



DOLLARS and \$ENSE

Personal finance newsletter 4Q 2016



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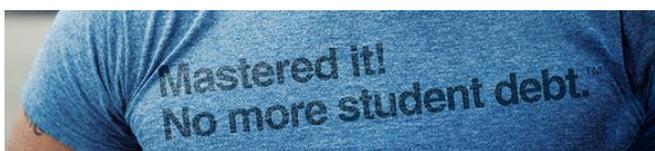
Local, non-profit financial counseling & education



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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.

Almost 70% of women and almost 60% of men are losing sleep due to financial issues.

Debt Free Client of the Year!

Our 2016 Debt Free Client of the Year, Carmen Harmon of Rogers, is a single mom of three children who went through an emotionally difficult divorce that sent her finances into a downward spiral. In the years following the divorce, she had run up \$82,000 of credit card debt. She also bought a home, but was unable to sell her previous home, so she was burdened with making two monthly mortgage payments. The resulting financial stress gave her a high level of anxiety.



By July 2011, the fog of the previous years was beginning to lift and she began to see that she needed some help. She made an appointment to see CCOA’s Bentonville financial counselor, Mark Jones, who assessed her financial situation and they created a budget.

Carmen’s 11 credit cards were late and her overall average interest rate on the cards was over 28%. She went on the Debt Management Program (DMP), which lowered her interest rate average to 4.77%! The DMP also reduced the \$7,600 needed to bring her accounts current down to \$1,564. As she repaid her debt back in full, her credit score went up.

Changes were made to the family’s spending and Carmen began learning a lot about personal finances from her counselor. “I never really paid attention to finances before,” Carmen admits, “because my father, and then my husband, handled most of that.”

During the 56 months Carmen was on the DMP, her counselor helped her with other various financial issues, including cost-efficient ways to obtain a car for one of her oldest children, finding affordable ways to get her children through college and more.

“I can’t tell you how much of a positive impact this program has made in my life. It has completely turned my life around and now I can see a successful future for me and my children.” Carmen says.

Veterans Financial Coaching

We offer FREE one-on-one financial coaching for veterans, paid for by grants. Veterans (active duty, retired, Reserves, Guard and their dependents) can get a FREE Financial Check Up and good information to share with others. Available at our office locations in Bentonville, Fayetteville and Fort Smith, plus a phone session is available. Simply call (479) 521-8877 for an appointment.

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 on our home page at www.CCOAcare.com.

Credit Repair vs. Credit Report Review: Know the difference

For over 14 years, CCOA has offered a Credit Report Review service. The purpose of this service is to help consumers better understand the content of their credit reports and the impact of that content on their credit scores. In these sessions, the counselor will identify strengths and potential concerns in the credit report data, and offer concrete suggestions on what a client can do to improve credit standing.

Recently, the Consumer Financial Protection Bureau (CFPB) warned consumers not to be misled by costly "Credit Repair" services (see: www.consumerfinance.gov/documents/995/092016_cfpb_ConsumerAdvisory.pdf). Credit repair outfits often charge large up-front fees, make unreasonable promises (like erasing accurate but unfavorable account listings), and in some cases will even suggest that you take illegal steps to clear up credit problems (like creating a new credit identity). We wanted to draw a clear distinction between so-called "Credit Repair" and our service.

In their warning, the CFPB rightfully points out that credit repair services have no special powers. There's nothing they can do that the consumer cannot do for him or herself. We fully agree with that. That's why our Credit Report Review service focuses on improving a client's understanding of credit reports and credit scoring. We offer no magic pills, but do offer guidance on how to improve your credit score over time. We instruct consumers on how to dispute errors and how to build good credit.

We don't offer an empty promise of "credit repair." Instead, for a modest fee we'll help a client understand credit reports and scores so that client can improve and maintain good credit standing over time. If you're

interested in a Credit Report Review session, call to schedule an appointment.

Free Class on Student Loan Repayment Options

Many experts say that student loan debt could be the next financial disaster on the horizon. For some borrowers, the problem causes so much anxiety that they're paralyzed into inaction. But like so many problems, if you understand the nature of the beast, you can begin to develop a plan to address it. On November 1st from 6:00 to 7:30 p.m. CCOA will offer a class on student loan repayment options at the Fayetteville Public Library. This free class is open to the public. Different student loan borrowers have different questions. Some want to make sure they're using the best repayment option available. Some want to know if they qualify for income-dependent payment plans or even loan forgiveness. Still others have lost track of their loans and need to know how to track them down and get them out of default. We'll cover these and other topics in the presentation. The class will be conducted by Joel Doelger, a certified student loan repayment counselor from Credit Counseling of Arkansas.

If you're not able to attend the class on November, but you're interested in the topic, remember that CCOA does offer Student Loan Repayment Counseling services. These sessions give you 1-on-1 time with a counselor to help you address your student loan repayment concerns. The advantage of the group presentation at the library is that it's free. Without any current funding source for the 1-on-1 counseling, we do have to charge a fee for that service.

Free Home Buying Classes

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

Nov. 5 (Sat) 9:00 a.m. - 1:30 p.m.
United Bank, 2790 S. Thompson, Springdale

Dec. 3 (Sat) 9:00 a.m. - 1:30 p.m.
United Bank, 2790 S. Thompson, 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.

