Some banks charge fees for ATM withdrawals. The fees are charged per transaction and are not based on the amount of money withdrawn. If your bank charges a fee, when possible, make a single larger withdrawal rather than several smaller withdrawals.

You may be able to avoid using an ATM by asking for cash back from a store when using a debit card to make purchases. Be aware though that holds larger than the actual purchase amount are often placed on your account when using a debit card. This will make the funds unavailable until the hold is released, generally in 3-4 days.

ATM safety tips:

- Keep your PIN secret, including from your abuser
- Do not write your PIN on your ATM card
- Change your PIN periodically
- Ensure the ATM location you use is well lit
- Don't count your money at the ATM
- Notify your bank if the amount withdrawn and cash received don't match
- If your ATM card is lost or stolen, report it to your bank immediately

Online banking safely

Online banking can be convenient and help you save on postage and late fees. It's important to make sure you use a secured, safe internet connection and create strong passwords.

Strong passwords include:

- Upper and lower case characters
- Numbers
- Special characters such as ! @ # $, etc when allowed
- Random combinations of letters and numbers

Module 3

Mastering credit basics

- Reviewing your credit report
- Understanding your credit score
- Improving your credit score
- Understanding bankruptcy

Reviewing your credit report

Vivian's story of survival

Vivian is a domestic violence survivor who has left her abusive partner. She is a low-income, working mother who is on public assistance and has considerable debt.

Vivian can't afford childcare or rent. Her 40-hour work week often expands to 50 hours when she adds in time for commuting and running errands. In addition, she cooks, cleans, and cares for her family which is a full-time job in itself. Vivian dreams of going to college, but to qualify for financial aid, she is required to take a minimum of 6 credits of coursework. This adds up to about 20 hours a week.

Vivian is uncertain about how to manage the money she earns, the debt she has accumulated, and her dreams of going to college. She is considering filing for bankruptcy.

Vivian sought help and worked with an advocate at her local domestic violence program. Vivian and her advocate worked closely to review her credit report, create strategies to reduce her debt, and save money. After much worry and contemplation, Vivian did not file for bankruptcy.

Eventually, Vivian was able to get financial aid to get an advanced degree. Working with an advocate and other resources in her community, helped her to gain financial independence.

Vivian's story is similar to many domestic violence survivors. There is hope and help available.

Good credit

Having good credit is important for anyone. It is especially important if you plan to leave an abusive relationship and build your own financial independence.

Good credit allows you to obtain loans and credit cards with the best interest rates. It can also improve your ability to rent an apartment, buy insurance coverage, get a job, etc.

Access to your credit report

Landlords, insurance companies, and even some employers can have limited access to your credit report. They can:

- Verify your personal information
- View your payment history
- See whether you've been sued or have declared bankruptcy
- See how often you've recently applied for credit

Some states have enacted legislation that restricts employers from using credit information for making hiring and other employment related decisions, unless the credit is particularly relevant to the job description.

What's on my credit report?

Your credit report shows whether or not you've paid credit card bills and loans on time. It also shows how much you owe to creditors and whether you have unpaid loans. Remember to review your credit report at least once per year and prior to applying for any new credit accounts.

Does checking your credit report lower your score?

It Depends.

Checks that don't affect your score:

- Checking your score yourself
- If an agency you are working with pulls your credit report for financial education or credit counseling
- Credit inquiries that companies make to send you preapproved offers

Checks that do affect your score:

- If you apply for a credit card or mortgage, the company will check your credit report. When it does, your credit score will decrease. Applications for new credit account for approximately 10% of your credit score.

Best practices

Only apply for credit when you need it. Try to limit your credit applications to no more than two times per year.

Tip: Avoid applying for an unneeded retail credit card, just to save 10% on your purchase.

If you are shopping for a major purchase such as a home or car, apply with various lenders in the same week to protect your credit score and compare the best rates. This is because multiple inquiries made in a 14 day period count as just one inquiry.

Reviewing your credit report

The first step to mastering credit basics is to access and review your credit report. A credit report provides information about you and your history of paying debts.

Once a year, you can request a free copy of your credit report from each of the three credit reporting agencies (Equifax, Experian, and TransUnion). A central website handles request for the three agencies. You may order your reports online, by phone, or by mail.

Be aware that while you can obtain a copy of your credit report for free, the free report does not give you your credit score. To obtain your credit score, you will have to pay a small fee. It is not always necessary to know your credit score—knowing what's in your reports is most important. However, knowing your credit score is helpful if you are getting read to apply for a loan or another line of credit.

There are free ways to access a credit score through several websites. Many credit card companies and banking institutions are now offering free credit scores to their customers, and there are also many consumer websites available where you can access free credit scores.

The websites that offer free credit score access can help you monitor progress towards your credit goals and get personalized information about how to improve your credit score. However, keep in mind that you will be required to supply personal information in order to access these websites. The sites may also include advertisements for loans and credit cards. Make sure to find out which credit score you are looking at, and know that it may be a different score than a lender or business may use to qualify you for a loan or service.

Annual Credit Report Request Service is the only source for the free federally legislated annual credit reports. You can contact them directly or work with your local domestic violence advocate to request a copy of your credit report.

Annual Credit Report Request Service
P.O. Box 105281
Atlanta, GA 30348-5281
1-877-322-8228
http://www.annualcreditreport.com

Credit rating and interest rates

Your credit score often determines the rate you pay on your credit cards and loans. Here is a chart that shows the potential impact of credit scores on car loan interest rates on a $20,000 car loan. The better the credit rating, the lower the rates and the lower the total price of the car. Please note that these interest rates are for illustrative purposes only and are not a reflection of current rates.

Credit rating	Interest rate	Monthly payments	Total price of car
750+	2.69%	$357	$21,420
700-749	2.69%	$357	$21,420
650-699	3.19%	$361	$21,660
600-649	5.79%	$385	$23,100
below 600	8.09%	$406	$24,360

Understanding your credit report

You can find a sample credit report with explanations at: www.transunion.com/how-to-read-your-credit-report

All credit reports contain the same general information. However, different reports may display information differently and/or not display certain information. In addition, the credit reports that lenders, employers and other businesses see will be slightly different from what you see when you pull your own report. For example, credit reports sold to employers do not have personal information such as age, marital status, account numbers, and other personal information that is protected under the Equal Credit Opportunity Act.

Information on a credit report

Personal identifying information

Name

Birth date

Social security number

Current and previous addresses

Employment information

Some information, such as addresses, new names, and employment information usually gets updated only when applying for credit. Therefore, it's common to find some of this information out of date. If any of the personally identifying information isn't yours it could be a simple error, or it could be a sign of identify theft.

Credit history

A credit history lists different types of credit accounts, such as mortgage (real estate), credit cards (revolving credit) and installment credit (personal or auto loans). For each account you should see detailed information about:

Payment history

Balance information

Creditor contact information

Current status and more

Negative and collection accounts are often listed separately from accounts in good standing.

Public records

Public records on credit reports include:

Bankruptcy filings

Foreclosures

Judgments

Liens

Inquiries

This is a list of creditors and other authorized parties that have requested and received a copy of the credit report in the last 2 years.

Help to improve credit

There are organizations that can help you improve your credit. Locate a reputable (trustworthy) nonprofit community-based credit counseling or financial coaching organization. It's best to work with one that provides one-on-one assistance.

Be aware there are expensive credit repair clinics that are not reputable. Be careful of organizations that charge upfront fees, make unrealistic promises, or lack accreditation credentials. Using non-reputable organizations can further harm your credit.

Domestic violence and credit issues

If your partner has your Social Security number, they can assume your identity, access your credit report, and see your current contact information.

Any joint accounts with your partner (even if you no longer have access to them) or loans your partner has in your name may affect your credit score. If possible, have your name removed from any jointly held accounts.

If your partner uses one of your credit accounts without your permission, you can file a police report. This may not lead to criminal charges, but can assist you in repairing damage.

In addition, you may have protection from collection claims that are directly related to domestic violence (e.g. needing to suddenly flee housing).

Understanding your credit score

Credit scores vary

Your credit score is calculated from the information in your credit report. There are different types of credit scores. And when you receive a credit score, it will be based on information from one of the three credit bureaus. Your Experian credit score might be different from your TransUnion or Equifax score.

Fico Scores vs. VantageScores

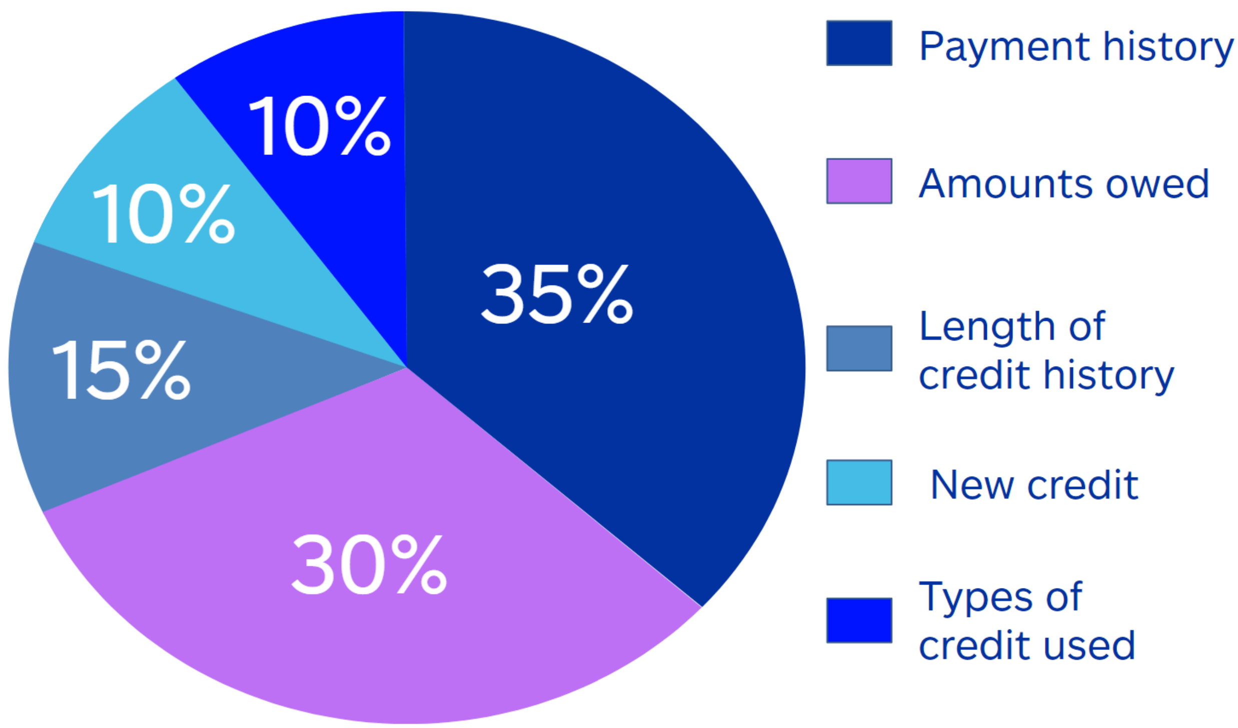
The two most common credit scores that you may come across are FICO Scores and VantageScores. FICO Scores are the scores most commonly used by lenders. However, VantageScores are growing in popularity and are often the scores you receive when accessing your own credit score.

The two use slightly different ranges and calculations. For both, the higher the score, the better. Generally if you improve your VantageScore, your FICO score should also go up. You can learn more about the two score types in an article from Fortune available at: www.fortune.com/recommends/credit-cards/fico-vs-vantagescore/

Five key factors

According to FICO, these percentages are based on the importance of the five categories for the general population.

For some particular groups (e.g. people who recently started using credit) the importance of these categories may be somewhat different.



Payment history

This is THE most important factor in your credit score.

- Payment information on specific types of accounts (credit cards, installment loans, retail accounts, etc.)
- Presence of adverse (negative) public records (bankruptcy, judgments, liens, etc.), collection items, and/or delinquency (past due items)
- Amount past due on delinquent accounts or collection items
- Severity of delinquency (how long past due)
- Time since there were items past due, adverse public records, or any collection items
- Number of past due items on file
- Number of accounts paid as agreed (in good standing)

Amounts owed

Your score considers how much debt you currently owe as a factor to help lenders decide if you are capable of taking on new debt.

- Number of accounts with balances
- Amount owed on accounts
- Amount owed on specific types of accounts
- Whether you have a balance on certain accounts
- Proportion of credit lines used (how much of your total credit limit is used on certain types of revolving accounts)
- Proportion of installment loan amounts still owed (proportion of balance to original loan amount on certain types of installment loans)

Length of credit history

Just as your resume can tell employers about your experience in the work world, your credit score factors in how much time and experience you have using credit.

- How long you have been using credit
- The date you opened your oldest account
- The date you opened your newest account
- The average age of all your accounts
- Time since accounts opened, by specific type of account
- Time since account activity

New credit

Credit scores consider how often you are applying for new loans.

- Number of recently opened accounts, and proportion of accounts that are recently opened, by account type
- Number of recent credit inquiries
- Time since recent account opening(s), by type of account
- Time since credit inquiry(s)
- Reestablishment of positive credit history following past payment problems

Types of credit used

Credit scores also consider if you have experience managing different types of credit accounts such as credit cards, auto loans, and home mortgages.

- Your mix and number of credit accounts (revolving, installment, etc.)

No one piece of information or factor will determine your score. The importance of any factor depends on the overall information in your credit report. As the information in your credit report changes, so does the importance of the different factors in determining your score. It's most important to know the types of information that factor in to your score.

Your credit score only considers information from your credit report. However, lenders may consider many factors beyond the credit report and score when making a credit decision such as your income, length at current job, type of credit you are requesting, collateral you have to secure the loan, etc.

Improving your credit score

No quick fix

Establishing credit or improving a poor credit score takes time and there is no quick fix. The best advice is to manage credit responsibly over time.

Payment history tips

Pay your bills on time
Delinquent (late) payments, accounts that turn into collections, and public records can have a major negative impact on your credit score. The longer you pay your bills on time, the better your credit score. Paying off a collection account will not remove it from your credit report. It will stay on your report for seven years from the date the account became delinquent. Very small collection or paid accounts are not considered or weighed for FICO or Vantage scores.

Seek help
If you are having trouble making ends meet, contact your creditors or see a legitimate credit counselor. This won't improve your credit score immediately, but if you can begin to manage your credit and pay on time, your score will get better over time.

Amounts owed tips

Low balances

High outstanding debt can affect a credit score. A best practice is to use no more than 30% of your revolving credit available. For example, if you have a credit card with a $1000 limit, try to keep your outstanding balance below $300 at any given time.

Pay off debt

Pay off debt rather than move it around. In addition to paying all of your credit accounts and bills on time, paying down your revolving debt is the second biggest factor impacting your score.

Don't close cards

Don't close unused credit cards as a short-term strategy to raise your score. Closing a credit account is not the quick credit fix it might seem. Closed accounts stay on your credit report for seven years after the close date. In addition, closing unused credit cards will negatively affect your length of credit history. If you are not using your credit cards, make sure that they are securely stored. Try to use them at least once every 6 months so that they don't go inactive. Make sure that you are not incurring any annual fees for cards you aren't using. Don't open new cards you don't need to try to increase your available credit. This can negatively impact your credit score.

Example

Credit reports look at all your accounts and their total balance. Look at the comparison below. Examples 1 and 2 show two ways of paying $100 of credit card debt. In example 1, Card B was paid in full and the account was closed. In example 2, Card A was partially paid. Note the different balance-to-limit ratios.

Original	Balance	Limit
Card A	$500	$1000
Card B	$100	$1000
Total	$600	$2000
Balance to limit ratio		30%

Ex. 1	Balance	Limit
Card A	$500	$1000
Card B	Paid	Closed
Total	$500	$1000
Balance to limit ratio		50%

Ex 2	Balance	Limit
Card A	$400	$1000
Card B	$100	$1000
Total	$500	$2000
Balance to limit ratio		25%

Length of credit history tips

If you have been managing credit for a short time, don't open new accounts rapidly. New accounts will lower your average account age. This will have a larger effect on your score if you don't have a lot of other credit information. Also, rapid account buildup can look risky if you are a new credit user. Remember, that it helps your score if you keep your oldest accounts open and in good standing.

New credit tips

When seeking a loan, shop around for the best rate within a 7-14 day period so that the inquiries only count once against your credit score.

Reestablish your credit history if you have had problems. Consider credit builder loans and/or secured credit cards to help you.

Remember that it's ok to request and check your own credit report. This won't affect your score as long as you order the report directly from the credit reporting agency or through an organization authorized to provide credit reports to consumers.

Types of credit use tips

Apply and open only when necessary
Open only the accounts you need. Don't open accounts just to have a better credit mix.

Use credit cards responsibly
In general, having credit cards and loans (and paying timely payments) will raise your credit score. Someone with no credit cards, for example, is a higher risk than someone who has managed credit responsibly.

Closing an account doesn't make it go away
A closed account will still show up on your credit report for seven years. And it may be considered as part of your credit score.

Opening a line of credit under a child isn't a solution
Using a child's credit may seem harmless but may result in damaging their credit, limit their ability to get a job, rent an apartment, or buy a car. It's also a form of identity theft and illegal.

Understand how to read your credit card statement
Make sure you know where to find the minimum amount due, total due, due date, interest rate, etc. This will enable you to better prioritize when to pay each creditor.

How to build healthy credit

Having active, healthy credit is essential. Event if you have had excellent credit in the past, your credit score will eventually drop if you stop using credit accounts (such as loans and credit cards).

Managing debt and building credit are both important to a healthy credit score. The only way to build credit is by having credit accounts like loans and credit cards that are being used regularly, paid on time each month, and reported to at least one of the major credit bureaus.

What are active credit accounts?

Installment accounts
An installment account (such as a loan) is active if it:

1. Has a balance
2. Has a monthly payment
3. Is not closed

Examples: Personal loans with a fixed term (6 months, 12 months, etc.), auto loans

Once a loan is paid-off and closed, it will no longer be building credit

Revolving accounts
To be considered active, a revolving account (credit card):

- Doesn't need to have a balance or monthly payment
- Needs to be used at least once every six months, but ideally every month

It is best to use a credit card for regular, budgeted monthly expenses and pay the balance in full at the end of the month.

Example

Sharon has a credit card with a $1000 limit. She uses her card to pay for gas for her car throughout the month (about $300/month). When Sharon receives her paycheck at the end of the month, she pays the balance of her credit card in full. Sharon does not pay any interest on her gas purchases because she does not carry a balance from month to month.

Best practice

The key to building good credit is to always pay on time. If a payment is missed, get back on track immediately. The credit score will eventually recover from the missed payment as time goes on with on time payments.

Best practice: Have 3 active credit accounts (at least one installment and one revolving), and use credit monthly.

Good products for building credit?

Start with what you know. See what your bank or credit union offers first. Many credit unions now offer secured credit cards and other starter credit building products for people who are establishing or reestablishing credit history.

You can also find nonprofit financial institutions and community lenders who offer safe and affordable products.

Questions to ask when applying for credit

- Are the monthly payments affordable?
- What credit bureaus are being reported to?
- What are the terms and conditions of the account?
- Are there any hidden fees or unexpected charges?
- Do I know who to contact if there is a problem with the account?

Rent payments and credit reports

Rent payments were not previously reported to credit bureaus, but that is slowly changing. Generally, rent reporting depends on the landlord's participation. However, there are some services, like Rental Kharma, that provide rent reporting for individuals for a fee. Check with your landlord to see if they can report your rent payments to demonstrate good credit.

Correcting errors

If you discover an error on your credit report, it's important to take corrective action immediately. You can dispute errors online or follow these steps:

1. Make a copy of your report and circle every incorrect item.
2. Write a letter to the credit reporting agency detailing the errors and include copies (NOT originals) of documents that support your position.
3. Send a similar letter to the creditor you believe reported the incorrect information.
4. Send all materials by certified mail, return receipt requested, so you have proof the information was received.

You can view a sample letter to help correct a report error on the FTC website at: https://consumer.ftc.gov/articles/sample-letter-disputing-errors-credit-reports-business-supplied-information

What happens next?

The reporting agency must begin an investigation by contacting creditors within 30 days. If the creditor can't verify that the entry is correct, it must remove the error. If any changes result from the investigation, you have the right to access a free copy of your credit report in addition to the report you are entitled to annually.

If the investigation reveals an error, you have the right to request that a corrected version of your credit report be sent to everyone who received the report in the last six months.

Finding help

If you are unable to make a payment, contact your creditor as soon as possible to try to work out a payment plan. If you need help with this or with setting up a budget, contract a credit counseling service or reputable nonprofit financial coaching or counseling organization. Your job might have a financial coaching benefit as well.

Avoid debt settlement companies! Don't be fooled by companies who claim they can erase bad credit. There is no quick fix for improving credit.

Financial counselor red flags

A counselor should never suggest the following actions:

- Make false statements on a loan or credit application
- Dispute information that you know is accurate
- Misrepresent your Social Security number
- Obtain an Employer Identification Number from the Internal Revenue Service (IRS) under false pretenses

If one does, find a new counselor. If you took any of these actions, you would be guilty of committing fraud.

Questions to ask

What services do you offer?
Look for an organization that offers a range of services. Services could include budget and credit counseling, plus classes in savings and debt management provided by trained and certified counselors.

Counselors should discuss your entire financial situation. They should help you develop a personalized plan to solve your current money problems and prevent future ones. The first session typically lasts an hour and there should be follow-up sessions.

Avoid organizations that push debt management plans (DMP) and avoid debt settlement companies. Sign up for a DMP only after a certified credit counselor has reviewed your financial situation thoroughly and has offered customized advice about managing your money. If you had a DMP with an organization that closed, ask the new credit counselors how they can help you retain the benefits.

Are you licensed to offer your services in my state?
Many states require that an organization register or obtain a license before offering credit counseling, debt management plans, and similar services. Be sure to work with an organization that has met your state's requirements.

Do you offer free information?
Avoid organizations that charge for information about their services.

What are your counselors' qualifications?
Find an organization whose counselors are trained by a group that is not affiliated with the firm that provides credit.

Will I have a formal, written agreement or contract with you?
Don't commit to participate in a DMP over the phone. Get promises in writing. Read documents carefully before you sign them. If you're told you need to act immediately, consider finding another organization.

Have other consumers been satisfied with your services?
Once you've identified credit counseling organizations that suit your needs, check them out

with your state attorney general, local consumer protection agency, and Better Business Bureau (www.bbb.org). These organizations can tell you if any consumer complaints are on file. Be aware that the absence of complaints doesn't guarantee legitimacy. However, if there are consumer complaints, be very careful.

What are your fees?
Get a detailed price quote in writing. Ask specifically whether all fees are covered in the quote. If you cannot afford to pay the fees, ask whether the organization waives or reduces fees to consumers in your situation. If an organization won't help you because you can't afford to pay, look for help elsewhere.

How are your employees paid?
Do the employees of the organization receive commissions if you sign up for certain services, pay a fee, or make a contribution to the organization? Employees who recommend that you purchase certain services may receive commissions. And many credit counseling organizations receive compensation for enrolling consumers in DMPs. If the organization won't disclose whether it receives compensation from creditors, or how their employees are compensated, go elsewhere for help.

How do you protect personal information?
Credit counseling organizations handle your most sensitive financial information and should have safeguards in place to prevent misuse. Ask about how they will keep all your personal information, including name, address, phone number, and financial information confidential and secure.

Understanding bankruptcy

Last resort

Bankruptcy is a last resort. It cannot clean up a bad credit record and will be part of your credit record for up to 10 years. It usually does not eliminate:

- Child support
- Alimony
- Fines
- Past due taxes
- Some student loan obligations

Unless you have an acceptable plan to catch up on your debt under chapter 13, bankruptcy usually doesn't permit you to keep property when a creditor has an unpaid mortgage or lien on it.

Consult first

Before considering bankruptcy, consult a nonprofit credit counselor.

Forms of bankruptcy

There are different forms of bankruptcy. Many debtors won't qualify for chapter 7 and must establish plans to repay debt within 5 years under chapter 13.

Chapter 7
Chapter 7 wipes out all allowable debts and provides certain personal property exemptions. The debtor gives up all property unless the state finds that the debtor needs it to support his or her dependents.

Chapter 13
Chapter 13 is a court approved repayment plan. The debtor keeps all property and makes regular payments on the debts after filing for bankruptcy.

Long-term effects of bankruptcy

- It could determine whether or not you get the job you want
- Your insurance rates may increase
- It may be difficult to rent an apartment or qualify for a home loan
- Bankruptcies stay on your credit report for 10 years
- Phone companies and other utility service providers may look at your credit history before providing service

First try

Before you decide to file bankruptcy, try the strategies below:

Reduce your spending
Consider a smaller home or vehicle. If you reduce spending, you may be able to find the money to repay your debt.

Talk with your creditors
Creditors are often willing to work out a payment plan to help you pay off what you owe.

Talk with a nonprofit agency
These agencies can help you create a plan to handle all of your debts.

Talk to an attorney
Expert advice can help you understand the consequences of declaring bankruptcy

Consider debt consolidation
To pay your debt, you may be able to borrow against equity in your home, retirement savings, stocks or other securities, or the cash value of your life insurance policy. Analyze the risks and consequences of this action thoroughly as they can be considerable.

Property and bankruptcy

Each state has laws defining exempt and nonexempt property. Creditors cannot seize exempt property. Some property is entirely exempt, while the exemption for other property may be limited to a certain dollar amount. Examples of exempt property include:

- Household furniture and furnishings
- Tools of a trade or business
- Clothing and jewelry

Social security and other such benefits, including life insurance, may also be exempt property. Some states exempt all or a portion of one's home and adjoining land. To learn more about which assets are protected in your state, contact a lawyer or local nonprofit legal organization.

Module 4

Building financial foundations

- Financial paperwork
- Loan options
- Housing options
- Home ownership
- Mortgage application process

Financial paperwork

Joelle's story of survival

Joelle loves her job. She works 20 hours a week for an organization that advocates for, and provides support to, families in low-income communities.

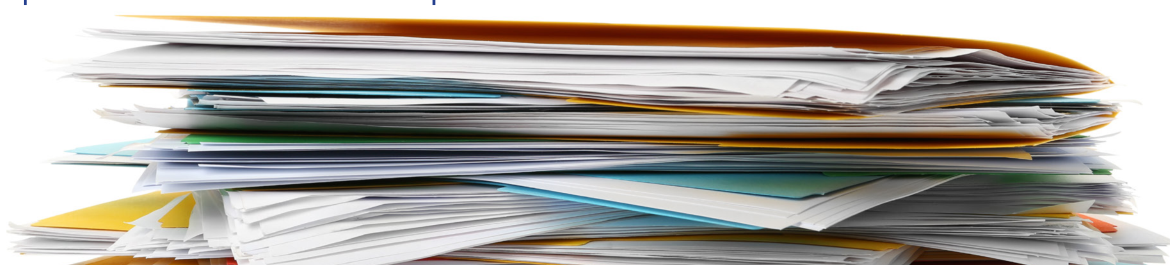
Joelle's life hasn't always been in such a good place. In 1999, she was convicted of a drug felony, incarcerated and went through a drug treatment program. Following her release, she became pregnant and had a child. However, the father was abusive and the relationship did not last.

Joelle had to earn a living and pay for childcare. Because of her felony conviction, she was ineligible for welfare, subsidized childcare, training/education funding, or subsidized housing. She supplemented her income by selling jewelry. To hold her expenses down, she moved in with her cousin. However, the father of her child began to harass her at her cousin's home.

In 2005, Joelle contacted a local domestic violence program and asked for help. By working with an advocate, she was able to secure another side job which allowed her to work from home. She also worked with her advocate on clever ways to save money and remain hidden from her abuser.

Today, Joelle is living in a one-bedroom apartment near the organization she works for and continues to be a strong and proud mother to her child. Her place is small and she still lives on a very strict budget. But Joelle is no longer sought after by her abuser and she is happy.

Joelle's story is similar to many domestic violence survivors. There is hope and help available to gain personal and financial independence.



Financial information

Gathering important financial information will help prepare you for any future loans or large purchases such as a car or home.

At every step of the process, make sure you are considering your personal safety. Talk to an advocate to create a safety plan and be mindful of keeping safe. Carefully consider where and how you store your financial documents and records. You might want to copy or take pictures of some documents, as a back-up. Gathering important financial information will help prepare you for any future loans or large purchases such as a car or home.

At every step of the process, make sure you are considering your personal safety. Talk to an advocate to create a safety plan and be mindful of keeping safe. Carefully consider where and how you store your financial documents and records. You might want to copy or take pictures of some documents, as a back-up.

Financial records

The following list of documents may help as you rebuild your financial life. This list is the ideal and is quite long. Not all items will pertain to you. Don't be discouraged if you are unable to obtain all of these documents. At a minimum, make note of account numbers and contact information for you bank or credit union, credit card company and other lenders. With the account numbers and contact information, you will be able to reconstruct many of these documents. Work with your advocate to make a plan for safely gathering documents.

Financial

- Bank statements
- Bank certificates of deposit
- Information and statements
- Loan documents and statements
- Mortgage repayment records
- Tax filings and refunds
- Business financial statements
- All employee benefits (including insurance, retirement and bonuses)
- Statements of all retirement or investment accounts
- Documentation from any public assistance or benefits received
- Records of debts
- Records of business partnerships

Legal

- Birth certificate(s)
- Marriage certificate
- Passport(s)/immigration paperwork
- Social Security card(s)
- Wills and trust documents
- Records of debts
- Records of business partnerships
- Pre- and post-marital agreements (divorce settlements
- Records of any pending legal actions
- Records of inheritance
- Driver's license or state identification card
- Adoption papers for any adopted children
- Paperwork pertaining to immigration for you, your children and partner
- Protection or retraining orders (including police reports)

Property

- Title documents
- Lease/rental/mortgage agreements and payment records
- List of collectibles, jewelry, artwork, other valuables (include photos)
- Vehicle registrations
- Insurance policies
- Pictures of the furnishings and personal items in your home
- Copies of any existing wills and deeds

Health

- Medical and dental records
- Health, life, and disability insurance policies
- Medical expense records
- Records of prescriptions for drugs and eyeglasses
- List of doctors (for you and your children) and their phone numbers
- Living will

Monthly Expenses

- Household bills (utilities, rent/mortgage)
- Education records
- Entertainment
- Childcare costs and contact information including after-school programs or summer camps
- Church and charitable donations
- Transportation information (gas receipts, toll receipts, taxi receipts, etc)

Loan options

As you begin to rebuild your financial foundation, you may want to look at obtaining a loan to meet your financial goals. Taking on debt isn't always bad and can actually be very helpful in building a positive credit score. The key is to not take on more debt than you can manage. Knowing about different kinds of loans will help you make better decisions. After all, knowledge is power and an important piece of knowledge is this:

Avoid taking out any loan unless you have a solid plan for repayment.

Caution

Be aware that if you are attempting to keep your location or actions confidential, taking out ANY loan, including credit cards, may make you vulnerable and traceable via your credit report. If you participate in an address confidentiality program, make sure you know what your options are for accessing loans without compromising your safety.

Unsecured and secured

There are essentially two types of loans: unsecured and secured. An unsecured loan is obtained without collateral (such as a house or car). Unsecured loans are also called signature loans.

Unsecured loans

IOU Loan
The simplest unsecured loan is a personal loan from a friend or family member. An IOU (I owe you) is a signed agreement to pay back the loan.

This type of loan can be a good option. But before taking a loan from a friend or family member, consider what might happen if you can't repay, if they change their mind, and possible relationship damage.

If you decide to proceed, put the agreement in writing. Spell out the terms of the loan, interest to be paid and when payments are due. Having a written agreement can help avoid future problems. Be sure to include dates, names, addresses, amount of the loan, length of the loan, amount of each payment, payment due dates, interest charged and your signatures.

Credit card loan
Credit card purchases are unsecured loans. Each time you buy something with a credit card, you sign a form authorizing payment and agreeing to pay the money borrowed. There term and amount of the loan are predetermined when you first get the credit card. If you don't pay the loan on time, fees may be added. The account may be sent to collections, and legal action can be taken against you.

As with any loan, the key is to use it only if you have the ability to repay. With that said, credit cards can be a good option for short-term needs and for establishing credit. Discipline is key.

Before putting something on a credit card, consider the interest rate, the monthly payment and how long it will take you to pay off the loan.

Personal loan
Banks can also offer an unsecured personal loan to a borrower. Usually, they will assess whether the borrower is a good risk before handing over cash without collateral. Those who have lower credit scores tend to have less chance of obtaining an unsecured loan. And if they can get one, they may be assessed high interest rates, since the lender is taking more risk.

Usually, an unsecured loan is for a small amount, perhaps for a one-time medical fee or short-term needs. If you have good credit, you should shop around for the best interest rate. Credit unions often offer the best rates.

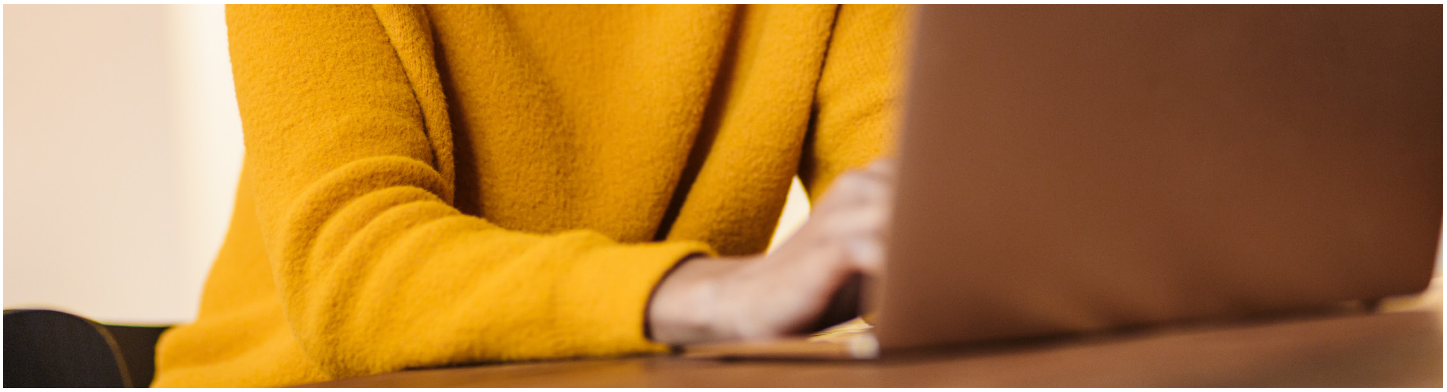
Student loans are also a type of unsecured loan. We will cover student loans in module 5.

Secured loans

Secured loans are protected by an asset of collateral of some sort (such as a house or car). Secured loans are less of a risk to the lender, because they can recover any loss from the collateral used to secure the loan.

Benefits:
- The best way to obtain larger amounts of money
- Lower interest rates since the lender is taking on less risk

Drawbacks:
- If the loan is not repaid, the lender may take possession of the asset used to secure the loan.
- Since the loan amount is generally higher, the application process may take longer.



Debt consolidation loan

One type of secured loan is a debt consolidation loan where a home or other personal property is used as collateral. Instead of having many high interest credit card payments to make each month, money is loaned to pay the original lenders off, and the borrower then only has to repay the one loan.

This can save money over time since interest rates for secured loans tend to be lower. A debt consolidation loan usually offers a lower monthly payment.

If you are considering debt consolidation, it's important to find a trustworthy credit counselor and company. Consumer affairs has helpful guides and tips here: www.consumeraffairs.com/finance/debt-consolidation/#"

Car loan

With a car loan, the loan is secured with the value of the vehicle.

Before shopping for a car or loan, it is a good idea to determine what kind of car payment you can afford. Remember that in addition to monthly payments, the car will need to be insured. It will also require gas or charging and periodic repairs and maintenance.

These costs can add up. Therefore, it's important to plan for them in a monthly budget to avoid surprises or a loan that's too big to carry comfortably.

New vs used
The primary difference between loans for new and used cars is that new car loans tend to come at a lower interest rate. This may be an important factor for people with poor credit, as the higher interest rate could make a used car substantially more expensive. For people with good credit, the difference in interest rate may not make a huge impact. In either case, be careful to find a loan that meets your needs.

Calculator
When considering a car loan, it can help to use a calculator such as: https://www.allstate.com/resources/car-insurance/car-loan-calculator
A car loan calculator can give you a rough idea of how the amount of a loan, length, and interest rate can change monthly payments. It can help you figure out the total cost of the loan over time.

As a general rule, loans with short terms are better (36 vs. 60 months), because borrowers pay less interest, lowering the overall cost.

New car loans tend to be large, because new cars are more expensive than used cars, but new car loans tend to have lower interest rates. Taking out a loan, adds to the cost of a car over time, but may be necessary if you don't have cash to pay in full. Used car loans are smaller, but have higher interest rates as the value of the car may go below the value of the loan before it is paid, increasing the lender's risk

Example

The chart below shows a $15,000 car loan. It shows different interest rates based on the length of the term. As you can see, a shorter term means a higher monthly payment. However, over the length of the loan, you end up paying much less interest. Please note that these interest rates are for illustrative purposes only and not a reflection of current rates.

Loan	Term (months)	Interest rate	Monthly payment	Total interest paid
$15,000	36	3.24%	$437.81	$761
	48	3.39%	$334.61	$1061
	60	3.49%	$272.81	$1369
	72	3.74%	$232.90	$1769

Financing with credit

If you are considering financing through the car dealer, make sure you understand all of the costs. Some car dealers may have relationships with the lender to make financing easier. However, these relationships may involve payments to the dealers for routing loans to particular lenders. Be sure to get a full explanation of all costs involved.

It is also possible to find car loan financing from your bank or credit union. Additionally, there are online financing options. The customer service may not be as good with online financing. To minimize the negative impact on your credit score, shop around without applying for any loans. Then ask only one or two lenders that appear to have good rates and terms for pre-approval. In a pre-approval, the lender will provide you with paperwork indicating how much the lender will give out and what the interest rate and terms of the loan would be.

Financing without credit

There are also no credit car loans. While there may be good reasons to consider a no credit car loan, there can also be dangers. Some of the drawbacks include:

- Typically only available for used cars
- Many lenders for this type of loan don't report to credit reporting agencies making it difficult to rebuilt your credit
- Higher interest rates
- If a payment is missed, the interest rate may increase and the lender can repossess (take back) the vehicle

If you have bad credit, you can likely find at least some lenders who will finance a car for you. However, be careful. Some lenders take advantage of borrowers who have bad credit.

Housing options

Transitional housing

Transitional housing programs can be an option if you are leaving an emergency shelter or not yet in a position to afford living completely independently. In addition to affordable housing, many transitional housing programs provide support services including money management and/or savings programs. They may also have added safety measures.

Some transitional housing programs offer rent subsidies. Subsidies allow participants to find and keep their own housing by assisting with rent for a set time period. Other transitional housing programs offer apartment-style quarters owned by the program or congregate living where several individuals or families share a household. There are domestic violence specific transitional housing programs. Services may include: childcare, advocacy, therapy, job training and/or job placement. You can generally participate in a transitional housing program for between 6 months-2 years.

Rental properties

Before you look for a room, apartment or house to rent, determine how much you can afford to pay each month. Housing experts generally recommend that you limit your rent to 25-30% of your income.

For example, if your gross monthly income is $1600, you should look for subsidized housing that costs no more than $480 a month.

Additional considerations before renting

- Determine the size home you need and what you need to live near to
- Research the fees and utility costs
- Make sure all utility bills in your name are current
- Look at multiple options
- Make sure you have enough money for the application and deposit

Section 8 federal housing

The Section 8 federal housing program provides rent subsidies (either rental certificates or vouchers) for eligible tenants. The subsidies usually equal the difference between 30% of the household's adjusted income and the approved market rent. For example, if the approved market rent for an efficiency apartment is $600, and 30% of your adjusted income is $480, a Section 8 voucher could cover the remaining $120.

The Department of Housing and Urban Development (HUD) or the local Public Housing Authority set the rent. Availability varies by location and wait lists are often years long. Not all landlords will accept Section 8 or other federal housing subsidies.

Lease bifurcation

If you are on a lease or rental agreement with your current or former abuser, you may be able to remove your name or have their name removed from the lease.

This process is called lease bifurcation. The laws and process vary by state. In many states, there is a specific process for victims of domestic violence. Be sure to ask your advocate or an attorney about the options and process for your state.

Addressing property damage

If your abuser damages rental property and your name is on the lease, you will be held responsible for the damage. However:

- You may be able to obtain financial assistance to make repairs through your state's Crime Victims Compensation Fund. Ask your advocate first. You may need to file a police report and depending on local laws, calling the police could result in you being evicted.
- If you have renter's insurance, read your policy to see if it might cover the costs of the damage
- Check with your advocate to see if there are any local domestic violence financial assistance programs that can help.

General tenants' rights

Livable rental units must provide:

- Accommodations that are weather and waterproof
- Working plumbing
- Sufficient hot and cold running water
- Working heating system
- Working electrical system
- Freedom from infestations of insects and rodents
- Floors, stairways, and railings in good repair
- Working windows that open at least halfway or mechanical ventilation
- Fire/emergency exits
- Working deadbolt on the main entrance
- Working smoke detectors

Notices

Tenants have a right to written 24-hour advance notice of the owner's intent to enter the property except in case of an emergency. When a tenant has provided a written request for repairs to the landlord, the tenant has the right to a prompt response.

Generally you must receive 30 days written notice of a rent increase under 10% an 60 days written notice of a rent increase of more than 10%.

In most cases, you must receive your security deposit within 21 days of vacating a unit. If any of the deposit is withheld, the landlord must provide you an itemized statement of the charges.

General tenant responsibilities

Tenants must:

- Pay rent on time
- Keep the unit clean and sanitary
- Use gas, electrical, and plumbing fixtures properly
- Fix or pay for repairs of items they or their guests damage
- Not remove anything from the structure that isn't theirs
- Use the premises for the intended purposes
- Not engage in illegal activities on the premises
- Limit household tenants to the number allowed by law/lease

Before signing a lease

- Don't put money down unless you are sure you want the apartment
- Calculate the anticipated utility costs when determining if it's affordable
- Check the condition of the apartment
- Get a written agreement for any needed repairs
- Talk to current tenants about their experience with the landlord
- Visit the neighborhood at different times of day
- Be aware that deposits can be difficult to recover even when you are legally entitled to get them back.

Evictions for non-payment of rent

There are three steps to eviction:

1. Notice from the landlord-must be written and must give you an opportunity to pay the rent or vacate. If you don't do either, the landlord may file a lawsuit in court.
2. Notice from court-if you receive a petition for eviction and summons to appear, the landlord has filed an eviction lawsuit against you. This can have significant negative consequences for you and make it hard to rent again even if you eventually settle the lawsuit.
3. Notice from sheriff-if the landlord wins the lawsuit, they can get an order to vacate (warrant). It will most likely be enforced against you by law enforcement.

Notice from landlord
Talk to a lawyer if you believe that you do not owe the rent that is being demanded of you. If you agree that you owe the money, you can meet the terms of this notice by paying the overdue rent within the time stated in the notice. Be sure to pay with a check or money order to help prove that you paid the money. Write the months you are paying for on the check/money order. If you have to pay in cash, be sure to get a receipt that specifically states you have paid those months in full and keep it somewhere safe. If you don't have enough money to pay the rent, contact a local domestic violence program or other community organizations about possible grants or loans.

Notice from court
Step 1: Talk to a lawyer as soon as possible to see if you have any legal defenses to the rent being demanded. For example, if the landlord created an environment that was dangerous to live in, they may have breached the "warranty of habitability".

Step 2: Begin thinking of how you may be able to pay the rent owed. Perhaps you can ask your landlord to set up a payment plan. You may be able to apply for a grant to prevent homelessness from public assistance. Or you may be able to get help from a private charity. Contact a non-profit such as your local legal aid office for possible help from an attorney.

Even if you do not have a lawyer, show up to the court date! If you don't attend, a judgment of eviction and a warrant for possession of your rental unit will likely be issued.

Notice from sheriff

Comply with this notice and move your family and your belongings as soon as possible. If you leave any items behind, you may have to pay storage fees to get them back. Or the landlord may consider the items abandoned and discard them.

If you did not receive a summons/petition before you received the order to vacate or if you believe that you are being wrongfully convicted for any other reason, see a lawyer immediately. The lawyer may be able to get the order/warrant set aside, on grounds that you did not have a chance to defend yourself in court. However, you may also have to prove that you had a "meritorious defense" to the initial court case. Even if you can't get a lawyer to help you, you can go to the court yourself to see if you can file an order to show cause (or other legal papers) This would ask the judge to set aside the warrant of eviction and to give you more time to pay the rent owed.

Illegal evictions

An illegal eviction can take place when you are forced to leave your home by someone who doesn't have a legal right to evict you or when your landlord doesn't follow proper legal eviction procedures. Talk to a lawyer if you believe you are being wrongfully or unlawfully evicted. For example, you may be illegally evicted if your landlord:

- Changes the locks while you're out or stops you from getting into your home
- Makes life so uncomfortable that you're forced to leave. For example, turning off the heat, water, electricity, etc. This is known as a "constructive eviction"
- Physically removed you from the property or has someone remove you who is not legally authorized to do so

Illegal eviction can be both a civil and criminal offense. The courts may force your landlord to allow you back into you home, impose fines, award compensation, and even arrest the landlord.

You can call the police if your landlord has illegally evicted you. The police might tell the landlord to let you back in. This is dependent on your state's laws. You can also contact a lawyer in addition to or instead of the police. A lawyer can help you file a petition in court to ask the judge to order the landlord to allow you back into the home. Or you could inform the landlord in writing that their actions are illegal. In this letter, demand that your landlord allow you back in immediately, stop trying to illegally evict you, stop harassing you, and return any belongings they took. Be sure to keep copies of the letter and any other communication to or from your landlord.

Home ownership

For most people, obtaining a mortgage is necessary in order to buy a home. If you are interested in buying a home, check with your bank or credit union to see what mortgage options they offer. You may also want to consult with at least one mortgage broker. A realtor may also be able to refer you to a lender. A good financial professional can help you:

- Understand the different types of mortgages
- Get a mortgage
- Walk you through the mortgage application process
- Calculate what type of monthly mortgage payment you can reasonably manage

Seeking solid mortgage advice before purchasing a home can help you avoid mistakes that could be very costly in the long run.

A dream

Many people dream of buying a home. To make this dream a reality, ask questions, set goals and plan carefully. Ask yourself these questions:

- Do you have a steady income and a stable job?
- Do you plan to stay in the same community for at least 3-5 years?
- Do you have a budget and do you stick to it?
- Do you have good credit or non-traditional credit history (including payments to landlords, utilities, cable, insurance, etc.)?

- Do you have savings for a down payment and closing costs?
- Have you researched programs that offer down payment or closing cost assistance? Including domestic violence survivor specific programs?
- Have you looked at mortgage programs for low and moderate- income borrowers?
- Have you taken homebuyer education classes?

Can I afford to buy?

Most lenders require a down payment. It can be anywhere from 3-20% of the mortgage. Many first-time homebuyer programs use a 3-5% down payment.

Most people can comfortably repay a mortgage that is 2.5 times their annual gross income. Although you may qualify for a large mortgage with some lenders, you may be unable to sustain the monthly payments and could lose your home. Review your finances and estimated monthly expenses carefully. Do not take on a mortgage unless you can comfortably make the monthly payments and afford annual insurance and tax increases as well as maintenance and repairs.

Calculators

Before contacting a lender, you may want to try a couple online mortgage calculators. Here's one possible calculator to try: https://www.allstate.com/resources/home-insurance/home-loan-calculator

Calculators can help you get a rough idea of the size of mortgage you can afford and likely monthly payments. Keep in mind, they are ballpark figures and depending on calculator may not factor property taxes, homeowner's insurance, and/or homeowner's association fees (if applicable) into the monthly amount.

Closing costs

Closing costs are fees paid to finalize the mortgage and home purchase.

Closing costs include a title search, which will prove that no one else owns or has a lien on the property. You will have the option to, and generally should, purchase title insurance. You may also have to pay for a land survey, termite inspection and homeowners insurance as part of closing. Ask your lender to explain the closing costs before you sign any papers. Watch for hidden fees and be sure to comparison shop.

Mortgage types

A mortgage is a type of secured loan. The terms of a mortgage loan are usually different from other types of bank loans. In most cases, the property that is purchased with the mortgage is used as collateral for the debt. Mortgages commonly last for 15 or 30 years.

Fixed-rate

With a fixed-rate loan, your interest rate won't change unless you refinance. The most common mortgage lengths are 15 and 30 years. With a 15 year mortgage, you agree to pay the amount borrowed and all interest within 15 years (180 monthly payments). With a 30 year mortgage, you agree to repay the amount borrowed and all interest within 30 years (360 monthly payments).

30 year mortgages typically have lower monthly payments. Over the life of the loan, you pay less interest with a 15 year mortgage but have higher monthly payments.

Adjustable rate

An adjustable rate mortgage, also known as ARM or floating rate mortgage, is a type of mortgage in which the interest rate is not fixed for the entire life of the loan. The rate is fixed for a period at the beginning, called the "initial rate period", but after that it may change based on the interest rate index.

An adjustable rate mortgage isn't always a bad thing, and it is more risky than a fixed-rate mortgage. If the index falls, you might pay less than you would with a fixed-rate loan. However, if the index rises, you may pay more. Adjustable rate mortgages often have a cap on charges. For example it might have a cap of 2% maximum per year. Or a 6% cap over the lifetime of the loan. Make sure you know the specifics of any adjustable rate mortgage you consider. And make sure you can afford the maximum possible interest rate increase payments.

Sub-prime

If you are unable to qualify for a traditional fixed-rate mortgage, a sub-prime loan may be an option. Sub-prime loans are given to people with a bad credit record. They typically have high interest rates.

Sub-prime loans are considered high-risk loans for borrowers. Be sure to read the section on predatory lending before considering a sub-prime loan as predatory lending is very common in the sub-prime market.

Comparison chart

The chart below compares 15 and 30 year mortgages for two different loan amounts. It illustrates how term length affects the interest rate, monthly payment, and overall cost of the mortgage. You can try different terms and interest rates using a mortgage interest calculator such as: https://www.allstate.com/resources/home-insurance/mortgage-interest-calculator Please note that these interest rates are for illustrative purposes only and not a reflection of current rates.

Loan amount	5% down payment	Term (years)	Interest rate (APR)	Monthly payment	Total interest paid	Total payment
$100,000	$5000	30	3.802%	$670	$64396	$159,396
		15	3.104%	$888	$23,947	$118,947
$200,000	$10,000	30	3.641%	$1,255	$122,555	$312,555
		15	2.894%	$1689	$44,439	$234,439

Predatory lending

Predatory lending is the practice of using unfair, deceptive and abusive tactics in lending money. Dishonest lenders take advantage of borrowers who aren't knowledgeable about lending practices and will agree to unfair, financially damaging terms.

Predatory lenders also target borrowers who are desperate enough to obtain loans they will agree to nearly anything. People from all backgrounds, income levels and walks of life can be victims of predatory lending.

Predatory mortgage lenders offer loans at very high interest rates that often include unfair pre-payment penalties and/or balloon payments. Balloon payments are large payments due at the end of a loan to pay off the amount monthly payments didn't cover. Often these terms are hidden within very technical language, making it difficult to understand what you're being asked to agree to.

Stay away from lenders that advertise guaranteed loan approval. Also, be wary of loans advertised through telemarketers or traveling salespeople. Research the lending company you are considering to see if it has been accused of predatory lending. Read all loan agreements carefully before signing and make sure there are no blank spaces.

Mortgage application process

General lender guidelines

Different lenders use different criteria for loan approvals. Below are some common lender guidelines.

Employment history
Most lenders look for two consecutive years of employment within the same industry. Lenders look for stability and use employment history to help evaluate your ability to earn income and repay a loan.

Credit history
Lenders look for a history of on-time payments. Too much debt on credit cards or maxed-out credit lines indicate you may be unable to pay your debt. Pay down any short-term debt at least six months before applying . Try to make sure you don't owe more than 30% of the card limit on any credit cards

Outstanding liabilities
Your total monthly payments for debts (including credit card debt, car loans, student loans, existing mortgages and/or child support you are ordered to pay) should not exceed 42% of your monthly income.

Cash and asset reserves
Lenders may request information about your cash available (checking and savings). Many lenders require enough cash and assets be available to cover at least two monthly mortgage payments.

Pre-qualification

Loan pre-qualification is a process that pre-approves a homebuyer for a specific loan maximum. Some realtors will only show houses to prospective buyers who have been pre-approved.

The loan officer will ask you several questions and ask for documents. For example, they will inquire about your income and current debts.

Loan approval

As valuable as loan-prequalification is, it is not a guarantee of a loan. The actual loan approval process can be long and tedious even if you have great credit history and solid income.

Once you have an accepted offer on a loan, then you will begin the loan application. The application will ask about your identity, employment history, income, monthly expenses and debts. You will also provide information about the house you want to buy.

Credit report check

Another part of the loan approval process is checking your credit. No matter how good your application looks, the lender is likely to reject you if your credit history is poor.

Some experts recommend checking your credit report before submitting a mortgage application. If you choose to do so, you will want to look for any inaccurate information and begin the correction process with the credit bureau.

Checking other documentation

The loan officer will also likely request tax returns, bank records and proof of income in order to verify the information on your application. If you have a co-borrower or co-signer, they will have to submit the same information.

Mortgage application tips

Get help before you sign
If you're concerned about becoming a victim of predatory lending, have a counselor or attorney review the loan documents before you sign them.

Read the fine print

Watch for balloon payments, high interest rates and fees, and credit life insurance. These are all things you don't want.

Shop around

Comparison shop to get a loan with the best terms and fees. If you don't understand loan terms, ask a housing counselor to review the documents with you.

Avoid high-pressure sales

Don't use a lender that engages in high-pressure sales tactics. Be leery of advertising that promises "No credit? No problem!"

Review total costs

A low monthly payment isn't always a deal. Look at the total cost of the loan. When comparing two options, make sure they include the same items in the monthly cost—some lenders provide an estimate that only includes principal and interest and others include principal, interest, taxes and insurance.

Watch what you sign

Never sign a blank document or any document the lender promises to fill in later.

Module 5

Long-term planning

- Saving strategies
- Investment options
- Insurance overview
- Education Opportunities
- Education finances

Savings strategies

Lauren's story of survival

Lauren, a successful business woman, has hidden the pain of her abusive marriage for many years. For a long time she hoped that the violence would stop. But despite all of his promises, James continues to be very cruel toward her.

On paper, Lauren and James appear to have built a very successful relationship. This is untrue. Despite her successful, high-paying career, Lauren must ask permission to buy anything. She has no idea what they jointly own.

After 13 years of marriage, Lauren has decided to leave James. She doesn't know where to begin to separate the financial responsibilities they share. James has emptied her savings account and money market fund, leaving Lauren with no access to cash.

She is afraid no one will believe her. And Lauren doesn't want her coworkers to find out she is a victim of abuse. She fears they will think of her differently.

Afraid, but knowing something has to change, Lauren reaches out to her local domestic violence agency. She connects with an advocate who helps her safety plan to leave. Lauren waits until there's a shelter opening so she has somewhere to stay.

Compound interest

As you read in module 2, compound interest can help create wealth over time and is key to helping your savings grow.

Take the example of 20-year old Britney. She made a one-time $5000 contribution to her retirement account. This account earned an average 8% annual return. Britney never touched the money. And so, by the time she retired at age 65, that $5000 grew to $160,000. If she'd waited until she was 39 to make her single investment, that $5000 would have only grown to $40,000

Compounding interest can help you save even more with regular deposits and investments. If Britney continued to add $5000 to her retirement account each year for 45 years with an average of 8% interest, her retirement savings will total over $1.93 million. She will have more than eight times the amount she contributed.

Compound interest can help you grow your savings faster. Different financial institutions have different interest rates, so look for a higher rate to help you grow your money.
Here's an example of how saving $10 a month, with 2% interest, can grow over five years.

Year 1: $121.11 Year 2: $244.66 Year 3: $370.70 Year 4: $499.29 Year 5: $630.47

Time and regular deposits

For many of us, saving $5000 a year is impossible. Instead, start with an amount that works for you. See if you can save 2% of your income. For example, if you make $25,000 a year, your annual retirement saving goal would be $500 per year or about $40 per month.

Making compounding work for you

Start early
The sooner you start, the more time compounding can work and the wealthier you can become. Start saving as soon as you can and save as much as you can. To help older workers, federal regulations allow them to put more money into retirement plans to give them a chance to "catch up".

Invest regularly
Make regular retirement savings contributions. If you work for a company that provides a match, use this benefit. Sign up for the highest match you are eligible for.

Be patient
If possible, don't touch the money. Compounding only works if you allow your investment to grow over time. The results will seem slow at first—most of the magic of compounding comes at the very end.

There are a number of types of accounts where you can earn varying interest on your savings. Interest earned on savings is a way to increase your income, even if its only small amounts. Making your money work for you via interest-earning savings helps you maximize your earning potential.

Here is an example of how $480 per year could grow over 20 years. The interest rate is for illustrative purposes only and does not reflect current rates.

Year	Year deposits	8% growth	Total deposits	Total growth	Balance
1	$480	$21.17	$480	$21.17	$501.17
2	$480	$62.49	$960	$83.66	$1,043.66
3	$480	$107.20	$1,440	$190.86	$1,630.86
4	$480	$155.61	$1,920	$346.47	$2,266.47
5	$480	$208	$2,400	$554.47	$2,954.47
6	$480	$264.72	$2,880	$819.19	$3,699.19
7	$480	$326.11	$3,360	$1,145.30	$4,505.30
8	$480	$392.55	$3,840	$1,537.85	$5,377.85
9	$480	$464.48	$4,320	$2,002.33	$6,322.22
10	$480	$542.34	$4,800	$2,544.67	$7,344.67
11	$480	$626.61	$5,280	$3,171.28	$8,451.28
12	$480	$717.83	$5,760	$3,889.19	$9,649.11
13	$480	$816.57	$6,240	$4,705.68	$10,945.68
14	$480	$923.45	$6,720	$5,629.13	$12,349.13
15	$480	$1,039.14	$7,200	$6,668.27	$13,868.27
16	$480	$1,164.36	$7,680	$7,832.63	$15,512.63
17	$480	$1,299.91	$8,160	$9,132.54	$17,292.54
18	$480	$1,446.63	$8,640	$10,579.18	$19,219.18
19	$480	$1,605.45	$9,120	$12,184.63	$21,304.63
20	$480	$1,777.36	$9,600	$13,961.99	$23,561.99

Investment options

Investment vehicles

There are many different ways to invest including, stocks, bonds, mutual funds and real estate. Sometimes people refer to these options as investment vehicles. Each way to invest has positives and negatives. The goal is to choose the options that are right for you and to try to earn interest on your money.

Retirement accounts

Retirement accounts are one of the most common investments. Retirement plans can be set up by employers, insurance companies, the government, unions, etc. Select below to learn more about different types of retirement accounts.

Individual Retirement Accounts (IRAs)
Individual Retirement Accounts (IRAs) are retirement accounts that provide tax advantages when you save for retirement. There are different types of IRAs, some provided by employers and others are set up by individuals.

Pensions

Pensions are retirement plans set up by employers to provide benefits to retired employees.

401(k) plans

401(k) plans are retirement plans that defer income taxes on retirement savings and any interest they may earn until withdrawn. Most plans are sponsored by private-sector corporation employers.

Other deferred salary plans

There are other salary deferral retirement plans. 403(b) plans cover employees of educational institutions, churches, public hospitals and nonprofit organizations. 401(a) and 457 plans cover employees of state and local governments and certain tax-exempt entities.

Calculating retirement goals

As a general guideline, you can expect to live on 70-80% of your pre-retirement income. Some retired women spend as little as 60% of their pre-retirement income, while others spend more than when they were employed.

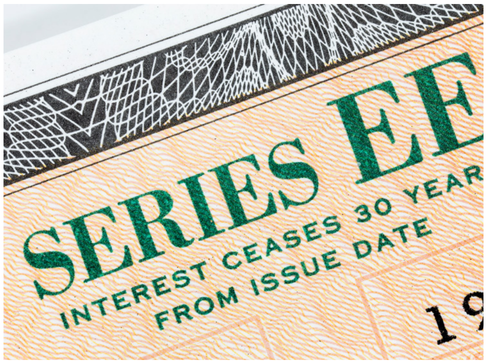
Most people use a mix of stocks and bonds for their retirement savings. When considering how you will divide your funds, it's important to consider how many years you have until you retire and your tolerance for risk. Will you retire early or are you planning to work at least part-time as long as you can? How many years of retirement do you expect to have?

During times of inflation or rising prices, you'll need more income to support your current lifestyle. When calculating how much money you'll need for retirement, assume inflation rates of 3-4%.

What type of retirement do you picture? Do you plan to stay in your current home? Do you plan to retire to a beach community elsewhere? Will you downsize and significantly reduce your monthly costs?

Putting money toward the future can feel impossible when paying bills now is a challenge. But even a small amount can grow over time.

Bonds, funds, and stocks



Savings bonds

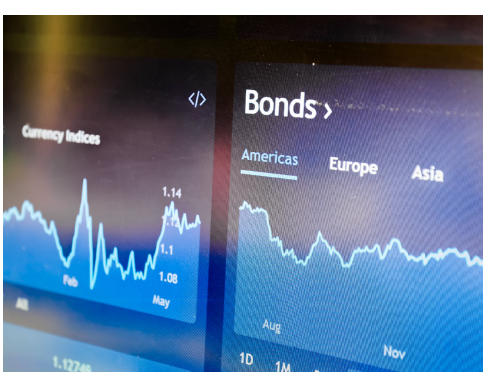
Savings bonds are issued by the government, in face value denominations from $50 to $10,000. Interest on the bonds accumulates tax-free. When you buy a savings bond, you usually pay half its value, and when it matures the bond is usually worth twice as much as you paid. For example, if you pay $50 for a $100 savings bond, it will be worth at least $100 upon maturity.

Mutual funds

Mutual funds are a collection of stocks from different companies that are combined into a single investment. For example, a mutual fund might invest 10% in bank stocks, 25% in retail outlet stocks, 25% in medical tech stocks, 25% in high-tech stocks and 15% in government securities. Mutual funds accept money from many investors and often charge a fee to manage the “mix” of stocks.

Stock

Stock investments make you a shareholder of a public company. Your money can then be used in the company’s business. In return for your investment, you are entitled to a share of the company’s profits. Earnings are paid back as dividends or retained to help the company grow. If the company isn’t profitable, you may experience losses.



Bonds

Bonds work as a loan to a company. A bond is a contract that guarantees your loan will be repaid by a specific date (maturity date). It also guarantees that you will receive a specific interest rate for the use of your money. Bonds are a relatively safe way to invest and most pay interest twice a year. They pay the face amount when they reach maturity.

Estate planning

An estate plan will preserve your assets after you die. Although you may not consider yourself wealthy enough to have an estate, if you own a home, furniture, car and/or have money in a retirement fund you should protect it. This is true no matter how old you are. An estate plan can protect your assets and provide financial and emotional stability for your survivors. If you die without an estate plan, legal problems may delay the distribution of your assets. There are several ways to protect your estate.

Will

A will is usually the heart of an estate plan. Without a will, the laws of your state will decide who receives your property. If you don't designate a legal guardian for any dependents of minor children, a court will decide who will raise them.

Trust

A trust can hold virtually any kind of tangible or intangible property. Tangible property is personal property such as clothes and furniture. Intangible property includes stocks and other non-physical property.

Trusts can be as flexible as needed to meet your objectives. Some trusts are established to avoid probate or reduce future estate taxes. Others are designed to provide for minor children.

Power of attorney

A power of attorney document clearly states your wishes about how to handle your healthcare and property. It states who is responsible for carrying your wishes out if you are unable to communicate. Be sure to pick someone who will likely always be a consistent part of your life.

Life insurance

Life insurance can provide the cash your survivors may need to pay federal estate taxes when you die and/or other expenses. If you purchased life insurance prior to leaving your abuser, remember to change the beneficiary names.

Community programs

You may also be able to access asset-building programs in your community. There may be income limits. Some programs to look for include:

Match savings
Match savings programs are savings accounts matched by public or private sources. Each program will have their own guidelines regarding eligibility and use of the funds.

Micro-enterprise development
These are small capital investments that help individuals to form micro-businesses.

Financial literacy programs
There programs exist to help people learn how to manage their finances and make wise economic choices. Some programs may include information on owning a home or business, saving for education and/or saving for retirement.

Federal and state earned-income-tax credits (EITCs)
EITCs provide cash to low-income individuals through tax refunds. Many states offer an income tax credit in addition to the federal EITC.

Unemployment insurance
Unemployment insurance can hep you pay the bills if you are between jobs. In some states, survivors who leave a job due to domestic violence are eligible for unemployment.

Emergency assistance funds
Some nonprofit organizations and faith-based institutions offer emergency assistance to help pay rent, utility bills and/or relocation costs.

Miscellaneous savings programs
There may be additional savings programs that could help you save for needed assets. Research to see what is available in your community and ask your advocate if their are any domestic violence specific programs you qualify for.

Insurance overview

Insurance is an important part of your financial well-being. It can help protect you financially if you have health problems, are involved in a car accident, or if your home is damaged.

Health insurance

Health insurance covers health and medical expenses due to illness or accidental injury. Costs and covered services vary. The Affordable Care Act (ACA) expanded access and coverage. The ACA added important protections for domestic violence survivors. Prior to its' passage, insurance carriers could deny coverage for many reasons including being a survivor of domestic or sexual violence.

You may be able to get health insurance through a job, the ACA, or a state program. Additionally, if you lose employer-based coverage, you may be eligible for COBRA coverage which allows you to keep the same insurance by paying the full premium for up to 18 months. You can learn more at www.healthcare.gov

Health savings account

If you have a high-deductible health insurance plan, you may be eligible for an HSA. It allows you to pay for current health/medical expenses on a tax-free basis. It also allows you to save for certain medical and retiree health expenses on a tax-free basis. You own and control the money in your HSA. If you have enough money in your HSA, you may be able to invest part of it.

Auto insurance

Auto insurance can help you repair or replace your car if you get into an accident. It can also help protect you in the event of a lawsuit. In most states, car owners are required to have some level of auto insurance. Drivers must be able to pay for any losses they cause, including the cost of repairing a damaged car, paying for medical expenses and more.

Home and renters insurance

Homeowners insurance pays to help repair and replace your home if it's damaged or destroyed. Renters insurance helps protect your furniture or other personal property as well.

Life insurance

There are two basic types of life insurance, term and whole. Term life is less expensive.

Term
A term policy is life coverage only. On the death of the insured it pays the face amount of the policy to the named beneficiary. You can buy term life for periods of one year to 30 years.

Whole
Whole life combines a term policy with an investment component. The policy builds cash value that you can borrow against.

Disability and long-term care

Disability insurance provides a portion of income lost due to a total or partial disability caused by illness or accident. There are both short-term and long-term policies.

Long-term care insurance can help protect your family and savings from medical costs in the event of a lengthy illness

Domestic violence and underwriting

Some insurance companies deny insurance coverage to survivors by using domestic violence as an underwriting criteria (a basis for determining who to cover, what to cover, and how much to charge). This discrimination can occur with many types of insurance. Additionally, insurers are not required to disclose the reason for rejections or other adverse actions. Adverse actions can include denying a claim or raising premiums. This makes it difficult to know if domestic violence criteria were used by the insurer.

Many states have laws that don't allow companies to use domestic violence as underwriting criteria. Work with an advocate and consider whether or not to file a complaint if you think you are experiencing discrimination due to domestic violence.

Education opportunities

Further education or training may be part of your plan for starting over. Additional education can be a way to increase your income potential.

Consider working with a career counselor to help you develop or change a career path. You may be able to find a counselor at a college or university near you. Or visit the National Career Development Association (NCDA) www.ncda.org for more information on finding a career counselor and for resources on choosing a career.

Education and training

Below are some education and training options that may be options for you:

General Educational Development (GED)
GED programs provide an alternative way to finish high school. Most businesses colleges and technical schools recognize GEDs as the equivalent of a high school diploma.

On-The-Job Training (OJT)
OJT programs range in length from a month to a year or more. They sometimes include classroom training.

Community colleges

Community colleges provide associate degrees and the opportunity to transfer to a four-year college or university. They are often less expensive than other colleges in universities. Many allow enrollment without taking tests such as the Scholastic Aptitude Test (SAT) or American College Testing (ACT) test.

Trade or vocational schools

Trade or vocational schools provide specialized training in specific fields. Fields can include health care, plumbing, heating, truck driving, cosmetology and more. Learning is often hands-on and can be faster than a four year degree.

Certification programs

Certification can provide training to work in a specific profession. Certification requirements vary widely. Some are offered by colleges or universities; others are offered by professional organizations. Some certificates must be renewed regularly, require continuing education and/or require people to pass a standardized exam.

Four-year colleges and universities

Colleges and universities grant bachelors, masters and doctoral degrees in addition to professional certificates.

Education finances

Financial aid

Financial aid is a critical piece of affording higher education for most people. Grants and scholarships generally do not have to be repaid. Student loans generally have to be repaid, with interest. Sources of financial aid include:

- The federal government
- State government
- Colleges
- Private organizations

FAFSA

The Free Application for Federal Student Aid (FAFSA) is used to determine who is eligible for federal student aid programs, including programs that aren't based on financial need. Additionally, most states, schools and private organizations also require FAFSA completion. Some schools and programs will require additional submissions such as the CSS/Financial Aid Profile. Visit FAFSA.gov to learn more about the FAFSA.

Scholarship search tools

These scholarship search tools can help you locate scholarships and grants to apply for:

U.S. Department of Labor scholarship search tool: https://www.careeronestop.org/Toolkit/Training/find-scholarships

College Board search tool: https://bigfuture.collegeboard.org/

FastWeb scholarship search: https://www.fastweb.com/

Scholarships for survivors

Ask your advocate if they know of any survivor-specific scholarships.

One to consider is the Women's Independence Scholarship Program (WISP). The WISP provides support for full or part-time students attending accredited programs. Learn more: https://wispinc.org/new-applicant-eligibility/

Student loans

Private student loans can be risky, usually have variable interest rates, less flexible payment options, and no options for forgiveness. Avoid taking private student loans.

Most federal student loans don't require a credit check or cosigner. No payments are required until you leave college or drop below half-time. You may qualify to have the goverment pay the interest that accrues while you are in school. Federal student loans generally have a six month grace period meaning you have six months after leaving school before you have to start making payments. There are flexible repayment plans, options to postpone payments, and the possibility of federal student loan forgiveness if you meet the requirements.

Types of federal student loans

There are a number of different types of federal student loans available:

Direct subsidized loans
Direct subsidized loans are loans given to eligible undergraduate students who demonstrate financial need.

There are a number of different types of federal student loans available:

Direct subsidized loans

Direct subsidized loans are loans given to eligible undergraduate students who demonstrate financial need.

Direct unsubsidized loans

Direct unsubsidized loans are made to eligible undergraduate, graduate and professional students. Eligibility is not based on financial need.

Direct PLUS loans

Direct PLUS loans are made to graduate or professional students and parents of dependent undergraduate students. They help pay for education expenses not covered by other financial aid.

Direct consolidation loans

Direct consolidation loans allow you to combine all of your eligible federal student loans into a single loan with a single loan servicer.

Federal Stafford loans

Federal Stafford loans are awarded on the basis of financial need.

Federal Perkins loans

Federal Perkins loans is a school-based loan program for undergraduates and graduate students with exceptional financial need. For Perkins loans, the school is the lender.

Paying for education

Before taking a student loan, evaluate how much you can afford to borrow and what it will take to repay the loan. If you need low monthly payments, the income-driven repayment plans for federal student loans can help. Annual income verification and other paperwork is required. Visit the Department of Education's loan simulator at: studentaid.gov/loan-simulator to help you figure out the right repayment plan for you.

Additional resources are available including:

The National Consumer Law Center's student loan borrower assistance page: https://studentloanborrowerassistance.org/

NNEDV Student Loan Expert Heather Jarvis' website: http://askheatherjarvis.com/

Tuition reimbursement

Tuition reimbursement (tuition assistance) is an arrangement between an employer and employee that outlines the terms under which the employer helps pay for continuing education. Some companies pay at registration while others only reimburse after successful completion of coursework.

529 plans

If you can, try to save money in advance for college. A 529 plan or “Qualified Tuition Program” is a tax-advantaged investment plan that can help you save for future higher education expenses. There plans are administered by state agencies and organizations. There are two types of Qualified Tuition Programs:

Prepaid Tuition Plans allow participants to purchase future tuition at today’s rates.

College Savings Plans invest your savings and your earnings will vary based on the performance of the investments. When you use the savings from a 529 plan for qualified higher education expenses, you will not be taxed on your investment earnings. Many states offer similar state tax benefits.

IRA

Be very cautious when considering using IRA withdrawals for college costs. You can withdraw from an IRA to pay higher education expenses for yourself, your spouse, your child or your grandchild. You will owe federal income tax on the amount withdrawn, but won’t be subject to the early withdrawal penalty. Be very careful as you will also need funds for retirement.

Taxes

Take advantage of the available tax credits and deductions for higher education expenses.

The American Opportunity Credit allows you to claim up to $4000 in qualified education expenses that can result in up to $2500 in tax credits per student, per year for the first four years a student works toward a degree or similar credential.

The Lifetime Learning Credit reduces the federal tax liability up to $2,000 per student, per year for qualified educational expenses.

You may also be able to deduct up to $2,500 per year of student loan interest on your taxes, reducing your adjusted gross income.

Remember to safety plan

If you don't participate in an address confidentiality program, consider getting a PO Box for college applications. This will help keep your home address private in case the school publishes a student directory or posts addresses on their website.

Research each school's privacy policy and opt-out policy for information sharing.

Work with an advocate to develop a safety plan tailored to your situation and needs.

Glossary

Address Confidentiality Program-A program typically created by states, to protect victims of stalking, domestic violence, sexual assault, and other crimes. It gives victims a legal substitute address (usually a post office box) to use in place of their physical address. This address can be used whenever an address is required. First class mail sent to the substitute address is forwarded to the victim's actual address. Although a very helpful program for many survivors, it can add several days onto mail delivery. Not all states have adopted this program as it is optional.

Advocate-There are two types of advocates for survivors of domestic violence. 1) individual advocate—works to assist one woman; 2) systems or institutional advocate—works to change the practices that produce unfair outcomes for battered women as a group See also Domestic Violence Advocate.

Assets-1) Traits someone possesses that are valuable – including higher education or special skills 2) Valuable objects someone owns, including a car, house, small business or savings account.

ATM-See Automatic Teller Machine.

ATM Card-A card you use to access your bank account at an ATM. Also see Debit Card.

Attorney-A person whose job is to give legal advice and to speak for people in court; lawyer.

Automatic Teller Machine (ATM)-A machine that allows you to withdraw money from your account, check your account balance or transfer money between your checking and savings accounts

Balance-The amount of money you have in an account. With a checking account, it's important to keep careful records. In your check register, you must record all:

- checks you write
- deposits you make
- online transactions
- ATM withdrawals

Balloon payment-A large final payment due at the end of a loan, typically a home or car loan, to pay off the amount the monthly payments didn't cover. Balloon payments can occur within a fixed rate or adjustable-rate mortgage (ARM).

Bankruptcy-A federal legal process for debtors seeking to eliminate or repay their debts. There are two types of bankruptcies for individuals. Chapter 7 allows debtors to wipe out many debts in exchange for giving up nonexempt property to be sold to repay creditors. Chapter 13 allows debtors to keep all of their property and repay all or a portion of their debts over three to five years.

Batterer-A person who inflicts abuse (physical, mental, financial and/or emotional) upon a child, spouse, or other person.

Budget-A plan you create for controlling spending and encouraging saving.

Certificate of Deposit (CD)-A type of investment that requires you to invest money for a certain length of time (term) and guarantees the same rate of return (interest) for that entire time. CDs usually require a minimum deposit and are typically guaranteed by the federal government.

Check-A written order for a financial institution (such as a bank) to pay someone with money from a checking account. Also see personal check.

Check Card-See Debit Card.

Glossary

Child Support-Financial support paid by a parent for a child or children who don't live with them all the time. Depending on state law, child support can be entered into voluntarily or ordered by a court or administrative agency. The support can be supplied in different forms, including medical support. It can also be in the form of a one-time payment, regular installments paid directly to the custodial parent or regular withholdings from the non-custodial parent's wages.

Child Support Enforcement Program-The federal/state/local partnership established under Part D of the Social Security Act to locate non-custodial parents, establish paternity and establish/enforce child support orders.

COBRA-A federal law passed by Congress in 1986 that provides continuing coverage of group health benefits to employees and their families when such coverage would otherwise be terminated.

Collateral-Property that someone promises or gives to a creditor to guarantee payment of a debt. This creates what's called a secured debt. If the borrower defaults on the loan, the creditor may take the property and sell it to cover the debt.

Compound Interest-Interest calculated on the initial principal and also on the accumulated interest of previous periods of a deposit or loan.

Confidential-Kept private or communicated only in private. Advocates from domestic violence programs are typically bound by state and federal guidelines regarding the release of information. They should not acknowledge anyone's presence or participation in a local domestic violence program or shelter without written permission to release information from the domestic violence survivor.

Credit History-A record of your borrowing and re-payment habits. Credit reporting companies track your history and supply this information to credit card companies, banks and other lenders.

Credit Rating-A score assigned by three major credit bureaus. The rating is based on your credit report, which is a detailed list of your past transactions with creditors. Most information remains on your credit report for seven years, although a bankruptcy will remain for 10 years

Credit Report-A report that details a person's past transactions with creditors. It acts as a financial history specifically related to a person's ability to repay borrowed money.

Credit Score-A score that creditors use to evaluate someone's ability to pay when applying for credit, such as a mortgage or credit card. The higher the score or number, the lower the assumed risk by lenders. Credit scores are based on information in your credit report, such as loan (including credit card) payment history and outstanding debt.

Credit Union-A not-for-profit financial institution whose members can borrow from pooled deposits at traditionally lower interest rates than banks.

Creditor-A person or company to whom money is owed.

Custodial Parent-The parent who has either sole physical custody of the child or the parent with whom the child resides for a majority of the time.

Custody-The right to determine the residence, protection, care and education of a minor child or children, especially in a divorce or separation.

Debit Card- A card that accesses money in your checking account to make purchases. If you specify "credit" at a cash register terminal, you don't need to enter a PIN and the transaction typically clears in two days. By specifying "debit" at the terminal, you initiate a "Point-of-Sale" (POS) transaction, requiring you to "swipe" your card at the terminal and also enter your PIN. The purchase amount is immediately removed from your checking account.

Debt-Money you've borrowed from a lender. In addition to paying back the money borrowed, you almost always have to pay interest. The rate of interest charged on your debt affects how you should approach paying it off. Credit card debts generally carry the highest rates (sometimes more than 20%) and should be paid off first. You can pay off debts with lower rates, like most student loans (5 to 10%) more slowly, even while saving.

Debt Management Plan (DMP)-A debt relief option where a counseling agency works with a person's creditors to come up with a more suitable monthly payment for the person's situation. Be aware and cautious of for-profit, predatory companies. See Module 3 for additional information.

Debtor-A person who owes a debt to another person or financial institution.

Delinquent-Not paid in full amount or on time.

DNA Test-A test of a sample of DNA that can be used to determine whether it matches particular characteristics. It has been used to determine a person's paternity.

Document-1) A piece of written, printed, or electronic matter that provides information or evidence or that serves as an official record; 2) To record (something) in written, photographic, or other form.

Domestic Violence-A pattern of emotional, financial, physical and/or sexual violence to maintain power over another person. Abusers are motivated by the need for control and willing to use force or coercion. Also known as Domestic Abuse.

Domestic Violence Advocate-A person who works for an organization that provides help to domestic violence victims. S/he should have received specialized training in counseling domestic violence victims. Also see Advocate.

Economic-Having to do with money and the production of goods and services.

Economic Relief-Assistance for money issues. Examples include child support, spousal support, mortgage and rent payment, temporary possession of property (car and clothing), restitution for medical expenses and property damage. Other examples include: lost wages, attorney's fees, and the payment of bills that are due during the time of the protection order.

Economic Security-A situation of having a stable source of income that allows for the ongoing maintenance of one's standard of living currently and in the near future.

Family Violence Options (FVO)-Federal legislation passed under the Welfare Reform Act of 1994 that provides special provisions and exception for persons who are victims of family violence.

Federal Deposit Insurance Corporation (FDIC)-An independent agency of the United States federal government that insures deposits up to $250,000 in financial institutions that are members.

Financial Abuse-A tactic used by abusers to control victims by using access to money or other financial resources. For example, individual attempts to take total or partial control of another person's financial resources, including money, property, an inheritance or employment income.

Glossary

Financial Adviser-A professional who helps individuals manage their finances by providing advice on money issues such as investments, insurance, mortgages, college savings, estate planning, taxes and retirement, depending on what the client requests

Financial Aid-Any grant or scholarship, loan, or paid employment offered to help a student meet his/her college expenses. Such aid is usually provided by various sources such as federal and state agencies, colleges, high schools, foundations, and corporations.

Financial Institution-A business that focuses on dealing with financial transactions, such as investments, loans, and deposits. Typical financial institutions are banks, trust companies, credit unions, insurance companies and investment dealers.

Good Cause-A reason to cease; for example, to discontinue trying to collect child support from a non-custodial parent, support or withdrawing a sanction or penalty for failure to comply with a program requirement, i.e. job search participation.

Insurance-When you buy insurance, you agree to pay a company a certain amount each year or month, called a premium, in return for coverage of the costs of certain future problems. Everyone should have health insurance, which will assist with most types of medical treatment and care. In most states, car owners are legally required to purchase some form of auto insurance. Mortgage lenders will also require homeowners to carry homeowners insurance. Anyone with children should consider life insurance and disability insurance.

Interest-The amount paid by a borrower to a lender as compensation; the interest charged is typically directly related to ‘calculated risk’.

IOU-“I Owe You” - a signed document agreeing to a debt.

Liabilities-Things that someone is responsible for paying; such as debts or liens.

Loan Principal-The amount you still owe on a loan. The principal goes down as you make payments. You pay interest each month on the remaining principal until it’s paid off.

Local Domestic Violence Program-A community-based, not-for-profit organization committed to providing free and confidential services to domestic violence victims and their children. Services can include crisis support, safe shelter, counseling, legal advocacy and information and referral services. Advocates from domestic violence programs often accompany survivors to court, social service organizations and police stations. It’s not a requirement that participants who experience abuse stay at a shelter to get help from these programs.

Mandated Reporter-A person (typically a teacher, nurse, counselor, advocate, police officer, etc.) who is legally required to report observed or suspected abuse of children or vulnerable adults (frail, elderly, persons with disabilities, etc.). Exact laws and mandated professionals vary, depending on state laws.

Mediation-Intervention between conflicting parties to promote reconciliation, settlement or compromise. Mediation should not be recommended in cases involving domestic violence, as the process requires both parties to have equal power for fair negotiation and overall safety.

Medicaid-A joint federal and state program that helps low-income individuals or families pay for the costs associated with medical and custodial care, provided they qualify. Although largely funded by the federal government, Medicaid is run by the states where coverage may vary.

Glossary

Money Market Account- A federally insured savings account that typically pays higher dividends than a basic savings account. You are limited to six transactions a month, according to federal regulations. A transaction is any amount deposited or withdrawn.

Mortgage-A loan used to purchase real estate, typically a home, usually including the land the home is built on.

National Domestic Violence Hotline-A hotline available to persons who are experiencing domestic violence. Highly-trained advocates are available 24/7 to talk confidentially with anyone experiencing domestic violence, seeking resources or information, or questioning unhealthy aspects of their relationship. 1-800-799-SAFE (7233). You can also access their chat line at www.thehotline.org

Good Cause-A reason to cease; for example, to discontinue trying to collect child support from a non-custodial parent, support or withdrawing a sanction or penalty for failure to comply with a program requirement, i.e. job search participation.

Net Pay-The amount of money you earn minus any taxes or other deductions such as Social Security. It's the amount you actually receive or that is deposited.

Online Banking-Online banking is also known as internet banking, e-banking, or virtual banking. It is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website.

Order of Protection-A document issued by a court and signed by a judge to help protect you from harassment or abuse. In an Order of Protection, a judge can set limits on your partner's behavior. Among other things, a judge can order your partner to provide temporary financial assistance to you and your children.

Order to Vacate-To give up possession of property (such as an apartment) and leave the area totally empty of contents.

Partner-Individuals may refer to their partner as their girlfriend/boyfriend, lover, roommate, life partner, wife/husband, spouse or significant other.

Paternity-The fact or state of being a father; fatherhood.

Payday Lender-A person or group that offers short-term loans, in advance of payday, at typically very high rates of interest.

Pell Grant-Money the government provides for students who need it to pay for college. Grants, unlike loans, do not have to be repaid. Eligible students receive a specified amount each year under this program.

Personal Check-A check drawn against funds deposited in your personal checking account.

Personal Identification Number (PIN)-The code you need to access your accounts through your check card or ATM card at an ATM or POS (Point of Sale) terminal.

Personal Responsibility and Work Opportunity Reconciliation Act-Legislation passed in 1996, also known as welfare reform. This act significantly changed the American social safety net. Among other provisions, it placed time limits on the assistance, reductions to immigrants and included stiff work requirements. Additionally, it placed a five-year lifetime maximum on benefits, although states can and often do, reduce that lifetime limit down even further.

Power of Attorney-A formal, legally valid document that authorizes one person or party to act on behalf of another.

Glossary

Prepaid Tuition Plan-A method for paying future college tuition costs at current prices. Prepaid tuition plans allow the account holder to purchase tuition credits at their present price even though they will not be used until a future year, when tuition costs will have most likely increased. Plans are state sponsored and only available in some states, but it is possible to participate in a prepaid tuition plan outside of the account holder's current state of residence.

Pre-payment Penalty-A fee imposed on a borrower who pays off a loan (usually a mortgage) before its due date. Lenders impose this kind of fee to encourage borrowers to hold a debt –and keep paying interest on it –for the whole term of the loan.

Principal-See Loan Principal.

Pro Se-An individual representing him or herself in a legal matter.

Property-Something (such as land, goods, or money) that is owned.

Public Assistance-Money or benefits (food stamps, child care, etc.) granted from the state/federal government to a person or family to assist with day-to-day living expenses. Eligibility is based on need.

Referral-An act of sending someone to a person or place where what the person wants or needs can be met.

Revolving Credit-A line of credit that individuals and businesses can borrow from and pay back as needed (example: credit cards).

Safety-The state of being safe; freedom from the occurrence or risk of injury, danger, or loss.

Safety Deposit Box-A box rented from a financial institution and can be accessed with keys, pin numbers or some other security pass.

Social Security Administration-A U.S. government agency that runs the social insurance programs in the United States. It covers a wide range of social security services, such as disability, retirement and survivors' benefits.

Social Security Benefits-The money benefits received by retired workers who have paid into the Social Security system during their working years. Benefits are paid out on a monthly basis to retired workers and their surviving spouses. They are also paid to those who are permanently and totally disabled according to the strict conditions set forth by the Social Security Administration.

Spousal Support-Payment for support of an ex-spouse (or a spouse while a divorce is pending) ordered by the court; alimony.

Stock-A type of investment that represents a share of ownership in a company. You can make money on stock through payment of stock dividends and increases in the stock share price. Dividends are the payment mechanism companies use to distribute earnings to shareholders.

Subsidy-Financial assistance given by one person or government to another, to offset the cost of an item or expense.

Supplemental Security Income (SSI)-A federal program funded by general tax revenues (not Social Security taxes). It helps aged, blind and disabled people who have limited income and resources by providing monthly cash payments to meet basic needs for food, clothing, and shelter.

Survivor-A person who continues to function or prosper in spite of opposition, hardship, or setbacks.

Temporary Assistance to Needy Families (TANF)-Assistance payments made on behalf of children who don't have the financial support of one of their parents by reason of death, disability or continued absence from the home. The program typically requires parents participate in job preparation, work and support services.

Term-A set amount of time regarding the investment period for a financial product. This usually refers to the amount of time before a loan must be completely repaid. It also refers to the amount of time funds in a certificate account must be on deposit before they can be withdrawn without penalty.

Transitional Housing-A program or project that is designed to provide housing and appropriate supportive services to homeless persons to assist movement to independent living. Many communities have Transitional Housing specifically for domestic violence survivors.

TTY-A special device that lets people who are deaf, hard of hearing or speech-impaired use the telephone to communicate, by allowing them to type text messages. A TTY is required at both ends of the conversation in order to communicate.

Waive-To refrain from insisting on or enforcing (a rule, penalty, or requirement); to do away with a requirement.

Withdrawl-The taking of money out of a checking or savings account.

The Allstate Foundation

Moving Ahead Curriculum

A Financial Empowerment Resource

A self-paced online version of this curriculum is available at www.ngbvlc.org

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NNEDV
NATIONAL NETWORK TO END DOMESTIC VIOLENCE