



## **Personal Financial Coaching + Debt Management Strategies**

Milly DuBouchet  
Lead Business Development Manager

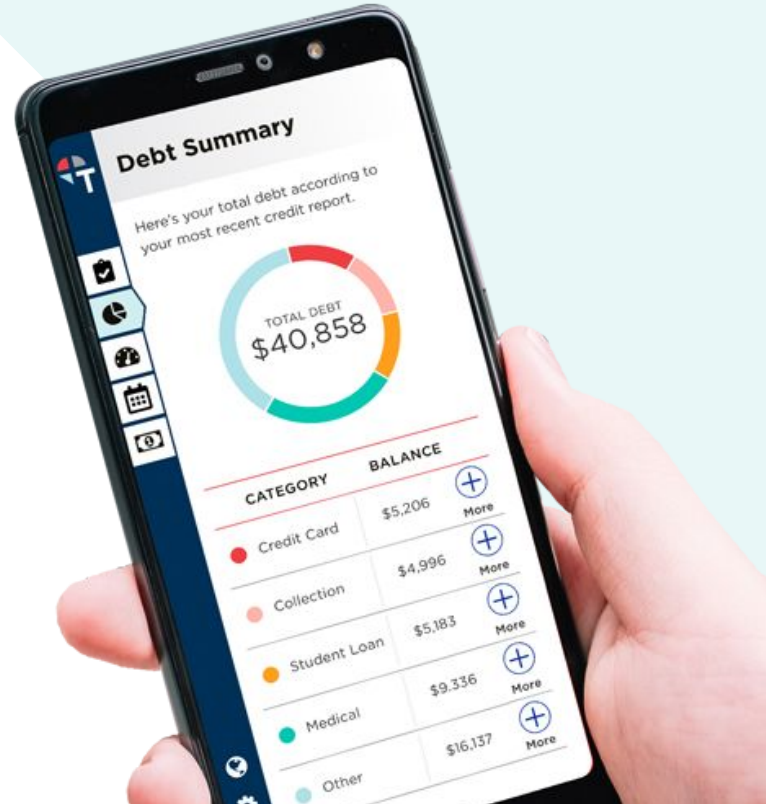
# Objectives

- Get to know TrustPlus
- Review the concept of credit profiles and factors that impact credit scores
- Explore different strategies for improving credit and managing finances
- Open forum - Q&A


# TrustPlus

**TrustPlus** is a one-on-one **financial coaching** service designed to help you with your everyday money worries. Our coaches provide support and expert guidance to help you best manage your **personal finances**.

- Coaching offered via **phone, video,** and **text**
- Services are 100% **confidential** and 100% **free**
- Available in **English** and **Spanish**



# Take Some Time to Reflect



**What does  
credit  
mean to  
you?**



**Where do  
you stand  
with your  
credit  
right now?**



**How is your  
credit  
situation  
affecting your  
family?**

# Your Credit Profile

Details your credit history, including:

- Payment history,
- Debt owed (past and present),
- Types of debt
  - Mortgages
  - Loans- student, auto, personal
  - Credit cards
  - Collections

There are 3 main credit bureaus that lenders use:

**TransUnion, Equifax, Experian**

Includes personal information like your name(s), addresses, employment.

**TransUnion** TRANSUNION CONSUMER CREDIT REPORT

P. Emma  
Also Known as: G. Emma

SSN: xxx-xx-1234  
Date of Birth: 02/14/1974

Phone: 222-555-3333 In File Since: 8/92

Current Address: 1234 Broadway, New York, NY 10033, Reported 1/08

Previous Address: 4567 E. 182<sup>nd</sup> St., Bronx, NY 10457, Reported 4/01

Employment: Supermarket Heights, New York, NY, Position: Cashier, Start: 3/01, End: 7/02, Effective: 7/09

Metropolitan Health, New York, NY, Position: Home Health Aid, Start: 7/09, End: 7/09, Effective: 7/09

Alerts and Special Messages: Type ID MISMATCH, Explanation 039, 018, 013

SCORING: Type TU Interactive Score, Score +590

CREDIT INFORMATION, SUMMARY (Total History)

Public Records	1	Collections	1	Trades	4
Negative Trade	1	Total Account with Any	2	Occurrence of	4
Accounts:	Count	Historical Negatives:	Credit Limit	Balance	Past Due
Revolving	4	High Credit	\$6,200	\$4,150	\$30
Installment	4	n/a	n/a	\$0	\$0
Mortgage	4	\$	\$6,200	\$4,150	\$0
Total	4	\$0			

Report # 99832901

# Why Your Credit Profile Matters

Used by lenders to analyze your ability to repay debt

Determines your interest rates when you borrow or get credit

Landlords, insurance providers, and some employers also *may* look at your credit



# Know Your Rights

The background of the slide is a black and white photograph of a large crowd of people. Many individuals in the crowd are holding up white signs or placards, suggesting a protest, demonstration, or a public gathering. The signs are of various sizes and are held at different heights, creating a dense, textured appearance. The overall tone of the background image is serious and collective.

**Truth Lending Act:** Creditors have to give complete and accurate information about credit costs and terms.

**Equal Opportunity Act:** Places that lend money cannot discriminate against you because of your age, sex, marital status or because you receive public assistance.

**Fair Credit Reporting Act:** The law protects your right to know what is in your credit report and your right to fix mistakes.

**Fair Credit Billing Act:** If you think one of your credit card bills is wrong, you have the right to question it.



**When was the last time you reviewed your credit report?**

According to a study conducted by the Federal Trade Commission, **1 in 5 people** have an error on at least one of their credit reports.

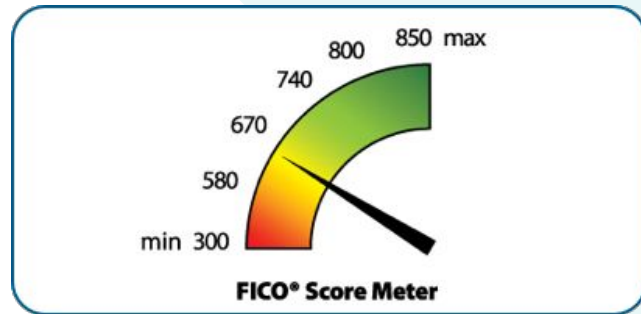


# Your Credit Score

Your credit score is based on the information in your credit report.

There are a number of credit scoring models, but the majority of lenders use FICO.

Credit scores can fluctuate month-to-month and can also be different for each credit report.

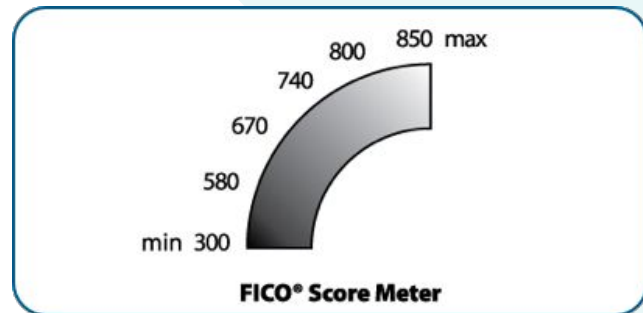


# No Credit History

It is possible to also have no credit score, and that's okay.

You may be new to the U.S., young, or just new to credit in general.

It can take some time to build your credit score, but with responsible and consistent credit use, you will be able to build your score.



# INTERACTIVE POLL

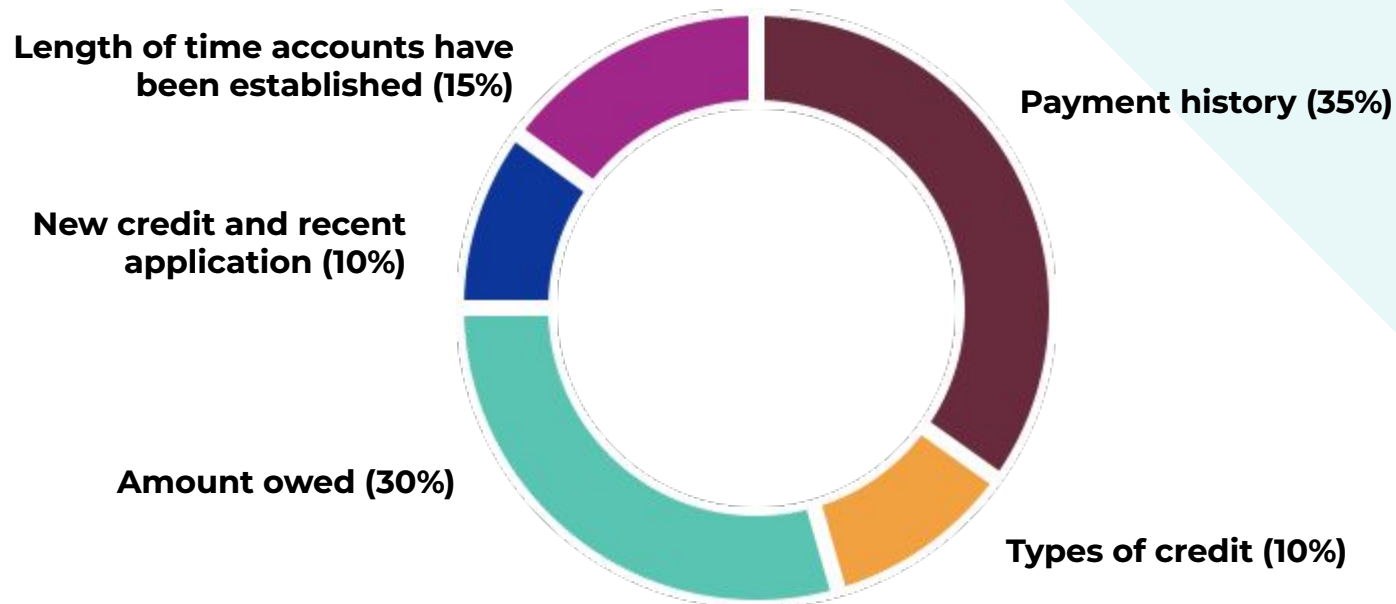
**What do you think is the most important factor towards establishing excellent credit?**

- A. Having very little debt
- B. Paying your bills on time
- C. Having credit cards for a long time
- D. Having a high salary

# How Your Credit Score Is Calculated

The most important factor is paying your credit cards, loans, and bills **on-time**.

However it's also important not to max out your credit cards.



# INTERACTIVE POLL

**What do you think is most impacting your credit score?**

- A. I don't have a good mix of types of credit
- B. I am near the limits on my credit cards amount owed
- C. I have recently applied for several new credit lines & recent applications
- D. I don't have a long history of established accounts
- E. I have missed payments in the past
- F. Unsure

# Strategies to Improve Credit and Reduce Debt

- Check your credit report and dispute any mistakes
- Create a budget to determine how much money you can use towards debt
- Only use credit cards when absolutely necessary!
- When possible, pay your entire monthly balance in full every month
- Try “the snowball method” to pay off credit card debt faster
- Request interest rate reductions from your creditors
- Automate monthly payments in order to pay on time

# Strategies to Improve Credit and Reduce Debt

- **Debt consolidation loan** - take out one (safe + affordable) loan to pay off other debts
- **Debt management plan** - structured debt repayment program that does not require a loan
- **Balance transfer** - transfer credit card balance from a high interest cc to another with lower rate

## BEWARE OF!

- ***Debt settlement*** companies
- ***Credit repair*** companies w/ fees

# Credit Report Disputes as a Strategy

- Inaccurate information
- Statute of limitations (expired accounts)
  - ◆ Number of years a creditor can collect on a debt
  - ◆ If SOL has passed, you are not legally obligated to pay it
  - ◆ Each state has unique SOL on reporting and collecting consumer debt
- Debt validation
  - ◆ Demanding a creditor prove that you owe a specific debt
  - ◆ If creditor cannot provide proof within 30 days, they must remove from your credit report



A fan of US one-dollar bills, showing the portrait of George Washington and the text 'THE UNITED STATES OF AMERICA' and 'ONE DOLLAR'.

# Managing Personal Finances

With the uncertainty of COVID-19, we have all had to make difficult decisions in our personal finances.

Getting your finances in order can help bring much needed peace of mind.



# Prioritize Expenses

We can split categories in some different ways, but let's prioritize **needs**.

## **FIXED**



- Rent, for instance.

## **VARIABLE**



- Food
- Utilities
- Gas for your car

*How variable are they?*

# Prioritize Expenses

Evaluate your expenses

## ***FIXED***

- Consider reducing, pausing, or canceling subscription services that aren't needs.

## ***VARIABLES***

- Where else can you cut down on your expenses?
- Where have your expenses increased?
- What gets in the way of you reducing your expenses?

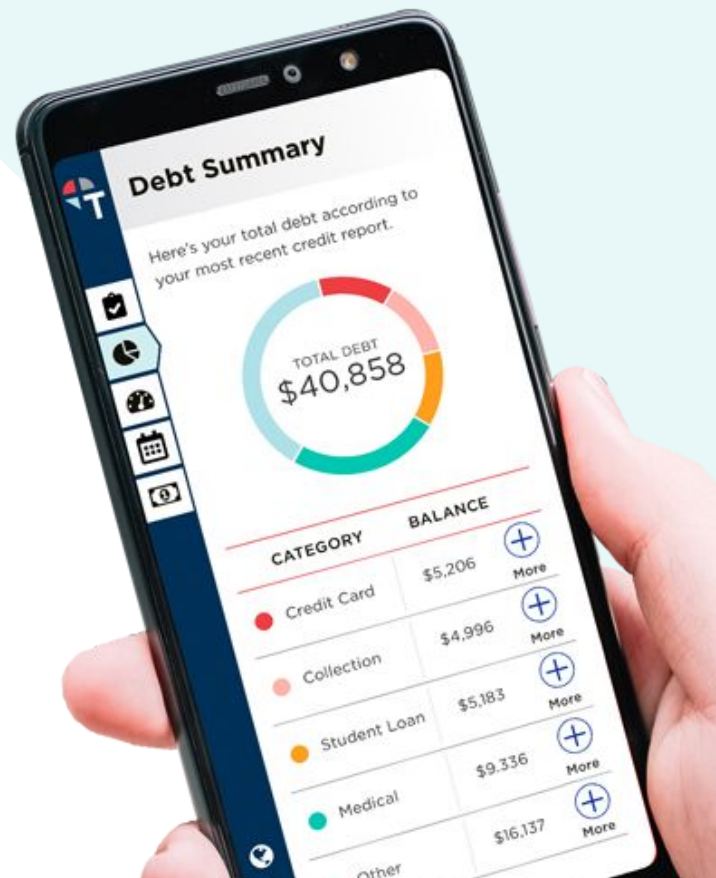


# Strategies for Money Management

- Prioritize your personal expenses and plan how your income and savings will be used to pay for them.
- Establish the habit of saving money. A little is better than nothing.
- Create a budget -- and revisit it from time to time -- so you can be prepared for what comes next.

# Financial coaching is key to the journey

- Personal support
- Guidance that leads to true action
- Credit report and score
- Create a budget
- Reminders to encourage accountability



# If interested in implementing a financial coaching program:

Contact Milly DuBouchet at  
[mdubouchet@mytrustplus.org](mailto:mdubouchet@mytrustplus.org)





# THANK YOU

What questions do you have?

