



Financial Freedom

A newsletter from Consumer Credit Counseling and Triangle Family Services

Spring 2010

Empowering the Little Guy

The financial world plays by a set of rules generally known only to those who made those rules or influenced their creation – the banking industry, the mortgage industry, their attorneys, and the many mid-level players who do their bidding. The ordinary consumer participates in this game, but often has little understanding of these rules or how they affect the financial decisions that need to be made every day.

This is where we come in. Triangle Family Services levels the playing field. We offer a number of workshops that help the average citizen understand the financial game and its rules.

In particular, we recently launched a weekly workshop known as the *Empowerment Zone*. Here's a sample of the major topics we discuss in this class – budget, credit, and housing issues.

■ **Budget.** Everyone needs a working budget, the financial blueprint that helps you organize your money. A budget lets you know how you have been spending your cash and offers the discipline to stick to a plan that lets you live within your means. We give numerous valuable money-saving tips in the *Empowerment Zone* to help you stretch that dollar as far as possible, such as:

Budget Tip #1: *Optimize your monthly cell phone bill.* If you have a robust cell plan, consider dropping your landline or digital phone option. Be sure the plan matches your needs, or even better, try to cut down on usage to save money. Look at prepaid plans for maximum flexibility and value. For instance, Tracfone recently launched their Straight Talk plan (straighttalk.com) that offers unlimited voice, text, and data for \$45.00 per month. Pick up a prepaid card at any WalMart.

Budget Tip #2: *Use online banking/commerce to save money.* With online banking, you can use bill pay to transmit payments to merchants and banks, which saves postage, mail time, and avoids possible identity theft from your mailbox. Shop online to save gas and enjoy the convenience of a great selection. When checking out online, always look for a promo code box and use your search engine to find a code that will discount the order or save on shipping costs. Or try retailmenot.com for a fairly comprehensive list of promo codes with a confidence level for each.

■ **Credit.** Your credit record may determine whether you will get loans, if you will be allowed to sign an apartment lease, or even get a job. However, always remember that credit is just a tool, and it usually is more important to be financially stable than to have a high credit score. If you are worried about your score, heed these tips:

Credit Tip #1: *On-time payment of your bills has more influence on your credit score than any other action.* The score assigns a 35% weighting to your payment history. As an example, FICO (who invented the scoring system) now says that a person with a 780 credit score could lose 100 points with a single 30 day late on their report! Look for more tips at myfico.com.

Credit Tip #2: *Credit repair of old delinquent items may hurt you more than help you.* Creditors usually charge off delinquencies at 180 days; they linger on your report for 7 years, whether paid or not. Trying to settle an old debt for less than full value will cost you money, possibly lower your score, and not expunge the record from your report. Deal with the debts if you need a mortgage or a creditor is taking you to court.

■ **Housing.** You may have problems paying bills, but paying the mortgage comes first, even if it means dealing with the credit cards at some future date. If you can't afford your mortgage payment, try these tips:

Housing Tip #1: *Call the lender for a workout.* Most lenders today participate in the Home Affordable Modification Program (HAMP), or can offer an alternate solution. Find out more about this program at makinghomeaffordable.gov.

Housing Tip #2: *If your lender won't cooperate, and you are facing foreclosure, a legal option may help.* If you have received a Notice of Hearing from the bank's attorney, be sure to attend the hearing and voice your opinion. The NC Consumer Economic Protection Act (S974) allows foreclosure proceedings to be delayed if the mortgage company has failed to show a good faith attempt to work out a modified loan agreement. See ncga.state.nc.us for the text of S974.

Do you want to be empowered? If you think you could learn from this class, come to one of our sessions and level the playing field. See the back for a schedule of this and other workshops that we offer.



Who We Are

Triangle Family Services is a private United Way non-profit agency. We have served the physical, emotional, and financial needs of the greater Raleigh community since 1937. Our programs focus on family safety, financial security, and mental health. Our Consumer Credit Counseling Service is accredited, with agency and counselor certification from the National Foundation for Credit Counseling. Our agency is HUD-approved for homebuyers and homeowners, with counselors certified by The Association of Housing Counselors. This newsletter profiles some of the financial services that we offer.



2010 Workshops – April through June

Our agency offers a variety of education classes to help clients deal with economic changes and make value conscious financial decisions. Our public sessions are held at our Raleigh offices, with the exceptions noted. All sessions are free, but require advance registration – call 821-1770 or email cccs@tfsnc.org. See our [web site](#) for additions or changes to the schedule.

Topic	Description	Time	Dates
Home Protection Info Session	Details about how to apply for a special NC Housing Finance Agency program that can pay your mortgage while you are unemployed and looking for work. Also pays if enrolled in formal retraining program. Sessions with [D] held in Durham office. Session with [J] held at Johnston Community College.	10-11:30 AM	4/1, 4/8, 4/15, 4/22[D], 4/29, 5/6[J], 5/20, 5/27[D], 6/3, 6/10, 6/17, 6/24[D]
Empowerment Zone Info Session	Lots of good advice and focused tips in three main areas of consumer finances – budget, credit, and housing issues. Learn how to level the playing field and understand the rules when dealing with banks and financial institutions. Also provides an orientation for those seeking appointments.	10-12 AM	4/7, 4/21, 5/5, 5/19, 6/2, 6/16, 6/30
		6-8 PM	4/14, 4/28, 5/12, 5/26, 6/9, 6/23
Bankruptcy Education	Required post-filing instructional course for Chapter 7 filers. Covers budget and credit after bankruptcy. Certificate issued for \$20 fee.	6-8 PM	4/13, 5/11, 6/8
First Time Homebuyers	Essential info for buying a home, with a full day of presentations from our counselors, mortgage lender, realtor, and home inspector. Certificate issued.	9:30-4 PM	4/24, 6/26
Cars: Here's the Deal	How to buy, maintain, and sell your auto. Tips and examples on how to research and negotiate, compare car deals, understand leasing fundamentals, and how to stay away from the repo man.	6-7:30 PM	4/20
Budgeting & Ways to Save	Why and how to create a budget, including money saving tips.	6-7:30 PM	5/18
Investing Basics	Learn the basics of cash, CDs, stocks, ETFs, bonds, and mutual funds for your 401k or taxable account.	6-7:30 PM	6/15

Update: New Consumer Protection Laws

Our last issue (see tfsnc.org) provided a list of laws to protect consumers. Three new pieces of legislation go into effect this summer:

Federal: the law that now regulates bank credit card practices will extend to debit and ATM cards. Banks will need to get your permission to charge you overdraft fees – July 1 for new accounts and August 15 for existing accounts. You must opt-in to accept the fees, so the banks can't try to sneak this past you. See federalreserve.gov for more details on both bank regulation laws.

Federal: new Home Affordable Modification Program rules effective June 1 will require that homeowners provide all application paperwork to a servicer before a loan modification is reviewed. The servicer must acknowledge the submission within 10 days and accept or deny the loan mod within 30 days. See hmpadmin.com and look for [Supplemental Directive 10-01](#).

State: new [Commissioner of Banks rules](#) effective June 1 require that mortgage brokers stop foreclosure action once a loan mod request has been received. Note that the law does not apply to banks (such as Bank of America or Wells Fargo).

This newsletter is brought to you by Triangle Family Services, a community resource for physical, emotional, and financial well being. Download previous newsletter editions from our [web site](#). We are in Raleigh (near the State Fairgrounds) and in Durham (Lyckan Parkway). We offer financial counseling appointments each business day, with some evening slots available. We strongly encourage clients to attend an *Empowerment Zone* session before requesting an appointment. Call us at 919-821-1770 or email cccs@tfsnc.org.



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