

Who's in Control? - You or Your Money?

If you find yourself considering a loan or credit card consolidation, it may be that you have found an opportunity to reduce the interest you are paying currently, to liquidate your debts faster than originally planned, or - it may be that you're headed for a financial crisis. The following are signs of credit trouble:

- 20% or more of your take home pay is used for debt repayment;
- You, or your significant other, are dishonest with yourselves or each other about credit use;
- You use credit cards impulsively;
- You pay only the minimum amount on your credit card accounts each month;
- Your anticipated pay raise is already designated to repay creditors;
- You do not know how much you owe.

The use of credit is an important factor in our diverse financial marketplace. Learning to manage consumer credit wisely and using those skills to build a positive credit history can open doors to future employment, home ownership and other lifestyle opportunities.

Whether you are currently in the midst of a financial challenge or looking for ways to avoid one in the future, these tips for using credit wisely and building a strong credit history will keep you - and not your money - in the position of control over your future:

- \$ Prepare a monthly spending plan to cover necessities and savings before contracting to purchase luxuries. Write your plan in pencil. This is a flexible document created to be your road map to reach your financial goals that new home or finding the extra dollars needed to liquidate current debt.
- \$ Pay all bills on time. Your best effort may allow you to have your payments arriving at their destination at, or before, the due date rather than at the end of the grace period.
- \$ If current circumstances may cause your payment to be late or partial, contact the creditor *before* the monies are due. Request assistance from the creditor to resolve your situation and protect your credit history.
- \$ When planning to use credit, do your homework! Shop around for the lowest interest rates you can find.
- \$ Check the fine print in any credit contract for grace period, fees or other charges that could inflate the cost of your planned purchase.
- \$ Limit the number of open credit accounts you have to those used regularly. And, remember you will be paying any balances with future income. Review your spending plan to find dollars to "pay-in-full" as soon as possible.



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