



DOLLARS and \$ENSE

Personal finance newsletter 3Q 2016



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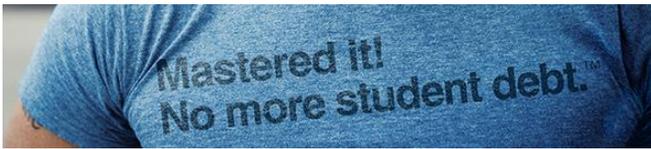
Local, non-profit financial counseling & education



A United Way Funded Agency

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Student Loan Debt Counseling



Are you, or is someone you know, struggling to make student loan payments? We are now offering Student Loan Counseling (“SLC”) as a new service. The goal of this service is to locate loans, determine their status, review the various repayment and loan forgiveness options, and help the borrower determine which options are best. The range of repayment options can be overwhelming, especially with government loans. Our trained and certified counselors help borrowers understand the consolidation, repayment, and forgiveness options available, and determine which options best fit their short- and long-term financial goals.

Our student loan counseling sessions are designed to address these needs as well as help borrowers develop a plan if loans have gone into default. If you find yourself uncertain about your options, or undecided about how to deal with student loans, you owe it to yourself to schedule a student loan counseling session. We will even help you contact your loan servicers and help you fill out critical paperwork if necessary. This is a fee-based service, with a charge of \$150 for a 1.5 hour counseling session, and as many follow-up sessions as needed. You’ll find for-profit outfits offering inferior help for anywhere from \$600 to \$1,400. Make sure you understand the service you are getting before adding to an existing financial burden.

Call (479) 521-8877 or 800-889-4916 to make an in-person (Fayetteville only) or phone appointment.

Did you know? Americans now owe \$1.3 trillion in student loan debt, with over 43% of student loan borrowers not making payments.

No Emergency Savings

Recently a Bankrate.com survey stated 66 million U.S. adults have no savings. That’s the same number as the total population of our two largest states – California and Texas! That’s a lot of people living on the edge of a financial cliff, because ultimately it’s not *if* you will have an emergency, but *when*.



A few solutions:

- Track your spending for one month to see where your money is going. You may find some areas that you need to reduce, such as going out to eat (which many people overspend on).
- Create and follow a budget.
- Pay yourself first. Automatic deposit is an easy and effective way to save.
- Talk to a financial counselor at CCOA who will help you create a budget and take a look at your entire financial picture, providing feedback on your situation and establishing a Plan of Action.

Not only will saving make you more financially stable, but you will also have a greater peace of mind being more financially secure.

New and Improved Website

We have a new website – same address, but more user-friendly, including mobile compatible, and it’s easier than ever before to make an online request for an appointment. Visit www.CCOAcars.com and look for the logo below on our home page.



REQUEST APPOINTMENT

Budgeting With a Yo-Yo Income



In our budgeting classes with adults, one question often pops up – “How do I budget with fluctuating paychecks?” If your paycheck amount yo-yo’s instead of staying the same each period, it certainly is more challenging to create a budget and make it work, but it isn’t Mission Impossible.

Look at what your minimum paycheck amount tends to be and budget using that. Too many people do the reverse – create a budget using their maximum pay including, for example, overtime hours, which causes problems as soon as overtime hours are reduced or eliminated.

If you use your minimum paycheck as your budget baseline and make it work, everything else is a plus. When you get a bigger paycheck, you can put more into savings and pay ahead on some bills, which will give you breathing room when those smaller paychecks arrive.

Debt Free Clients of 2015

Imagine having your own business and despite investing a lot of time and money into it, it just results in a lot of debt and stress on your marriage.

Scott and Claudia Huse don’t have to imagine that scenario because they lived it. In less than four years, the Springdale couple overcame \$159,000 of debt while on the Debt Management Program. Shedding all that debt, and all the financial stress that came with it, they became CCOA’s Debt Free Grad Clients of 2015.



They met with financial counselor Mary Sanchez and enrolled in the Debt Management Program to repay their debt in full within five years. Their interest rates dropped from an average of 10% down to 2% and they saved \$22,000 in interest.

The DMP Path to Financial Freedom!

Since 1995, thousands of people have achieved financial freedom with CCOA. Counseling on budget, credit, debt and housing issues is free and confidential. For those struggling with debt, the Debt Management Program (DMP) has helped people get relief from financial stress as they pay down their credit card and medical debts.

Key points about the DMP:

- A DMP can lower your monthly payments, which can be a tremendous financial stress-reliever.
- Your interest rates could be greatly reduced, allowing you to make faster progress paying off debt and save perhaps thousands of dollars in interest.
- Late fees and over-limit fees can stop.
- The DMP goal is to pay your unsecured debt back and become debt-free.
- It’s NOT debt settlement. Debt settlement greatly hurts your credit score, pays back only part of what you owe (settling the debt for less), and can result in owing taxes on your forgiven debt by the IRS.
- FICO credit scoring takes no points off your credit score for going on a DMP. And as your debt goes down, your credit score goes up.
- DMP clients pay a monthly payment to CCOA. CCOA then pays your creditors. Many people enjoy simply making one payment to CCOA to pay their creditors rather than making eight different payments, for example.

Free Home Buying Classes

Free classes, but please register by emailing billr@ccoacares.com, calling (479) 521-8877, or registering on our website.

July 2 (Sat) 9:00 a.m. - 5:30 p.m

United Bank, 2790 S. Thompson, Springdale

July 30 (Sat) & August 27 (Sat) 9:00 a.m. - 5:30 p.m

Family Resource Center/ Center for Non-Profits
614 E. Emma, Springdale

The course offers a complete overview of the home buying process, including Q&A with representatives from the Realtor, mortgage lender and insurance industries. Eligible first-time home buyers may qualify for Arkansas Development Finance Authority down-payment assistance of up to \$10,000.

