PowerOverDebt:

Break the Debt Sycle















Objectives

Be familiar with different kinds of debt
Know benefits, costs of credit
Identify warning signs you have too much debt
Improve your credit report and score
Take steps to tackle your debt

Avoid pitfalls

Rebuild good credit score

Stay out of debt



Handout 1: Where Are You Now?

Do you know the difference?

Which 3 are examples of secured dept?

- a) Auto loan
- b) Mortgage
- c) Credit card debt
- d) Boat loan

Do you know the difference?

Which 3 are examples of installment debt:

- a) Auto loan
- b) Student leans
- c) Credit and debt
- d) Boat loan

Credit—back to the basics

Definition

Loan that lets you buy now, pay back later.

Types

- * Installment vs. revolving
- * Secured vs. unsecured

Benefits

- * Convenient (bu) no v, pay later)
- * Cas -less
- * Widely accepted
- * Rewards programs
- * ID and personal data not required
- * Monthly statement, record of purchases
- * Interest-free loan (if paid in full monthly)

Warning signs you have too much debt

Pay bills late

Only make minimum payments

At or near limit on credit cards

Don't know how much you owe

Use cash advances to pay other bills

Denied cred or and purchase

Get calls from collection agencies

Lie to spouse, family about debt

More of total income going towards debts



