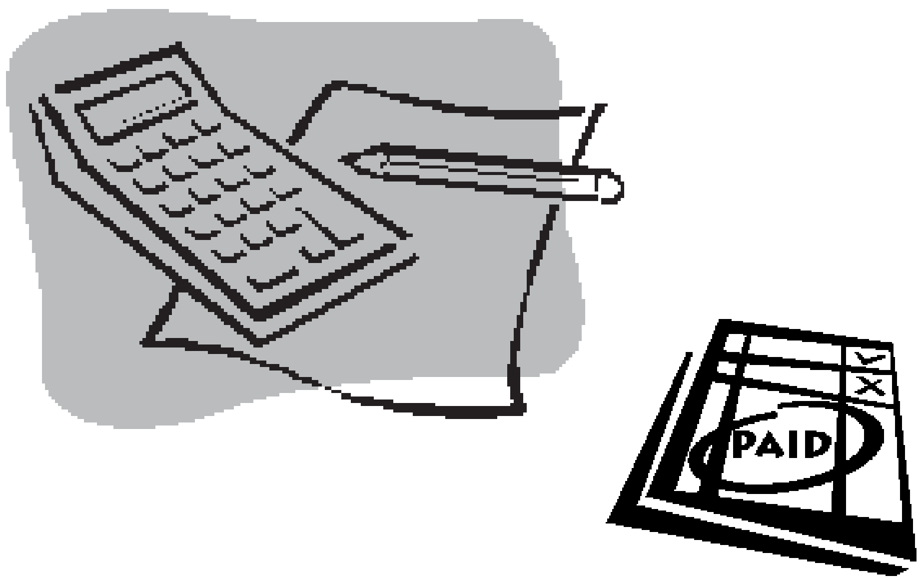
Your Client's Money:

Practical Tools to Promote Family Economic Success

A Handbook for Connecticut Service Providers



CAHS
Connecticut Association for Human Services

Connecticut Association for Human Services

110 Bartholomew Avenue – Suite 4030
Hartford, CT 06106
(860) 951-2212

The Connecticut Association for Human Services (CAHS) is a statewide organization that works to reduce poverty, strengthen families, and reconnect communities through advocacy supported by outreach, research, and education.

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Foreword

Your Client's Money: Practical Tools to Promote Family Economic Success, A Handbook for Connecticut Service Providers is the first provider guide in a series of handbooks devoted to Family Economic Security. This handbook focuses on budgeting, debt management, credit, loans, asset building, and personal financial security. CAHS has also published two financial education handbooks for clients, *Your Family's Money: Simple Ways to Build a Better Future* and *Your Family's Money II: Managing Debt and Credit*.

CAHS would like to thank The Annie E. Casey Foundation - Making Connections in Hartford and JPMorgan Chase Foundation for a continued commitment to Connecticut's families and for support in the development of this provider handbook.

Additional copies of this handbook and of the first and second editions of *Your Family's Money* are available by contacting CAHS at (860) 951-2212, or info@cahs.org.

Introduction

A recent study released by Demos and the Center for Responsible Lending revealed Americans' increased dependency on credit cards to pay for necessities such as food and housing. Demos found that credit card debt has nearly tripled since 1989, rising 31% in the past five years. Americans now owe close to $800 billion in credit card debt.[1]

Coupled with these findings, families are no longer saving as much as they have in the past. In the 1970s the personal savings rate was above 10%, in 1994 it was at 4.8%, and by January 2006 it had dropped to a negative 0.7%.[2] Without these emergency savings, families often are forced to spend more than what they earn to get by. With rising inflation, increased debt, and lack of money management know-how, many families are facing serious financial problems.

The Connecticut Association for Human Services (CAHS) engages in advocacy and provides education and resources to help families move from poverty to economic security. Recognizing the need to provide the tools for families to access basic budgeting, credit repair, homeownership, and higher education, CAHS has created this handbook as a resource for service providers. We hope that *Your Client's Money: Practical Tools to Promote Family Economic Success* will serve as a useful guide in helping your clients meet basic needs, budget, plan, build assets, and save for the future.

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Money Management Basics

Managing money wisely will help your client reach financial self-sufficiency. Simple practices and useful programs can help your client gain control of finances and get out of debt. Knowing how to make the right decision can solve a variety of problems related to money management. This section covers tips on managing money, how to budget, programs that are available to help guide your client to financial security, and items to be aware of when making financial decisions.

Did you know?

- Instead of paying $2.29 for a cup of coffee, bring it to work 5 days a week. Put the money into a savings account, by the end of the year the total saved would be as much as $600.[4]
- Saving a dime on every dollar is a good goal to have.

Money Management Tips For Your Clients

Encouraging your clients to manage their money is important in achieving financial security. These simple reminders can help your clients get one step closer to this goal.

How does your client make a budget?
Keep track of what is spent on a day-to-day basis for a month. After doing this for several weeks, they will be able to see how they spend their money. Now encourage them to develop a realistic spending plan and try to follow it as closely as possible. Your clients should save for monthly bills, such as car and home maintenance payments. For other minor expenses and purchases, your clients should set a weekly spending limit.

Using our sample budget form (page 8) record your client's income on the "IN" side and all money spent on the "OUT" section. Be sure to put rent, car payments, credit card payments, phone, food, insurance, and all other bills on the "OUT" side plus the other typical items your client would purchase in a week. Add the totals. If the "OUT" side is more than the "IN" side, your client needs to spend less money.

Pay bills on time
Encourage your clients to pay their bills on time. Paying bills late will their hurt credit rating. If your clients cannot pay bills on time, make sure they contact their creditors and explain the situation. Never borrow from one creditor to pay another creditor.

Use credit wisely
It is important for your clients to realize that just because they have a high credit line does not mean they need to spend it all. Help them understand that if they do not have the money to pay for the item, they should think twice before purchasing it with their credit card. Avoid paying only the minimum monthly payment; this will help maintain a good credit rating.

What are good ways to spend less?

- Carry small amounts of cash to reduce spending.
- Use a grocery shopping list and coupons, and don't shop when hungry.
- Sign up for direct deposit into a checking account so there is no need to carry money.
- Bring lunch to work.
- Before buying an item, shop around for the best price.
- Make a chart for paying regular bills.

Do the homework!
Before buying an appliance or other expensive items, find out about the different brands from a testing agency. For example, *Consumer Reports* magazine (www.consumerreports.org) tests items and reports on which are the best to buy. Take the time to go to the local public library and see what the consumer magazines say, or check the item out on the Internet.

Follow easy shopping rules

- Read all the fine print.
- Check the store's return policy in case an item must be returned.
- Watch out for hidden charges such as delivery or set up.
- If a deal sounds too good to be true, it probably is.
- Beware of salespeople who try to get customers to decide quickly.
- Extended warranties are usually not worth the cost.

Sample Budget-

Change this form to make it fit your needs.

Monthly Income How much money comes in	
Your Pay (after taxes)	$
Other Family Member's Pay (after taxes)	$
Child Support, Alimony, or Other Payments	$
All Other Kinds of Income	$
Total Monthly Income	$

Monthly Expenses What is spent	
Rent or Mortgage	$
Utilities: (Gas, Oil Water, Electricity)	$
All Telephones: House & Cell	$
Cable TV & Internet	$
Food	$
Loans	$
Rent-to-Own	$
Home Maintenance	$
Clothing	$
Child Care	$
Medical/Dental	$
Insurance (car, life, home, renter)	$
Transportation (bus, car loan, gas, taxi, car repair, parking)	$
Laundry & Dry Cleaning	$
Property tax	$
Church, other donations & Gifts	$
Pet Food & Care	$
Restaurant & Take-Out	
Meals (coffee, too)	$
Credit Card Debt	$
Recreation (vacations, health or sports clubs)	$
Entertainment (CDs, movies, video rental, lottery tickets, etc.)	$
Personal items (smoking)	$
Other	$
Total Monthly Expenses	$

Total Monthly Income $________________

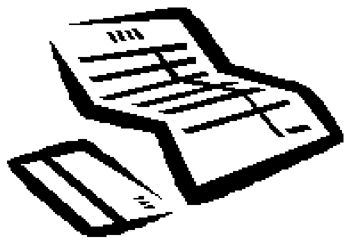
Subtract your Total Monthly Expenses $________________

Equals What's Left for Savings $________________

Interest: The Basics

It is critical that your clients understand the basics of interest. Review the following concepts and definitions with your clients.

Interest is the price paid to use money owned by someone else, such as a bank, credit card company, or mortgage company. To pay back the money borrowed, the borrower will have to pay the amount originally given, plus the interest. Lenders require interest because it covers the costs of inflation, rising prices, the cost of doing business, the chance that the borrower won't be able to repay the loan, and provides the lender a profit.



Interest is based on **percents per year**. For example, if a person borrows $1,000 for one year, and the **simple** rate is 10%, he will have to repay the original $1,000, plus $100 in interest. It is important to compare the interest rates before taking out a loan or applying for a credit card.

The **Actual Rate** is a portion of the annual interest rate paid each month on a loan. Note: The Actual Rate is only one of the costs of the loan; there may be others (see **Annual Percentage Rate** below).

The **Annual Percentage Rate** is the annual cost of the loan, which includes the interest paid on the loan, PLUS other fees and costs paid to obtain the loan, such as pre-paid interest, mortgage insurance, points, and closing costs. Remember that the APR is usually higher than the stated Actual Rate.

Simple interest is the interest computed only on the amount borrowed. It is not generally the total interest owed on the loan. For example, the simple interest on a $100 loan at a 10% interest rate over three years is $30.

Compound interest is a larger amount than simple interest. Compound interest is interest on the principal, plus on the interest that builds up over time.

	Simple Interest	**Compound Interest**
Loan	$100	$100
What you owe after year 1	$110 ($100 plus 10% of $100)	$110 ($100 plus 10% of $100)
What you owe after year 2	$120 ($110 plus 10% of $100)	$121 ($110 plus 10% of 110)
What you owe after year 3	$130 ($110 plus 10% of $100)	$133.10 ($121 plus 10% of $121)

Check Cashers

What's a Check Casher?
A check casher is a store that charges money to cash checks or money orders. Check cashers must be licensed by the Department of Banking. There are two types of check casher facilities:

- **General Facility** is a fixed location and open to the general public for at least 6 hours per day, 4 days a week.
- **Limited Facility** is mobile and usually located on an employer's property. Check cashers are contracted to cash payroll checks for employees no more than two days per week.

There are 33 check cashers licensed in Connecticut to do business at 68 facilities. For questions concerning check-cashing services, contact the Connecticut Department of Banking, Consumer Credit Division at (860) 240-8200 or 1-800-831-7225. A full list Connecticut-licensed check cashers and their locations can be found online at www.ct.gov/dob, click on verify a license, then check cashers.

How much can they charge?

- If cashing a check drawn by the State of Connecticut and payable within Connecticut to welfare recipients, check cashers may charge no more than 1% of the check. For example, it costs $4.25 to cash a welfare check for $425.
- If cashing a check issued by an individual, an employer, or the U.S. Government, check cashers may not charge more than 2% of the check. For example, it costs $6 to cash a check for $300.

Is there a better way? Yes! Go to a bank!
With an I.D., people can cash government issued checks <u>for free at banks</u>. Also, many banks have low-cost or free checking services, which can be used to directly deposit paychecks, government issued checks, and Social Security Income into an account. Having a bank account will save time and money, and may lead to other financial services like obtaining a loan or mortgage. Ask to open a savings account, if the bank refuses to open a checking account. Many banks have Spanish-speaking staff.

What if your client is on a ChexSystems' List?
Banks use "ChexSystems" to help determine whether or not a person has a history of mishandling financial accounts. If your client is on a ChexSystems' list then he or she may not be able to open a checking account. To improve credit standing with ChexSystems:

- Order the credit report from ChexSystems, specifically inquiring after negative material in the report. This letter must contain your client's:
  - √ Full name
  - √ Current and prior addresses (up to 5 years)
  - √ Social Security Number
  - √ Driver's License Number/ ID Card Number
  - √ Any businesses signed on in the past 5 years
- To dispute information on a credit report, write to:

  ChexSystems
  Attn: Customer Relations
  7805 Hudson Road, Suite 100
  Woodbury, MN 55125
- To add a statement to the report or to make a pending dispute public, write and sign a letter clearly stating that the dispute be made known to future inquirers.

Rent-to-Own

Rent-to-own is a way of getting an item immediately, especially for those who have poor credit and/or those who do not have money saved. Before renting an item calculate how much it would cost to rent for an extended period of time. It may be cheaper to buy the item outright.

What is rent-to-own?
Rent-to-own businesses rent mostly home goods like electronics (TVs or stereos), furniture, appliances (microwaves, washers, and dryers), and jewelry. Often rent-to-own businesses will let customers rent without first requiring a down payment or a credit check.

How does rent-to-own work and how much does it cost?
Rent-to-own businesses rent home goods for weekly or monthly rates. A customer can rent an item for a short period of time or can buy the item after renting it. The rent-to-own store delivers and picks up the items.

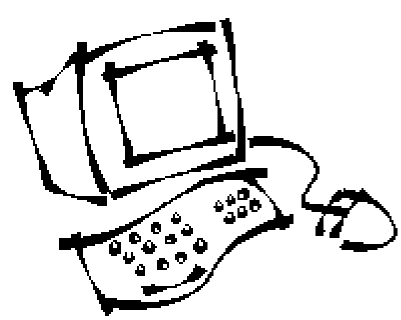
To rent items, customers sign a rental contract, or lease, whether or not they plan on buying the items in the future. Rent-to-own stores also add additional costs like **"processing fees**" and "**liability damage waivers**" when the lease is signed. Finally, rent-to-own stores charge a higher rental interest rate than department or discount stores charge customers who purchase items. Ultimately, rent-to-own is a high cost way to buy.

Are there laws that cover rent-to-own stores?
Connecticut has laws that apply to rent-to-own stores. To report problems call the CT Department of Banking, Consumer Credit Division in Hartford at (860) 240-8170. Laws regulating rent-to-own stores include:

- The rent-to-own lease must be written in simple words and easy to read.
- The renter must be able to cancel any time for free.
- ALL charges must be listed one-by-one. The total price MUST have ALL the charges included, as well as any delivery charges.
- The store must make clear in writing the amount and due date of each payment.
- The lease should state the difference between the rental price for an item and the total cost of purchasing it. (The price to rent an item cannot be more than two times the price it would cost to buy.)

Alternatives

- Save. Buy outright.
- Used furniture stores.
- Salvation Army and local thrift stores.
- Tag Sales



Financial Education Programs

There are many programs available to help your clients with their financial decisions. Some offer counseling, while others offer more structured educational programs.

Office of the Connecticut State Treasurer www.state.ct.us/ott/financialeducationoverview.htm
The Office of the Connecticut State Treasurer offers the following programs to help state residents manage credit. For more information regarding these financial literacy resources, contact Carol Heller, Director of Financial Education at (860) 702-3146.

Borrow Wise: Designed to provide educational assistance and resource information for prospective borrowers and first-time homebuyers. The program is being offered by community agencies in 13 cities throughout Connecticut.

Credit When Credit is Due: A 12-hour course designed to help people learn more about money issues and responsibilities regarding credit. The class is administered in four 3-hour sessions and requires home study and testing to graduate. The topics include: "The Facts of Life," "To Borrow or Not to Borrow," "Types of Loans," and "Credit Problems and Credit History."

Don't Borrow Trouble: An anti-predatory lending public awareness program created to share information, provide resources, and promote referrals to financial counseling services. A variety of nonprofit agencies collaborate with the Connecticut State Treasurer to offer this program.

Credit Smart Initiative: Created to provide training and assistance with family budgeting, money management, credit establishment and repair, and homeownership. This program is geared toward providing mentoring and educational training for families and housing authority residents.

Money Conference for Women: Through collaboration with the YWCA of Greater Hartford and the Office of the State Treasurer, this annual conference focuses on educating women in budgeting, debt, investing, college planning, retirement, and social security.

Youth Programs: Collaborating with a number of agencies to increase financial education in the school systems, the State Treasurer's Office is promoting the importance of saving and personal financial management. Youth Individual Development Accounts (IDA) are also offered, which teach financial education and help youths save to meet their financial goals. For more information on IDAs, see page 16-17.

Money Smart Alliance
Money Smart is the Federal Deposit Insurance Corporation's (FDIC) Community Affairs Program to promote financial literacy throughout communities. Several agencies in Connecticut provide varying levels of financial literacy and community development as part of the Alliance:

The Bridge to Independence and Career Opportunities (TBICO)
39 Rose Street, Danbury (203) 743-6695

Capitol Region Education Council www.crec.org
111 Charter Oak Avenue, Hartford (860) 247-2732

Connecticut Association for Human Services (CAHS) www.cahs.org
110 Bartholomew Avenue, Suite 4030, Hartford (860) 951-2212

Community Action Agency of New Haven www.caanh.net
781 Whalley Avenue, New Haven (203) 387-7700

CTE, Inc. (Community Action Agency) www.ctecap.org
34 Woodland Avenue, Stamford (203) 327-3260

Money Matters www.cl-p.com

The Connecticut Light & Power (CL&P) Company has designed a Money Matters program to help customers learn skills to manage their household income. To arrange a workshop for your organization or group, contact CL&P Community Relations at (860) 721-4007.

American Association of Retired Persons (AARP) www.aarp.org

AARP offers financial management strategies and resources for its members and the general public through its website and community programs. Specific programs include: AARP Benefits Outreach Program, AARP Money Management, Benefits Checkup, and AARP Tax-Aide Program. There are more than 100 AARP sites in Connecticut.

21 Oak Street, Suite 104, Hartford 1-866-295-7279 or 1-888-687-2277

Statewide

Center for Financial Education, *Division of Money Management International* www.crediteducation.org
(Offices located in Danbury, East Hartford, Groton, Milford, Norwich, Cromwell, and Stamford)
111 Founders Plaza, Suite 1400, East Hartford 1-800-208-2227

UCONN Cooperative Extension System (203) 207-3263 or (203) 407-3160
Locations statewide, call for information on workshops.

Bridgeport

Career Resources Financial Empowerment Program for Women www.carrerresources.org
350 Fairfield Avenue (203) 334-5627

FSW Inc. www.fswinc.org
475 Clinton Avenue (203) 368-4291

Danbury

Community Action Committee of Danbury www.volunteersolutions.org/vcswc/org/223692.html
66 North Street (203) 748-4941

Hartford

Community Renewal Team (CRT) www.crtct.org
8 Stonington Street (860) 560-5600

Co-opportunity, Inc. www.co-opportunity.org
20-28 Sargeant Street (860) 236-3617 x112

Urban League of Greater Hartford www.ulgh.org
140 Woodland Street (860) 527-0147

The Village for Families and Children www.villageforchildren.org
331 Wethersfield Avenue (860) 297-0958, x795

New Haven

New Life Corporation (NLC) www.newlifecorp.org
540 Ella Grasso Boulevard (203) 777-0313

JUNTA for Progressive Action www.juntainc.org
169 Grand Avenue (203) 787-0191

(Both New Haven organizations gear services toward the Latino community.)

Stamford

CTE, Inc. (Community Action Agency) www.ctecap.org
34 Woodland Avenue (203) 327-3260

Building Assets

One of the best things your client can do to remain financially sound is to build assets. Saving money for items like retirement, education, and assets are extremely important. Individual Development Accounts, banks, and credit unions are great ways to start saving money for asset building. This section covers what your client should be saving for, contact information for banks and credit unions, and resources for purchasing a home.

Did you know?

- Nationally, household debt rose 11.2 % from 2003 to 2004, compared with 4.8% for business debt. Over the past 10 years, 1995-2004, household debt rose a staggering 110.6%.[5]

- Over the past 25 years, household debt has grown faster than household assets, particularly among lower and middle-income households. Since 1990, revolving consumer debt has more than tripled, from over $238 billion to $735 billion in 2003— while America's savings rate has plummeted to a record low.[6]

Retirement – Start Saving Now!

People need about 70% of what they earned before they retire in order to keep the same standard of living. They will need up to 90% if their wages were low in the first place, according to the American Savings Education Council.

- Social Security will pay about 40% of what people earned before they retired. Your clients can get a copy of "Your Social Security Statement" that tells them about their **personal benefits** by calling 1-800-772-1213 or going on-line at www.ssa.gov/mystatement. On this website, they can also estimate their potential benefit amounts using different retirement dates and different levels of potential future earnings. The calculators will show their **retirement** benefits as well as **disability** and **survivor** benefit amounts on their record if they should become disabled or die today.

- Find out if your client's employer offers a retirement plan. Your client should get a benefits statement, which provides information about benefits offered.

- If your client's employer offers a retirement savings plan, like a **401(k)**, urge your client to sign up for it and put as much money in it as possible. Some employers will match the money employees invest.

- Open an **Individual Retirement Account (IRA)**. There are two kinds of retirement IRAs. One is called a Traditional IRA and the other is a Roth IRA. Some people will qualify for an income tax deduction for money invested in an IRA. The interest earned in an IRA is not taxable unless the money is taken out early.

- If your client changes jobs, the money can be rolled from the old plan either into an IRA or the new employer's plan.

Information about retirement is available at local public library branches; the AARP website at www.aarp.org; the Social Security Administration at www.ssa.gov; and the American Savings Education Council at www.asec.org.

Individual Development Accounts

Individual Development Accounts (IDAs) are savings accounts in which the personal savings of participants are matched with a combination of public and private funds. Participants may use their savings and match money toward one of several assets, which – depending on the program – might include a first home, a small business, a post-secondary education, a vehicle if needed to get or keep a job, or a deposit on an apartment.

A "match" is a commitment to add to an IDA participant's savings deposits. Depending on the program, savings in a participant's IDA can be matched $1 or $2 or more for every $1 the participant deposits. The maximum amount that can be matched will differ with each program.

IDA participants must commit to:

- Make regular savings deposits.
- Attend a financial education course.
- Participate in monthly asset specific savings clubs.
- Work with a case manager.

The IDA program is overseen by the Department of Labor. Nonprofit agencies operate IDA programs across the state, providing case management and financial education to the IDA participant. Detailed information about the IDA program is available at www.ctdol.state.ct.us/ida/idahome.htm

For more information, contact:
Connecticut Department of Labor
200 Folly Brook Blvd
Wethersfield, CT 06109-1114
(860) 263-6794
www.ctdol.state.ct.us

Regional IDA Programs and Sponsoring Agencies:

Bridgeport
Action for Bridgeport Community Development, Inc. (ABCD) www.abcd.org
1070 Park Avenue (203) 366-8241

FSW, Inc. www.fswinc.org
475 Clinton Avenue (203) 368-4291

Danbury
Community Action Committee of Danbury (CACD)
66 North Street (203) 748-4941

Hartford
Community Renewal Team, Inc. (CRT) www.crtct.org
8 Stonington Street (860) 560-4663

Hartford Asset Building Collaborative (HABC) www.co-opportunity.org
c/o Co-opportunity, Inc., Veeder Place (860) 236-3617
20-28 Sargeant Street

New Haven
Community Action Agency of New Haven, Inc. (CAANH) www.caanh.net
781 Whalley Avenue (203) 387-7700

Empower New Haven www.empowernewhaven.org
59 Elm Street, Suite 4010 (203) 776-2777

Neighborhood Housing Services www.nhsofnewhaven.org
333 Sherman Avenue (203) 562-0598

New London
Shiloh Development Corporation
#3 Garvin Street (860) 443-4462

Thames Valley Council for Community Action, Inc. (TVCCA) www.tvcca.org
83 Huntington Street (860) 444-0006

Norwalk/Stamford
Norwalk Economic Opportunity Now, Inc. (NEON) www.rsvpswct.org
98 South Main Street (203) 899-2422

CTE, Inc. (Community Action Agency) www.ctecap.org
34 Woodland Avenue (203) 327-3260

Waterbury
New Opportunities, Inc. www.newopportunitiesinc.org
232 North Elm Street (203) 575-9799

Important Tax Resources - EITC and VITA

Volunteer Income Tax Assistance (VITA) Program www.irs.gov/individuals/article/0,id=107626,00.html

The VITA Program offers free tax help to low- to moderate-income ($37,263 and below) individuals and households. VITA sites use certified community volunteers to help residents file income tax returns including special credits, such as Earned Income Tax Credit (EITC), Child Tax Credit, and Credit for the Elderly. Sites offer electronic filing (e-filing), which shortens the amount of time it takes to receive a tax return. Individuals who e-file and have their refund deposited directly into their bank account will receive it in 8 to 10 days. VITA sites can be found at community and neighborhood centers, libraries, schools, shopping malls, and other convenient locations. To locate the nearest VITA site dial 2-1-1 INFOLINE or 1-800-829-1040.

The following are the items clients need to bring to the VITA sites to have their tax returns prepared:

- Photo identification, Social Security cards for client, spouse and dependents
- Birth dates for primary, secondary and dependents on the tax return
- Current year's tax package, if one was received
- Wage and earning statement(s) Form W-2, W-2G, 1099-R, from all employers
- Interest and dividend statements from banks (Forms 1099)
- A copy of last year's Federal and State returns *if available*
- Bank routing numbers and account numbers for direct deposit
- Other relevant information, such as, total child care paid per child and child care provider's identification number.)
- When filing a joint tax return electronically, both spouses are required to sign forms.

Earned Income Tax Credit (EITC) www.irs.gov/eitc

The Earned Income Tax Credit (EITC) is a refundable federal income tax credit for low-income working individuals and families. Since its creation in 1975, the federal EITC has been greatly expanded in recent years and is recognized as <u>the single most important policy</u> that provides a path out of poverty. Eligible households could get up to $4,400 from the EITC (earning less than $37,263 per year).

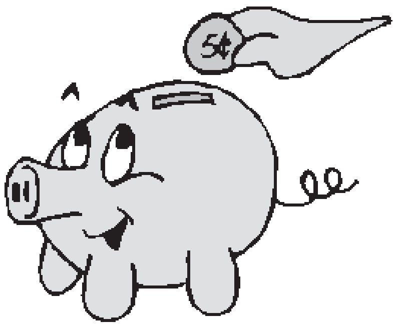
Eligibility Guidelines: Individuals and families who work and have earned income in 2005 under:

- $11,750 ($13,750 if married filing jointly) if there is no qualifying child
- $31,030 ($33,030 if married filing jointly) if there is one qualifying child – eligible for a credit up to $2,662
- $35,263 ($37,263 if married filing jointly) if there is more than one qualifying child – eligible for a credit up to $4,400
- Must have a **valid social security number**
- <u>Investment</u> income cannot be more than $2,700 (such as interest from savings, tax-exempt bonds, or dividends)
- Filing status can be any **EXCEPT** "married filing a separate return"
- Cannot be a qualifying child of another person. If filing a joint return, neither the filer nor spouse can be a qualifying child of another person

Refund Anticipation Loans (RALs)

Most paid tax preparers offer clients a loan in anticipation of their Federal tax return. After a client pays to have their taxes prepared they fill out a RAL application, which is typically offered by a local bank. Out of their anticipated refund the bank will deduct fees and interest rate expenses (in Connecticut interest rates on RALs range from 40-60%). As an alternative to RALs, clients who file their tax returns electronically will receive their **FULL** tax return in **10 DAYS** without paying preparation fees and high interest rates!

Using Banks



It is important for your clients to see the advantages of having a bank account. Bank accounts can be used for direct deposit of paychecks, tax refunds, and building a credit history. Encourage clients to obtain a bank account and provide them with the resources they need to avoid the pitfalls of bank fees.

Start with a savings account
Many banks and credit unions offer starter savings accounts with no minimum balance required.

Set up low-cost checking accounts
Most banks and credit unions have starter checking accounts that are either very low-cost or free. **Banks will show your clients how to use a checking account.** These accounts cost less than check cashers as long as people do not overdraw and bounce checks. By using a bank, your clients will not have to spend time and money going to check cashers.

Note: If your client is on the ChexSystem list due to bad credit and financial problems, the client most likely won't be allowed to open up a checking account. However, your client may be able to open up a savings account.

Avoid overdraft and bounced-check fees
When your clients write a check, withdraw money from an ATM, use a debit card to make a purchase, or make an automatic bill payment or other electronic payment for more than the amount in their checking account, they will overdraw their account. The bank may or may not pay the amount. If the bank pays the amount, it may charge an **"overdraft"** fee. If the bank returns the check due to insufficient funds in the account, it may charge a **"bounced-check"** fee. If a check is bounced, the person or company that your client wrote the check to may charge a **"returned-check"** fee as well. Provide your clients with these tips:

1. Check 21 is a federal law that has updated the way checks are processed. Under Check 21, checks may clear much more quickly than they used to (sometimes it takes hours instead of days). Companies may choose to "electronically transfer" funds once they receive the payment in check form; this also speeds up payment of the check.
2. Keep track of the amount of money in a checking account. Record all transactions and fees (i.e. ATM fees charged).
3. Keep track of electronic transactions, including ATM withdrawals and online purchases.
4. If automatic bill payments for utilities, insurance, or loan payments are set up, figure those expenses into the monthly bills and checking account balance.
5. Review bank account statements monthly.

If an account is overdrawn, money must be immediately deposited into it to avoid further overdraft fees. "**Courtesy overdraft-protection**" or "**bounce coverage**" plans can be purchased from financial institutions, but these plans can be expensive.

Banks and Credit Unions

Use www.bankrate.com to compare checking and savings account deals at local banks. All your clients need is their own zip code.

Statewide Banks

Bank of America	www.bankofamerica.com
Languages: Spanish, Chinese, and Korean	1-800-841-4000
TD Banknorth Connecticut	www.tdbanknorth.com
Branches statewide. Includes former Hudson United Bank sites	1-800-428-7000
Chase Bank	www.chase.com
Branches in Bridgeport, Danbury, Fairfield, New Haven, Stratford, and other towns	(203) 935-9935
Citibank	www.citibank.com
Branches in Fairfield, Norwalk, and other towns	1-800-627-3999
Citizens Bank	www.citizensbank.com
Branches in New Haven, New London, Norwich, and other towns	1-800-922-9999
Liberty Bank	www.liberty-bank.com
Branches in New Haven, New London, Norwich, Middletown, and other towns	(860) 443-3509
NewAlliance Bank	www.newalliancebank.com
Branches in Hartford, New Haven, New London, Milford, and other towns	1-800-892-2096
People's Bank	www.peoples.com
Stop & Shop locations offer expanded hours	(203) 338-7171
Sovereign Bank	www.sovereignbank.com
Branches in Hartford, New Haven, and other towns	1-888-768-2265
Wachovia Bank	www.wachovia.com
Branches in Danbury, Hartford, New Haven, Waterbury, and other towns	1-800-922-4684
Webster Bank	www.websterbank.com
Branches in Bridgeport, Hartford, New Haven, Norwalk, Waterbury, and other towns	1-800-325-2424

Local Banks and Credit Unions

Bridgeport	
The Community's Bank	www.thecommunitys.bank (203) 336-2117
Danbury	
NewMil Bank	www.newmil.com (203) 792-7028
Savings Bank of Danbury	www.sbdanbury.com (203) 743-3849
Hartford	
Hartford Federal Credit Union*	www.hartfordfcu.com (860) 527-6663
New Haven	
Connex Credit Union*	www.connexcu.org (203) 603-5700
Harborview Credit Union*	(203) 466-3685
New Haven County Credit Union*	(203) 789-3323
United Shoreline Federal Credit Union*	(203) 786-6410
Norwalk/Stamford	
Cornerstone Bank	www.cornerstonebank.com (203) 356-0111
Fairfield County Bank	www.fairfieldcountysavings.com (203) 857-5560 (all branches)
First County Bank	www.firstcountybank.com (203) 462-4400 (all branches)
Greater Norwalk Area Credit Union*	www.greaternorwalkcu.org (203) 838-0433
Members Credit Union*	www.memberscu.coop (203) 975-3866

** Anyone who lives, worships, works, or goes to school in the specified town can join.*

For a complete list of credit unions go to www.ct.gov/dob/site/default.asp.

Renting vs. Buying a Home

Should your clients rent or buy a house? There are good and bad sides to both:

	The Good Side	The Bad Side
Buying a House	You own something that has value after you make your monthly payment. You can make changes to the house or yard whenever you want. You don't have to depend on a landlord to take care of the property. You might get a tax deduction.	You could lose your house if you don't make the payments or pay the property taxes. You are responsible for taking care of the property. It's not as easy to move.
Renting	You don't have to take care of the house or yard. Moving is easier.	You don't get any tax deductions. You don't own anything of value after you pay your monthly rent. Your rent can be raised and you can be evicted.

Owning a home may have additional tax benefits. For example, homeowners can deduct the cost of their mortgage loan interest and home property taxes from their federal, and occasionally, state income taxes. In addition to these deductions, monthly mortgage payments are invested in property whose value may rise. Renters do not have these tax or investment advantages.

Even if your clients have bad credit, they can apply for a federal mortgage program. Contact a local HUD-funded counseling agency (www.hud.gov/offices/hsg/sfh/hcc/states/connecticut.txt) to learn more about options.

First Steps to Buying a Home

- Attend free homeownership education classes. See pages 24-25.
- Get a credit report to correct errors or address credit issues. See pages 40-44, "Credit Repair" for addresses and phone numbers.
- Contact a federally approved counseling agency to learn about federal mortgage programs. See page 26.
- Visit a local bank. Banks can determine the eligibility for a loan and calculate the size of a loan.
- Use library computers to visit helpful web sites like www.fanniemae.com.

Buying a House

Some terms your clients should know:

Broker – A lender or real estate agent who helps a buyer find financing. Brokers want to make money and are not necessarily looking out for the best deal for the buyer, so choose a broker carefully.

Closing Costs – The charges for the actual transfer of the house from one person to another, including the cost of processing the paperwork needed to buy a house. These costs can be quite expensive and have to be paid when signing the papers. Some homeownership programs help clients pay for closing and down payment costs.

Conventional Loan – A mortgage loan that can be "conforming" or "non-conforming." "Conforming" conventional loans adhere to strict federal guidelines, while "non-conforming" loans have no set guidelines and lenders have control of requirements.

Down payment – A portion of the cost of the home that is paid when going to settle.

Fixed Rate Loan – A mortgage loan that has a payment amount and interest rate that stays the same for the term of the loan, which is generally 30 years.

Mortgage Payment – The monthly mortgage payment is made up of four basic parts: The **principal** (the amount actually borrowed), **interest** (the monthly finance charge for the loan), **taxes** (most lenders ask home owners to pay their property taxes as part of their monthly mortgage payment), and **insurance** (insurance on the property that is paid as part of the monthly mortgage payment).

Point – A dollar amount that equals 1% of the loan. It is a fee that is paid to the mortgage broker or the lender and is often tied to the interest rate. For example, 2 points on a $50,000 mortgage equals $1,000.

Pre-Approved – A lender has already agreed to a mortgage amount. The borrower knows how much can be borrowed and sellers will know the offer is serious.

Pre-Qualified – A lender gives an informal, basic idea of what the borrower might be able to afford, if all information is verified. It is not the same as being pre-approved.

Variable Rate Loan (sometimes called Adjustable Rate Mortgages) – A mortgage loan with an interest rate that might change during the term of the loan.

There are several websites that have "**mortgage calculators**." These calculators will allow you to figure out an affordable monthly mortgage payment. Try www.fanniemae.com or www.hud.gov/buying/. A neighborhood bank, credit union, or homebuyer education class will also give this information.

Homebuyer Education/Counseling

Before buying a home, your clients may find it useful to take a homebuyer education course. Some programs require an homebuyer education course to qualify for a particular program.

ACORN Housing Corporation www.acornhousing.org
Services: home improvement and rehabilitation counseling, loss mitigation, mortgage delinquency and default resolution counseling, pre- and post-purchase counseling, and predatory lending. Languages: Spanish
- 2310 Main Street, 3rd Floor, Bridgeport (203) 366-4180
- 215 Grand Avenue, New Haven (203) 789-8671
- 621 Farmington Avenue, Hartford (860) 523-1017

Bridgeport Neighborhood Trust www.bnfbnt.org
Services: pre-purchase counseling and renters assistance. Languages: Spanish
- 177 State Street, 5th Floor, Bridgeport (203) 332-7977

Catholic Charities www.ccfsn.org
Services: fair housing assistance, home equity conversion mortgage counseling, homebuyer education, money/debt management, mortgage delinquency and default resolution counseling, and services for homeless. Interpreters upon request.
- 478 Orange Street, New Haven (203) 787-2207
- 331 Main Street, Norwich (860) 889-8346

Connecticut Housing Finance Agency (CHFA) www.chfa.org
Services: mortgage delinquency/default resolution counseling, and pre-purchase counseling.
- 999 West Street, Rocky Hill (860) 521-7144

Consumer Credit Counseling Service (CCCS) of Southern New England www.creditcounseling.org
Services: pre-purchase/homebuyer education, credit counseling, HECM counseling, default/foreclosure, rental, reverse mortgage, post-purchase counseling. Languages: Spanish, ASL, Arabic, Cantonese, Chinese, Czech, French, German, Greek, Malaysian, Laotian, Phillipino, Polish, Samoan, Serbo-Croatian, Albanian, Yugoslavian, Syrian, Chealdian, Vietnamese, Dioula, Ibo
- Webster Bank Route 372, Cromwell 1-800-208-2227
- 39 Rose Street, Danbury 1-800-208-2227
- 111 Founders Plaza, East Hartford 1-800-208-2227
- Navy Submarine Base, Groton 1-800-208-2227
- 185 Plains Road, Suite W201, Milford 1-800-208-2227
- 290 Salem Turnpike, Route 82, Norwich 1-800-208-2227
- 123 Prospect Street, Stamford 1-800-208-2227

Co-opportunity, Inc. www.co-opportunity.org
Services: counseling, budgeting, and first-time homebuyer financial assistance.
- 20-28 Sargeant Street, Hartford (860) 236-3617 x101

Fair Haven Development Corporation www.fairhavendevelopment.org
Services: pre-purchase counseling, homebuyer education, credit counseling, and default/delinquency assistance. Languages: Spanish
- 153 Lloyd Street, New Haven (203) 777-5810

Hartford Areas Rally Together www.hartfordareasrallytogether.org
Services: pre-purchase counseling. Languages: Spanish
423 Washington Street, Hartford (860) 525-3449 x102

Hill Development Corporation of New Haven www.hdcofnewhaven.org
Services: mortgage delinquency/default resolution counseling, pre-purchase counseling, and renters' assistance. Languages: Spanish
649 Howard Avenue, New Haven (203) 776-3759

Housing Development Fund www.hdf-ct.org
Services: homeownership counseling, CHFA eligible homeowner education classes, downpayment assistance, smartmove homeownership, adopt a house program, gap financing, and closing cost assistance loans.
100 Prospect Street, Stamford (203) 969-1830

Housing Education Resource Center http://ursamajor.hartnet.org/herc/home.asp
Services: fair housing assistance, loss mitigation, money and debt management, mobility and relocation counseling, mortgage delinquency and default resolution, post-purchase/pre-purchase counseling, predatory lending, and renters assistance. Languages: Spanish
901 Wethersfield Avenue, Hartford (860) 296-4242

Mutual Housing Association of Southwestern Connecticut
Services: pre-purchase/homebuyer education, default/delinquency assistance, landlord, special needs, and post- purchase counseling. Languages: Spanish
434 Maplewood Avenue, Bridgeport (203) 336-8792
333 Sherman Avenue, New Haven (203) 562-0598
63 Stillwater Avenue, Stamford (203) 359-6940 x14

Neighborhood Housing Services of New Haven, New Britain, Norwalk, Waterbury
Services: pre-purchase/homebuyer education, default/foreclosure and rental counseling. Languages: Spanish
333 Sherman Avenue, New Haven (203) 562-0598 x14
223 Broad Street, New Britain (860) 224-2433
23 Leonard Street, Norwalk (203) 852-1717
139 Prospect Street, Waterbury (203) 753-1896

New London Development Corporation www.nldc.org
Services: homebuyer education and landlord training.
165 State Street, Suite 313, New London (860) 447-8011

Shiloh Development Corporation
Services: pre/post-purchase counseling and renters assistance.
3 Garvin Street, New London (860) 443-4462 x22

Thames Valley Council for Community Action www.tvcca.org
Services: pre-purchase/homebuyer education and IDAs.
83 Huntington Street, New London (860) 444-0006

Urban League of Greater Hartford/ Southwestern Connecticut www.ulgh.org or www.ulswc.org
Services: pre-purchase/homebuyer education, credit counseling, default/delinquency assistance, and landlord/ tenant dispute resolution. Languages: Spanish
140 Woodland Street, Hartford (860) 527-0147 x120
46 Atlantic Street, Stamford (203) 327-5810

Financing Programs for Homebuyers

Statewide:
Connecticut Housing Finance Authority (CHFA) www.chfa.org
Helps people finance the purchase of existing housing, rehabilitation of substandard housing, and construction of new housing with below-market interest rate mortgages. Low-interest rate loans offered to assist first time homebuyers of low- and moderate-incomes.
999 West Street, Rocky Hill (860) 721-9501

Connecticut Housing Investment Fund (CHIF) www.chif.org
Offers lending programs for low- and moderate-income residents, as well as nonprofit affordable housing developers. With some CHIF loans, qualified owner-occupants can borrow up to $10,000 at a fixed APR.
121 Tremont Street, Hartford 1-800-992-3665 or (860) 233-5165

Fannie Mae HouseConnecticut (FNMA/Fannie Mae) www.fanniemae.com
Offers loan programs including: Flexible 97, Flexible 100, and HomeStyle Renovations. The Community Solutions program provides loans for teachers, police officers, firefighters, and health care workers.

Habitat for Humanity www.habitat.org/local/
Offers interest-free loans to families to purchase a home. To qualify, a 1% down payment and an agreed-upon number of hours (100 to 400) of sweat equity (labor relating to Habitat projects) is required.

1470 Barnum Avenue, Bridgeport	(203) 333-2642
1 Padanaram Road, Suite 151, Danbury	(203) 744-1340
PO Box 58, Danielson	(860) 774-0505
780-C Windsor Street, Hartford	(860) 541-2208 x108
378 Crown Street, New Haven	(203) 785-0794
377 Broad Street, New London	(860) 442-7890
PO Box 1777, New Milford	(860) 350-3275
PO Box 1, Salisbury	(860) 435-4747
161 North Main Street, Waterbury	(203) 596-0014
PO Box 214, Willimantic	(860) 423-7142

Programs by City:
ACORN Housing Corporation
Offers mortgage programs with lower interest rates, lower down payments, flexible underwriting guidelines, and lower origination fees.

2310 Main Street, 3rd Floor, Bridgeport	(203) 366-4180
215 Grand Avenue, New Haven	(203) 789-8671
621 Farmington Avenue, Hartford	(860) 523-1017

Hill Development Corporation of New Haven www.hdcofnewhaven.org
Offers financial assistance in the form of a down payment and closing costs grant program for individuals looking to buy and live in the New Haven area.
649 Howard Avenue, New Haven (203) 776-3759

HouseHartford www.hartford.gov
Offers down payment and closing cost assistance, and new mortgages for individuals buying 1-4 family homes and condominiums within the City of Hartford.
Dept. of Developmental Services, Housing & Property Management Division,
250 Constitution Plaza, 4th Floor, Hartford (860) 757-9032

Stamford Office of Community Development www.ci.stamford.ct.us/
This city office is the central contact point for homeownership programs in Stamford.
(203) 977-4155

Housing Rights

Several laws in Connecticut protect against housing discrimination or financial abuse. The following section outlines these laws and agencies willing to advocate for your clients.

Fair Housing Act
This act prohibits discrimination in housing because of race or color, national origin, religion, sex, familial status, and disability. Individuals may not refuse to rent or sell housing, refuse to negotiate, make housing unavailable, deny a dwelling, set different terms, conditions, or privileges for sale or rental, provide different housing services or facilities, falsely deny that housing is available for inspection, sale or rental, persuade owners to sell or rent (blockbusting), or deny anyone access to membership in a facility or services related to the sale or rental of housing.

Similarly, lenders may not discriminate in mortgage lending based on the previously mentioned characteristics. Lenders may not refuse to make a mortgage loan, refuse to provide information regarding loans, impose different terms or conditions on loans, discriminate in appraising property, refuse to purchase a loan, or set different terms or conditions for purchasing a loan.

It is illegal to threaten, coerce, intimidate or interfere with anyone exercising a fair housing right. In addition, it is illegal to advertise or indicate a limitation or preference based on race, color, national origin, religion, sex, familial status, and disability.

The Housing Education Resource Center (HERC)
Provides housing information and resources to tenants, landlords, homeowners, and agencies. One of HERC's services includes a **housing counseling line (860) 296-4372**, which specializes in information regarding tenant/landlord rights and responsibilities. Call Tuesday – Friday, 9 a.m. to 5 p.m.
901 Wethersfield Avenue, Hartford (860) 296-4242

The Connecticut Fair Housing Center www.ctfairhousing.org
Enforces housing laws and provides advocacy, attorney referrals, and other information regarding individual discrimination complaints.
221 Main Street, Suite 204, Hartford (860) 247-4400
171 Orange Street, New Haven (203) 772-3247

Fair Housing Enforcement Center www.hud.gov/offices/fheo/promotingfh/atyourservice.cfm
U.S. Department of Housing and Urban Development 1-800-827-5005
Thomas P. O'Neill, Jr. Federal Building (617) 994-8300
10 Causeway Street, Room 301, Boston, MA

Violation of Rights: People can write a letter or call the U.S. Department of Housing and Urban Development (HUD) New England Office, see address above. The complaint must be filed within one year of the alleged violation.

Buying or Leasing a Car

Buying a car is the most expensive purchase your clients will make, second to buying a home. Help them determine how much money they are willing to spend and what car model and options they want.

Buying a new car
Check out magazines at the library or bookstore that provide information on dealer's costs for specific models and options. Compare models and prices in more than one dealer showroom. Learn the terms dealers use to talk about the price of buying a car:

- **Invoice Price**: the manufacturer's initial charge to the dealer. This price is usually higher than the price the dealer charges because dealers receive rebates, allowances, and discounts.
- **Base Price**: the cost of the car without options, but with standard equipment and factory warranty.
- **Manufacturer's Suggested Retail Price (MSRP)**: the base price, the manufacturer's installed options, the manufacturer's transportation charge, and the mileage. Federal law requires this label to be affixed to the car window and can only be removed by the purchaser.
- **Dealer Sticker Price**: on an additional sticker, it is the MSRP plus the suggested retail price of the car with the installed options.

Buying a used car
The Federal Trade Commission Used Car Rule requires dealers to post a Buyer's Guide in every used car offered for sale. Information in the guide includes whether the car is being sold "as is" or with a warranty, and what the warranty will cover. Also:

- Check the list price or value of the used car by going to www.kbb.com
- Test drive the car and have the car inspected by an independent mechanic before purchase
- Get all promises in writing

If a used car is purchased from a private individual, the individual is not held to these same laws. Most likely, the car purchase will be "as is" meaning that the buyer will have to pay for anything that goes wrong with the car after buying it.

"Lemon Law": Connecticut General Statute Chapter 743b www.state.ct.us/dcp/lemon.htm
A "lemon" is a new or used vehicle purchased or leased in the state which does not conform to the manufacturer's expressed warranty and after "a reasonable number of attempts" cannot be repaired. If a person has owned or leased a car for less than two years and has repeatedly fixed a serious mechanical defect, the person may file a "**request for arbitration**" through the CT Department of Consumer Protection. This legal action may result in the compensation of the vehicle by the manufacturer.

Lease or buy?
There are many things to consider when choosing between leasing or buying a car:

- Look at the lease mileage limits.
- Insurance on a leased car is usually more expensive, so get a quote.
- Leased payments may be lower, BUT the car must be returned at the end of the lease.

Tips to save money

- Negotiate the price of the car with the dealer.
- Find out the value of the older vehicle before negotiating the price.
- Arrange financing before looking at the car. Find out if the deposit can be refunded.
- The dealer's financing isn't always the cheapest.
- Know the financing terms, the APR, and the length of the loan. Keep a copy of the contract.
- Don't be pressured into making a choice. Chances are there is a better deal elsewhere.
- Only buy needed features. Avoiding service contracts, extended warranties, credit insurance, and other options may reduce the overall loan.

Education & Training

Education and training are tools for moving up the financial ladder. It is much easier to secure a better paying job with a degree, training, and experience in a specific field. This section outlines training programs, alternative higher education other than college, ways to pay for higher education, and local programs offered for higher education.

Did you know?

- In 2001, 62% of well paid and highly paid jobs were held by a skilled or professional workforce.[7]
- In 2003-2004 the average cost for tuition, fees, and room and board at a state university was $42,000 for four years. By 2021, the cost will have doubled to $100,000 to attend the same state school for four years.[8]
- Over the course of a lifetime, people with a two-year associate's degree will make on average $116,550 more than if they held a high school diploma, while individuals who complete their bachelor's degree make on average $308,588 more.[9]

Higher Education

Higher education does not have to mean college; it is also getting the skills for a better job. Your clients can build skills by attending college, nursing school, learning to be a plumber, or training for technical jobs. The following resources can guide your clients.

Connecticut Department of Higher Education www.ctdhe.org/posa/POSA.htm
The Education and Employment Center offers a full list of approved private vocational schools and the option to search by program.
1-800-842-0229.

The Education and Employment Center of the Connecticut Department of Higher Education www.ctdhe.org/eeic
The web site contains information on student financial aid and has links to all the colleges and universities in Connecticut.
61 Woodland Street, Hartford, CT (860) 947-1810
1-800-842-0229

Connecticut Technical High School System www.cttech.org
This website provides helpful information to high school students and adult students interested in attending technical or trade schools.
1-800-822-6832

The Smart Student's Guide to Financial Aid www.finaid.org
This is one of the best sites to find information about financial aid.

The United States Department of Education www.students.gov
This site provides students and parents with information on how to plan and pay for education. Spanish link available.

Back to College www.back2college.com
This website provides general information for adults returning to school or non-traditional students.

Federal Student Financial Aid Information Center www.ed.gov/finaid.html
United States Department of Education. Spanish link available.
1-800-4-FED-AID.

Free Application for Student Aid (FAFSA) www.fafsa.ed.gov
Free federal financial information and online application forms.

Infoline 2-1-1 www.infoline.org
Programs help people find education and higher education resources. Dial 2-1-1.

English As Second Language links

www.1-language.com	www.eslcafe.com	www.a4esl.org
www.better-english.com	www.eslpartyland.com	www.rong-chang.com

Paying for Education

Through the U.S. Department of Education your client should apply for Federal Student Aid (FAFSA). Depending on your clients' financial need they may be eligible for federal grants, scholarships, and loans. Loans and grants are provided on a first-come, first-serve basis. To apply go to www.fafsa.ed.gov or call the Federal Student Aid Information Center at 1-800-4FED-AID.

Types of Financial Aid:

Federal Pell Grants
Unlike loans, grants do not have to be repaid. Pell Grants are awarded to undergraduate students who demonstrate financial need, are enrolled in a postsecondary education as a regular student, are U.S. citizens, have a valid Social Security Number, meet satisfactory academic progress standards, certify that they will use federal student aid only for educational purposes, and comply with Selective Service registration (if male aged 18 through 25). Fill out a FAFSA form to apply.

Federal Stafford Loans www.staffordloan.com

Interest Subsidized Loan: With this loan the government pays the interest on loans until 6 months after the student leaves school. The student does not need to make payments until that time.

Unsubsidized Loan: Students are responsible for the interest on the loan. Like subsidized loans students do not need to make payments until 6 months after they graduate.

Federal Perkins Loan www.ed.gov/prog_info/SFA/StudentGuide/2002-3/perkins.html
Eligibility is calculated by participating colleges in collaboration with the FAFSA application. Unlike Stafford Loans, Perkins Loans have no fees attached, are fixed at a 5% interest rate, and repayment begins 9 months after graduation. If the graduate is teaching low-income students full-time or works full-time in another approved profession, they may apply for cancellation (or discharge) of their Perkins Loans.

Students are responsible for repaying their loans even if they don't graduate. Students can ask for a deferment if they are struggling and can't make the payments. Deferment is only a temporary extension and failure to make payments may hurt a person's credit report.

College Savings:
The Connecticut Higher Education Trust Program (CHET) www.aboutchet.com
Customers open an account on behalf of a designated beneficiary. These accounts are placed in a trust and may be allocated in one or more investment options. 1-888-799-CHET

The CHET college savings program is flexible and affordable:

- People can choose any college, private or public, nationwide.
- Anyone can open an account.
- There are no income limits.
- There is no annual limit on contributions to the account.
- If the beneficiary of the account decides not to go to college, funds are transferable to another eligible beneficiary.
- Accounts are free from federal income tax.
- There is a low minimum investment ($25 per investment option, or $15 per option when using payroll deduction).
- There are no sales charges or application fees.

Workforce Training & Education

If your clients want to improve their skills, the Connecticut Department of Labor offers a variety of workforce education programs.

Connecticut Department of Labor Office of Apprenticeship Training
200 Folly Brook Boulevard, Wethersfield
(860) 263-6085
www.ctapprenticeship.com
email: ctapprenticeship@ct.gov

As a result of the Federal Apprenticeship Act of 1937, the federal government oversees the nation's apprenticeship system. These training programs serve a diverse population, including minorities, women, and youth. The apprenticeship is run through private employers who provide paid on-the-job training and academic instruction. Five regions cover the entire state. This program is a great way for your clients to become skilled craft workers.

Connecticut Department of Labor Workforce Investment Boards

Capital Workforce Partners
1 Union Place, Hartford, 06103 (860) 522-1111

Workforce Alliance
560 Ella T. Grasso Boulevard., New Haven, 06519 (203) 624-1493

Eastern CT Workforce Investment Board
108 New Park Avenue, Franklin, 06254 (860) 859-4100

The Workplace, Inc.
350 Fairfield Avenue, Bridgeport 06604 (203) 610-8500

Northwest Regional Workforce Investment Board, Inc.
249 Thomaston Avenue, Waterbury, 06702 (203) 574-6971

The Connecticut General Assembly established the Regional Workforce Development Boards to conduct planning and coordination of workforce development policy and programs. Connecticut's Workforce Investment Boards coordinate and monitor the Connecticut Workforce Investment System, which is a network of state and local entities that link employers seeking qualified employees and workers seeking jobs. These local centers are known as **CT Works** centers. At CT Works centers job seekers can access information on job vacancies, career options, student financial aid, relevant employment trends, and instruction on how to conduct a job search, write a resume, or interview with an employer.

CT Works services are located in: Bridgeport, Danbury, Danielson, Enfield, Hamden, Hartford, Meriden, Middletown, New Britain, New London, Norwich, Torrington, Waterbury, and Willimantic

2 Lafayette Square, Bridgeport	(203) 455-2700
152 West Street, Danbury	(203) 731-2929
95 Westcott Road, Danielson	(860) 779-5850
620 Enfield Street, Enfield	(860) 741-4295
37 Marne Street, Hamden	(203) 859-3200
3580 Main Street, Hartford	(860) 256-3700
85 West Main Street, Meriden	(203) 238-6148
645 South Main Street, Middletown	(860) 754-5000
260 Lafayette Street, New Britain	(860) 827-4460
Shaw's Cove Six, New London	(860) 439-7400
113 Salem Turnpike, North Bdg, Suite 200, Norwich	(860) 859-5600
486 Winsted Road, Torrington Parkade, Torrington	(860) 626-6220
249 Thomaston Avenue, Waterbury	(203) 437-3380
1320 Main Street Tyler Square, Willimantic	(860) 465-2120

Connecticut Jobs Corps Center www.ctdol.state.ct.us/progsupt/bussrvce/jobcorps.htm

21 Woodland Street, Suite 308, Hartford	1-800-464-4892
580 Ella Grasso Blvd, New Haven	(203) 777-0872
249 Thomaston Avenue, Waterbury	(203) 401-7066
1070 Park Avenue, Bridgeport	1-800-489-3358

Operated by New Haven's Career Systems Development Corporation, Job Corps offers academic and career training to qualified, 16- to 24-year-old individuals. In addition to supplying housing, Job Corps provides ongoing academic and vocational classes, throughout the workweek. All students enrolled in the program receive drivers' education, health and dental services, counseling, basic computer training, meals, recreation opportunities, and a modest allowance every two weeks. When the students graduate from the center they qualify for an additional sum of money to help adjust to independence.

Connecticut Education & Training ConneCTion www1.ctdol.state.ct.us/etc

State of Connecticut (860) 263-6275
Department of Labor
Office of Research
200 Folly Brook Boulevard
Wethersfield, CT 06109

The ConneCTion is an online resource that links job seekers to programs, courses, and occupations they may be interested in. This is a useful resource if your clients are interested in a particular career choice or wish to explore what is offered.

Credit & Loans

Poor credit is one of the biggest barriers to building financial assets. Therefore, helping your clients improve their credit rating and understand the appropriate way to use credit is very important. This section covers ways to build and keep good credit. Topics include: credit cards, billing errors, credit repair, loans, legal assistance resources, predatory lending, and reverse mortgages.

Did you know?

- Almost all of the major credit card issuers are located in states without usury laws (laws that are supposed to protect the consumer from paying high interest rates) and without interest rate caps. This means that companies can charge any interest rate they want, as long as they tell the customer about the set rate.[10]

- Seven out of 10 low- and middle-income households reported using their credit cards as a safety net - relying on credit cards to pay for car repairs, basic living expenses, medical expenses, or house repairs.[11]

- In 2005, low- and middle-income households had an average of $8,650 in credit card debt.[12]

- Total finance charges Americans paid in 2001: $50 billion.[13]

Credit Cards: Understanding the "Fine Print"

There are terms your client should understand before signing up for a credit card. Knowing about fees and interest rates will help them save money in the long term.

Costs to be aware of:

- **Annual Percentage Rate (APR)** – Annual cost of the loan, plus fees and costs. Know the card's APR before activating it. Many credit cards charge a low annual interest rate for the first 6 months, after which the rate increases. Also read over rate information upon first receiving the card to ensure the plan hasn't been changed.
- **Annual Fee** – A yearly fee charged for having the credit card. Compare offers and look for a card without this added expense. If a card has a fee, budget for this cost.
- **Late Payment Fee** – An amount charged for paying the bill late. If the bill is frequently late, then the company may raise the account's APR.
- **Over-The-Credit-Limit Fee** – An additional fee for exceeding the account's cash or credit limit. Keep track of the card's balance, because a credit card company won't.
- **Penalty Rate –** A higher APR, caused by numerous late payments or charges that exceed the account's credit limit.

Credit Cards & Balance Transfers

Your client may receive an offer for a credit card with a pre-approved 0% introductory rate (APR). Your client may consider transferring debt from the current credit card to this low interest credit card. Keep in mind the following:

Does either company charge a fee for moving the balance?
There are two possible fees associated with the balance transfer, one from the old company and one from the new. These may include a fee for the transfer, closing the account, or for the management of money left behind. Also, some card companies limit how much and how often a person can transfer a balance.

What fees and rates does the new company charge new customers?
There may be a different rate for purchases a person makes with the new card than the rate on the transferred balance.

When can the new company change the introductory rate?
Know the terms of the transfer. The new card company can increase the introductory rate or end a rate when there is a late payment.

Debit Cards: Not Just Another Credit Card

Debit cards are linked to a checking or savings account. Therefore, when a debit card is used, money is taken immediately from the account.

Credit Cards: Buy Now, Pay Later
Debit Cards: Buy Now, Pay Now

	The Good Side	The Bad Side
Credit Cards	• You can buy needed items now. • You have a record of what you buy. • You don't have to carry cash. • You don't have to show an ID, unlike when you write a check.	• It is easy to lose track of how much you spend. • If you can't pay the full amount at the end of the month, you will be charged interest and finance charges. • You are in danger of buying more than you can afford to pay.
Debit Cards	• You are more likely to spend only what you can afford. • You don't have to carry cash or a checkbook.	• You need to have the money in your account when you buy or you will be charged a fee. • No purchase protection. • It is easy to forget to record purchases.

Be careful of hidden costs. Some transactions require use of a PIN with a debit card, such as withdrawals from ATMs. If a card is used as a debit, many banks charge a **transaction fee** for using a PIN when making a purchase. There is also a **surcharge fee** to use a debit card at an ATM that is not the person's bank.

To **avoid additional** fees when using a the debit card at a store, treat the purchase as a "credit" instead of "debit." Finally, avoid an **overdraft fee** by keeping track of the money in the account.

Protect your credit and debit cards

- Never write the PIN on the debit card. Memorize it.
- Don't share the PIN with others.
- Sign the back of the card as soon it arrives.
- Don't lend your card to anyone.
- Report lost or stolen cards right away.
- Protect the account summary, and shred any bills before throwing them away.
- Only use a credit or debit card on secure Internet sites.
- Don't sign a blank charge or debit slip. Draw a line through blank spaces above the total, so the amount can't be changed.

Lost or stolen cards

Report lost or stolen credit cards and ATM cards to the card issuer as soon as possible. Then follow up with a letter that includes the following: account number, the date the card was missed, and the date the loss was first reported.

The Federal Truth in Lending Act provides protection for lost or stolen debit and credit cards. Under this protection the holder does not have to pay more than $50 of charges. Therefore, don't buy "**credit card insurance**" to cover amounts above $50.

Build & Keep Good Credit

Credit is a way to keep track of financial trustworthiness. The better credit your client has, the more financial institutions will want to do business with your client.

Bad credit may keep people from financing large purchases, like a car or home. Getting your client's credit report is the first step toward building good credit. For contact information on credit reporting agencies see page 39. Once your client receives his or her credit report and makes sure that all the information is correct, then assist your client in planning ways to rebuild and maintain good credit. Here are some tips:

- Don't apply for every credit card offered. Too much available credit is viewed negatively when applying for mortgages.
- Pay bills on time and as early as possible. Credit card companies keep track of whether bills are paid early or at the last minute.
- Set up an affordable payment plan.
- Ask the lender to consider rent and utility payments as "credit history" for a small loan.
- Shop around for the best loan rates. Be cautious when taking out any loan that uses a house for security.
- Consider credit counseling.
- Don't trust a credit counselor who claims to be able to remove correct information from a credit report, or create a new identity. These actions are illegal.
- Avoid identity theft. Never give out personal information to unsolicited callers. Identity theft has ruined many clients' credit and is a growing problem. See page 56.

What is a credit score? www.vantagescore.com

A credit Score is a number or letter creditors use to judge whether or not the customer will repay debts and repay debt on time. Credit scores are created through a statistical analysis of different information such as payment history, amount owed to creditors, length of credit history, amount of new credit, and types of credit in use. As of 2006, credit scores will be in letter format, where A= 901-990, B= 801-900, C=701-800, D= 601-700, F= 501-600. This means that the higher the credit score the greater the chance that the lender will offer your client a loan. If your client has a low credit score, suggest lending with a credit union. Credit unions may lend to higher risk customers without high fees and interest rates.

Equal Credit Opportunity Act & Other Rights

The Equal Credit Opportunity Act requires that all people have the chance to obtain credit. However, this does not mean that everyone that applies for credit will get it. Financial institutions base a decision to give credit on a number of factors including income, expenses, debt, and credit history.

What do creditors typically look for in a credit report?

- Bill-paying history
- The number and type of accounts
- Late payments
- Outstanding debt

A creditor may not ask about:

- Sex, race, national origin, or religion
- Marital status
- Person's spouse (unless the spouse is also applying)
- Plans to have or raise children
- If alimony, child support, or separate maintenance payments are received. However, a creditor may ask if a person is responsible for alimony, child support, or separate maintenance payments.

When making the decision to give credit, a creditor may not consider:

- Sex, age, marital status, race, national origin, religion
- Whether a person has a telephone listed in his or her name (but can consider whether a person has a phone)
- The community in which a person wants to buy, refinance, or improve a house

A person has the right to:

- Apply for credit regardless of his or her sex, marital status, age, race, national origin, or because he or she receives public assistance income
- Obtain credit using a birth name, spouse's last name, or combined last name
- Get credit without a cosigner (if the individual can meet the creditor's standards)
- Have a cosigner other than a spouse
- Find out the status of a completed application within 30 days of filing
- Know the reasons for credit rejection (requests must be filed within 60 days)
- Get an explanation of credit offered with less-favorable terms (if different than originally applied for)

If your client suspects discrimination:

- Complain to the creditor, stating which laws and rights were violated.
- Check if the creditor has previously violated equal credit opportunity laws, by calling the Connecticut State Attorney General at (860) 808-5318 or go to www.ct.gov/ag.
- Obtain the name and address of the agency that denied credit and report violations to the Department of Justice. See page 35.
- Bring a case to federal district court, with the possibility of collecting punitive damages and compensation for the attorney's fees and court costs.
- Talk to other victims and file a class action suit. (Groups can recover $500,000 or 1% of the creditor's net worth-whichever is less.)[14]

Complaints against all kinds of creditors can be referred to:
Department of Justice
Civil Rights Division
950 Pennsylvania Avenue, NW
Washington, DC 20530
(202) 514-2000

If a retail store, department store, small loan or finance company, mortgage company, oil company, public utility, state credit union, government lending program, or travel and expense credit card company is involved, contact:
Consumer Response Center
Federal Trade Commission
Washington, DC 20580
(202) 382-4357

If the complaint involves a nationally chartered bank (National or N.A. will be part of the name), write to:
Comptroller of the Currency
Compliance Management
Mail Stop 7-5
Washington, DC 20219
1-800-613-6743

If the complaint involves a state-chartered bank that is insured by the Federal Deposit Insurance Corporation (FDIC) but is not a member of the Federal Reserve System, write to:
Federal Deposit Insurance Corporation
Consumer Affairs Division
Washington, DC 20429
1-877-275-3342

If the complaint involves a federally chartered or federally insured savings and loan association, write to:
Office of Thrift Supervision
Consumer Affairs Program
1700 G Street NW
Washington, D.C. 20552
(202) 906-6000

Billing Errors & Complaints

Billing errors include: a charge for something a person did not buy; a bill for an amount different from the actual amount charged; a charge for something that was not accepted when it was delivered; a charge for something that was not delivered according to agreement; math errors; payments not credited to the account; a charge by an unauthorized person.

- Write to the credit card company within 60 days of receiving the bill with the error using the "billing inquiries" address. State:
  - ✓ Name and account number
  - ✓ A description of the error and why it is believed to be wrong
  - ✓ The date and amount of the error
- Don't pay the amount believed to be in error. DO pay the portion of the bill NOT in error.

Other complaints involving credit cards
If a problem cannot be resolved directly with the credit card company, file a complaint with the Connecticut Attorney General or banking agency. There are also federal agencies responsible for enforcing consumer credit laws for credit card companies.

If the credit card has been issued by state banks that are members of the Federal Reserve System, contact:
Federal Reserve Board
www.federalreserve.gov/pubs/complaints/
Division of Consumer and Community Affairs
20th and C Streets, N.W., Mail Stop 801
Washington, DC 20551
(202) 452-3693

If the credit card has been issued by banks with "national" or "N.A." in or after the name, contact:
Comptroller of the Currency
www.occ.treas.gov
Office of the Ombudsman
Customer Assistance Unit
1301 McKinney Street, Suite 3450
Houston, TX 77010
1-800-613-6743

If the credit card has been issued by state banks that are not members of the Federal Reserve System, contact:
Federal Deposit Insurance Corporation
www.fdic.gov
Consumer Response Center
2345 Grand Boulevard, Suite 100
Kansas City, MO 64108
1-877-275-3342

If the credit card has been issued by federal savings and loan associations and federal savings banks, contact:
Office of Thrift Supervision
www.ots.treas.gov
Consumer Programs
1700 G Street
Washington, DC 20552
1-800-842-6929

If the credit card is associated with federal credit unions, contact:
National Credit Union Administration
www.ncua.gov
Office of External Affairs
1775 Duke Street
Alexandria, VA 22314-3428
(703) 518-6300

If the credit card has been issued by finance companies or stores, and for matters related to auto dealers, mortgage companies, and credit bureaus, contact:
Federal Trade Commission
www.ftc.gov
Consumer Response Center
6th and Pennsylvania, NW
Washington, DC 20580
1-877-FTC-HELP

Credit Repair

A credit-reporting company keeps track of credit history. Before a person is approved for credit, whether for a credit card or a car loan, the lender calls one of these companies for a credit report and credit score. While a credit report is a history of credit, a credit score estimates the risk a company takes when giving your client a loan. Credit scores predict the likelihood a borrower will make payments late. Borrowers with a higher credit score (such as an A = 901-990 or B = 801-900) are more likely to receive a loan. The three biggest credit-reporting companies are:

Equifax
P.O. Box 740241
Atlanta, GA 30374
www.equifax.com
(800) 685-1111

Experian
P.O. Box 2002
Allen, TX 75013
www.experian.com
(888) 397-3742

Trans Union
P.O. Box 2000
Chester, PA 19022
www.tuc.com
(800) 888-4213

What if your clients are turned down?
If your clients have been turned down for credit, they MUST be given the name of the credit-reporting company, and they have the right to get a free credit report. <u>If they haven't been turned down but just want a copy of their report</u>, it may cost as much as $9.50 for a copy (see the box at right). Remember, your clients have the right to get **ALL** the information in their credit report.

What if the credit report is wrong?
Send the credit reporting company a letter that outlines items believed to be wrong. Include copies of any papers that might help prove the error. **NEVER** send original papers, always send copies and keep a personal copy of the letter. It takes about 30 days for companies to check into a letter disputing a credit report. If anything **IS** wrong, the credit-reporting company **MUST** report the error to all other companies. Request that they inform anyone who has asked for a report in the last six months about the changes.

Free Credit Reports

In Connecticut, effective September 1, 2005, a new rule by the Federal Trade Commission (FTC) allows consumers, upon request, to obtain a <u>free</u> copy of their credit report <u>once every 12 months.</u> Each consumer-reporting agency may have different information about a person. Your client may want to contact each of them for a copy of his or her report.

Your client can get a **free credit report** through:
Internet: www.annualcreditreport.com
Phone: 1-877-322-8228. Verification takes place over the phone. The report will be mailed.
Mail a request form:

Annual Credit Report Request Service
P.O. Box 105283
Atlanta, Georgia 30348-5283

What if your client's credit is bad?
Only time and hard work can repair credit. Credit-reporting companies hold information for seven years, 10 years if bankruptcy has been filed. If your clients think they need help, call one of the state-licensed adjusters in Connecticut. ONLY nonprofit debt/credit adjusters can be licensed by the CT Department of Banking. Go to www.ct.state.us/dob/ for a complete list of state-licensed debt/credit adjusters. Many are located out of state and will counsel on the phone. Consumer Credit Counseling Services of Southern New England has 6 sites located in Connecticut and can counsel in person. See page 50.

Annual Credit Report Request Form

You have the right to get a free copy of your credit file disclosure, commonly called a credit report, once every 12 months, from each of the nationwide consumer credit reporting companies - Equifax, Experian and TransUnion.

For instant access to your free credit report, visit www.annualcreditreport.com.

For more information on obtaining your free credit report, visit www.annualcreditreport.com or call 1-877-322-8228.

Use this form if you prefer to write to request your credit report from any, or all, of the nationwide consumer credit reporting companies. The following information is required to process your request. **Omission of any information may delay your request.**

Once complete, fold (do not staple or tape), place into a #10 envelope, affix required postage and mail to:

Annual Credit Report Request Service P.O. Box 105281 Atlanta, GA 30348-5281.

Please use a Black or Blue Pen and write your responses in PRINTED CAPITAL LETTERS without touching the sides of the boxes like the examples listed below:

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z 0 1 2 3 4 5 6 7 8 9

Social Security Number: ___ - __ - ____

Date of Birth: __ / __ / ____

Month Day Year

Fold Here Fold Here

First Name M.I.

Last Name JR, SR, III, etc.

Current Mailing Address:

House Number Street Name

Apartment Number / Private Mailbox

For Puerto Rico Only: Print Urbanization Name

City State ZipCode

Previous Mailing Address (complete only if at current mailing address for less than two years):

House Number Street Name

Fold Here Fold Here

Apartment Number / Private Mailbox

For Puerto Rico Only: Print Urbanization Name

City State ZipCode

Shade Circle Like This → ●

Not Like This →

I want a credit report from (shade each that you would like to receive):

○ Equifax
○ Experian
○ TransUnion

○ Shade here if, for security reasons, you want your credit report to include no more than the last four digits of your Social Security Number.

31238

If additional information is needed to process your request, the consumer credit reporting company will contact you by mail.

Your request will be processed within 15 days of receipt and then mailed to you.

The Credit Repair Organizations Act

It's advised to obtain a copy of the "Consumer Credit File Rights Under State and Federal Law" before signing a contract with a credit repair organization. Secure a written contract that explicitly states your client's rights and obligations. Review the contract before signing, keeping in mind the following consumer protections.[14]

Credit repair companies cannot:

- Make false claims about their services
- Charge a person before they have completed the promised services
- Perform any services until a person has signed a written contract and has completed a three-day waiting period, in which the customer can cancel the contract

The contract must include the following:

- The company's name and business address
- The total payment for services
- A detailed description of the services to be performed
- Estimated time it will take to achieve the results
- Any guarantees the company offers

There is NO quick fix for credit problems so beware of scams!

Credit repair companies often go after people with poor credit histories. They promise to fix credit reports to increase the chances of getting a loan, mortgage, insurance, or a job. In reality, these companies typically charge a lot of money in upfront fees, without cleaning up the credit report.

Beware of companies that:

- Want upfront payment for services before the credit repair is completed
- Refuse to disclose legal rights and free credit repair options
- Discourage customers from contacting a credit bureau directly
- Suggest creating a new credit report by applying for an Employer Identification Number instead of using a Social Security number
- Advise actions that seem illegal, such as creating a new identity

If your client follows illegal advice, your client may be subject to prosecution.

Money Management International

Credit Dispute Form

This form is being provided as a simplified means of communicating legitimate disputes only. By no means should accurate, valid and verifiable information be disputed.

Steps To Dispute The Accuracy Of Any Item On Your Credit Report:

1. Fill out this Dispute Form completely; supply photocopies of all proof of payment and/or documentation.
2. If you dispute information from more than one credit reporting agency, fill out a separate form for each and dispute the information directly with them.
3. If your identifying information differs from the information listed on the credit report, a photocopy of your driver's license, Social Security card and a recent utility bill will help the Credit Reporting Agency expedite the reinvestigation.
4. Keep a photocopy of all information mailed to the Credit Reporting Agencies for your records.
5. Sign and mail directly to the Credit Reporting Agency who reported the information. The addresses are listed below.

Please Use A Separate Dispute Form For Each Credit Reporting Agency

Last Name: First Name: Middle Initial: Jr,Sr,II,III,IV:

Address: Social Security Number:

City: State: Zip Code: Date of Birth:

Previous Address: City: State: Zip Code:

Disputed Account Information

1 Company name

Account #

☐ Not my account ☐ Never paid late

☐ Included in Bankruptcy ☐ Paid in full

☐ Other: (please explain)

2 Company name

Account #

☐ Not my account ☐ Never paid late

☐ Included in Bankruptcy ☐ Paid in full

☐ Other: (please explain)

3 Company name

Account #

☐ Not my account ☐ Never paid late

☐ Included in Bankruptcy ☐ Paid in full

☐ Other: (please explain)

4 Company name

Account #

☐ Not my account ☐ Never paid late

☐ Included in Bankruptcy ☐ Paid in full

☐ Other: (please explain)

At your request, the Credit Reporting Agency will send the results of the reinvestigation to organizations who have reviewed your credit report within the past 6 months (12 months for Colorado, New York and Maryland residents) and/or employers who have inquired within the past two years. Please list the organizations you would like notified, using the space below.

Signature Date

Complete This Form And Mail To The Credit Reporting Agency That Reported The Information.

Experian | P.O. Box 2002 | Allen, TX 75013 | 888-397-3742 | www.experian.com

Equifax | P.O. Box 740241 | Atlanta, GA 30374 | 800-685-1111 | www.equifax.com

TransUnion | P.O. Box 1000 | Chester, PA 19022 | 800-888-4213 | www.transunion.com

Money Management INTERNATIONAL®

www.moneymanagement.org

If your clients decide that a loan is right for them, they should review these questions:

- Are the monthly payments affordable?
- What is the annual percentage rate (APR) on the loan? Compare different loan rates.
- Will the interest rate change during the life of the loan? If so, when, how often, and by how much?
- Is there a balloon payment at the end of the term of the loan?
- How many years will it take to repay the loan?
- Are the application fees refundable if not approved?
- What are the broker's fees? Are there additional closing costs for the loan?
- Is credit insurance required as a condition of the loan? If not, then ask for the charge to be removed.

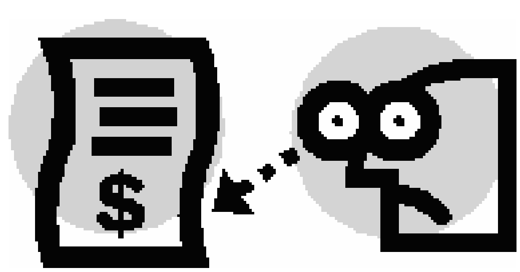
Co-signing a loan: Know the risks

Your client should know the risks involved before co-signing a loan for a friend or relative. Co-signing a loan involves a lot of financial responsibility.

If the borrower defaults on the loan, or does not pay it back, the responsibility of the loan falls on the cosigner. This may occur even if the borrower declares bankruptcy. Also, a co-signed loan may show up on a credit report and can affect credit and loan applications. Finally, if the cosigner can't pay the loan the cosigner can be sued.

If your client decides to co-sign a loan:

- Make sure the loan can be paid back if the borrower defaults.
- Ask the lender to agree in writing to report any missed payments. This provides time to make back payments without having to pay the full amount right away.
- Get copies of all important papers (i.e. the loan contract, Truth-in-Lending Disclosure statement, and warranties). Ask for the statements from the borrower, if not provided by the lender.



Home Equity Loan vs.
Home Equity Line of Credit

Remember, a home is not a credit card!

Before choosing a loan, it is important for your clients to consider how they will pay back the money they borrow. They do not want to risk losing their home if they cannot pay back the loan in time.

Home Equity Loan	Home Equity Line of Credit
A way of borrowing against the value of a home.	Using a home as collateral for a loan.
Usually used to borrow an exact amount of money. For example, to cover a fixed cost, like repairing a roof.	Usually used for major expenses such as education, home improvements or medical bills. Not for day-to-day needs.
A fixed amount that must be paid back in full within a certain amount of time.	Approved credit limit, borrowed at a variable interest rate. It's possible to borrow up to the set amount at any time.

Lenders set the limit on a home equity line of credit by subtracting the balance owed on the existing mortgage, from a percentage of the home's appraised value (usually 75%).

For example:

Appraised value of home	$100,000
Percentage	x75%
Percentage of appraised value	$75,000
Minus balance owed on mortgage	- $40,000
Potential Credit	$35,000

The lender will also look at income, debts, and credit history to determine the credit limit. Make sure to read the credit agreement carefully and look at the terms and conditions of more than one plan, including the annual percentage rate (APR). Also, lenders may charge an application fee, closing costs, and a fee for property appraisal. Remember that with a Home Equity Line of Credit, the APR is a variable rate, which means it can change.

Reverse Mortgages

What is a reverse mortgage?
A reverse mortgage is a special type of home loan that lets a homeowner, 62 years and older, convert a portion of the home's equity into cash. Payments from reverse mortgages are based on the equity built up over years of home mortgage payments.

UNLIKE traditional home equity loans or a second mortgage, there is no repayment required until the homeowner no longer uses the home as the principal residence. In other words **once you move**, you have to start repaying the loan. Homeowners are still required to pay real estate taxes and other conventional payments like utilities. With an FHA-insured HUD Reverse Mortgage, homeowners cannot be foreclosed or forced to vacate their house because of a missed mortgage payment.

What happens if my client sells the home?
If the homeowner sells the home or no longer uses it for his/her primary residence, the individual or the estate are required to repay the cash the homeowner received from the reverse mortgage, plus interest and other fees, to the lender. The remaining equity in the home, if any, belongs to the homeowner or heirs.

None of the homeowner's other assets will be affected by HUD's reverse mortgage loan. So this debt will never be passed along to the estate or heirs and the homeowner can never owe more than the value of their home.

HUD's reverse mortgage program qualifications:
- **Must be a homeowner at least 62 years of age**
- Must own the home outright or have a low mortgage balance that can be paid off with the proceeds from the reverse loan
- Must live in the home

Types of homes eligible:
- Single-family dwellings
- Two-to-four unit property that the person owns and occupies
- Townhouses
- Detached homes
- Units in condominiums (must be FHA-approved)
- A home in reasonable condition that meets minimum HUD-property standards

Free information about reverse mortgages is available by calling the American Association of Retired Persons (AARP) toll-free at 1-800-209-8085. Contact the Housing Counseling Clearinghouse at 1-800-569-4287 to obtain the name and telephone number of a HUD-approved counseling agency and a list of HUD's Federal Housing Administration (FHA) approved lenders in your client's area.

Legal Resources

Connecticut Commission on Human Rights and Opportunities (CHRO) www.state.ct.us/chro
21 Grand Street, Hartford 1-800-477-5735 or (860) 541-3400
1229 Albany Avenue, Hartford (860) 566-7710
For Housing Complaints: (860) 541-3403
1057 Broad Street, Bridgeport (203) 579-6246

Connecticut's leading civil rights law enforcement agency. CHRO investigates discrimination complaints involving housing and credit transactions on basis of age, ancestry, color, race, national origin, sex, religion, marital status, sexual orientation, criminal record, and family status.

Connecticut Legal Rights Project (CLRP) www.mindlink.org/clrp.html
P.O. Box 351, Silver Street, Middletown 1-877-402-2299 or (860) 262-5030
1635 Central Avenue, Bridgeport (203) 551-7638
51 Coventry Street, Hartford (860) 297-0808
34 Park Street, New Haven (203) 974-7715

Provides free legal assistance and advocacy for low-income adults who have, or are perceived to have, psychiatric disabilities. CLRP's advocacy focuses on an individual's treatment rights and civil rights, particularly with regard to housing matters. CLRP also assists in housing discrimination.

Lawyer Referral Service of the Connecticut Bar Association www.ctbar.org
30 Bank Street, P.O. Box 350, New Britain (860) 223-4400
Fairfield County (203) 335-4116
Hartford County (860) 525-6052
New Haven County (203) 562-5750

Recommends a private attorney who can assess a case and provide an estimate of charges for a nominal fee.

Statewide Legal Services of Connecticut (SLS) www.slsct.org
425 Main Street, Middletown 1-800-453-3320 or (860) 344-0380

Helps low-income people with civil (non-criminal) legal problems. SLS is available by phone to low-income people, and serves as the entry point to three legal services agencies:

Connecticut Legal Services
211 State Street, Bridgeport (203) 336-3851
587 Main Street, New Britain (860) 225-8678
153 Williams Street, New London (860) 447-0323
20 Summer Street, Stamford (203) 348-9216
85 Central Avenue, Waterbury (203) 756-8074
872 Main Street, Willimantic (860) 456-1761

Greater Hartford Legal Aid, Inc. www.legalaid.ghla.org
999 Asylum Avenue, Hartford (860) 541-5000

New Haven Legal Assistance Association www.nhlegal.org
426 State Street, New Haven (203) 946-4811

Legal Services attorneys can help with: consumer issues, benefits and work, evictions, public housing, housing repairs, foreclosure, utilities and energy, divorce, child support, custody, guardianship, visitation, restraining orders, and elderly issues.

Debt Management

Many of your clients are probably dealing with debt. If so, it is important for them to have the resources to address debt, be aware of the appropriate practices of debt collection agencies, and regain control over personal finances.

Did you know?

- "Americans carry, on average, $5,800 in credit card debt from month to month. If one were to make only the minimum payment on that debt every month, it would take 30 years to pay off - and include an additional $15,000 in interest."[15]
- In 1980, about 78% of spending was financed from wages and salaries. By 1990, the figure had dropped to 71% and it's been falling ever since. In January 2006, it slipped to 64%.[16]
- "Over nearly a decade, average debt for a four-year college graduate rose from $12,100 to $19,300, with about 25% of recent graduates having borrowed more than $25,000 to pay for their undergraduate degrees, according to national education statistics".[17]

Credit Counseling Services

Credit Counseling Services advise a person on how to manage debt. Credit counseling is a great way to receive information on how to make payments and stay on a budget until debt is paid off. Reputable credit counseling agencies will provide free information about services, without asking for specific personal information. Be careful of fees, as some credit counselors will charge for services.

Your client should talk with a credit counseling organization that is licensed by the State of Connecticut and approved by the Better Business Bureau. The Department of Banking licenses 35 "debt adjuster" nonprofit agencies. For a list of approved agencies go to www.ct.gov/dob, click on verify a license, then debt adjusters.

Questions to ask when choosing a credit counseling agency:
The following questions are provided by the Federal Trade Commission (FTC). For more detailed information on what to look for in a credit counseling agencies go to the FTC website at www.ftc.gov/bcp/conline/pubs/credit/fiscal.htm.

- Is the agency licensed to offer services in Connecticut?
- What are the qualifications of the credit counselors? Are they accredited or certified by an outside organization? If so, by whom? If not, how are they trained?
- What services are offered? Look for a variety of services including financial education classes and budget counseling.
- Are educational materials available for free?
- What are your fees? Are there set-up and/or monthly fees? What happens if you can't afford to pay fees or make contributions?
- Will there be a formal written agreement or contract with the agency?
- Does the organization guarantee that your personal information will be kept confidential?
- Do the credit counselors receive cash benefits if the client signs up for certain services, pays a fee, or makes a contribution to the organization? Consider finding another credit counseling agency if the answer is yes.

Consumer Credit Counseling Service of Southern New England, Inc.
Consumer Credit Counseling Service of Southern New England (CCCS) is a nonprofit organization that is licensed by the State of Connecticut and listed by the Better Business Bureau. Your client can speak to a CCCS credit counselor for free. The counselor will go through the individual's financial history and debt situation, help set up a budget, and provide options to reduce debt. This organization also provides financial education programs that teach more on how to manage a budget, debt, and managing credit. For more information go to www.creditcounseling.org, www.moneymanagement.org, or www.crediteducation.org.

There are **6** locations in Connecticut that can be reached by calling 1-866-889-9347.

Route 372, Cromwell CNB Cromwell, 06416	111 Founders Plaza, Suite 1400 East Hartford, 06108	297 Salem Turnpike Norwich, 06360
39 Rose Street, Unit 39B Danbury, 06810	61 Cherry Street, 2nd Floor Milford, 06460	123 Prospect Street Stamford, 06910

Managing Your Clients' Debt: What They Need to Know

Debt Management Plans
After a credit counselor has reviewed a person's financial information, there are several plans they may recommend. Read over the description of each **AND** the Federal Trade Commission's questions to ask before agreeing to a program.

Debt Management Plan (DMP): The credit counseling agency collects a monthly payment and uses this money to pay their creditors. A debt management plan may or may not be the best way to handle debt. A good credit counselor will help determine whether or not to establish a debt management plan.

Debt Consolidation: Debt is combined into a single loan with a fixed rate. Instead of paying 20 different creditors who charge different rates at different times of the month, one larger loan is taken out, which pays off all accounts with a single monthly payment. Be sure that the costs of the new loan will be less than what is already being paid to the different creditors!

Debt Negotiation: Clients can negotiate with their creditors to set up an affordable payment plan, re-age the debt (or "turn back the clock" to help repair negative credit history), or ask for a lower interest rate on money owed. There are non-profit credit counseling agencies that help with this negotiation process. For-profit debt negotiators may claim to reduce debt by 50% or erase negative credit history after the debt is paid off, BUT these services have high fees and may fail to reduce the debt owed.[18]

Debt Settlement: A company (usually a for-profit organization) accepts monthly payments and places this money into an account until customers save enough to settle the total debt. Not only does this service cost money, BUT while the company collects funds, NO money is being paid to the creditors. Debt settlement can ruin credit rating and hurt a person's chances of getting a loan to build assets, such as buying house or car.

Questions to ask before deciding if Debt Management Plans (DMPs) are the right way to deal with debt:

- Is the DMP the only option? Will the agency provide on-going budgeting advice, regardless of whether or not your client signs up for a DMP?
- How does the DMP work? How will the agency make sure that creditors are payed on time and in the correct billing cycle? Only sign up for a DMP that pays creditors before the payment due dates.
- How is the amount of the payment determined? What if the amount is not affordable?
- Are status reports available on the DMP account? Can these accounts be accessed by phone or online?
- Can the organization lower or eliminate current interest rates and finance charges, or waive late fees? Call individual creditors to verify this information before agreeing to the DMP.
- What debts are not included in the DMP? This is important because your clients are responsible for paying these debts on their own.
- How will enrolling in a DMP affect overall credit? Remember legally negative information **CAN'T** be removed from a credit report.[19]

Debt Collection Practices

In Connecticut, the Department of Banking administers the laws and regulations that require debt collectors to treat consumers fairly. Fair debt collection laws cover personal, family, and household debts, including child support and money owed for personal property tax.[20]

Consumer collection agencies MUST give consumers the following information:

- The amount of the debt
- The name of the creditor to whom the debt is owed
- A statement clarifying that the debt must be disputed within 30 days of receiving notice of it, or the agency will assume the debt is valid
- Mail proof of the debt, if it receives a written statement disputing it
- Disclose the original creditor, if different from the current creditor

Consumer collection agencies MAY:

- Contact a debtor in person, by telephone, by mail, or fax.
- Contact a third party ONLY to find out the debtor's address, phone number, or where he or she works. Collectors may contact a third party only once.

Consumer collection agencies MAY NOT:

- Use false, deceptive, or misleading statements when collecting a debt
- Collect an amount greater than what is owed
- Threaten or seize property
- Force a person to accept collect calls
- Accept a check postdated by more than 5 days, or deposit a post-dated check prematurely
- Make contact before 8 a.m. or after 9 p.m. unless given permission
- Contact a person directly if he or she has an attorney. The agency must go through the lawyer
- Contact anyone about a person's debt besides the attorney, a credit agency, the creditor, or the creditor's attorney
- MAY NOT mention to a third party that the person they are looking for owes any debt
- Contact by postcard or by mail covered in language or symbols indicating the collection of debt
- Make contact after receiving a formal statement asking the collector to stop. The collection agency may acknowledge that there will be no further contact, or outline future actions. (Remember that sending a letter to the collection agency DOES NOT make debt go away. The original creditor can still take legal action against the debtor.)

Harassment may be occurring, if the collection agency is:

- Using threats to harm a person's reputation or property
- Using obscene language
- Publishing and publicly posting a list of consumers who refuse to pay their debt
- Advertising the sale of debt
- Using the telephone to annoy, abuse or harass
- Contacting a person or attorney without disclosing their identity

Victims of collection agencies can sue a collector in a state or federal court within one year of the date the law was violated. If the case is won, victims may collect money for damages suffered, recover court costs and attorney's fees, and receive an additional sum up to $1,000.

Bankruptcy

Bankruptcy may be a way for a person to get a fresh financial start. Filing for bankruptcy is a legal process and proceedings are handled in federal court. The decision to file for bankruptcy is very serious and should not be taken lightly; therefore get legal representation before filing. New regulations went into effect in October 2005.

Benefits	Consequences
• Creditors can't file lawsuits against the debtor. • Creditors must stop trying to collect money on unpaid bills. • Creditors must accept the amount that the court determines for repayment. • Bankruptcy may protect assets.	• Bankruptcy can show up on a credit report for 10 years. • It may be difficult or impossible to get a loan or credit card during those 10 years. • The debtor may have to sell property in order to pay the debt. • Bankruptcy won't reduce the amount of child support, alimony, fines, taxes, and some student loan obligations.

Bankruptcy is a last resort to solve a financial crisis. Before your clients file, encourage them to talk with a credit counselor or an attorney to see if an agreement can be reached with creditors. If your client decides to file, creditors may not start or continue legal proceedings. Bankruptcy may get rid of unsecured debts and stop foreclosures, repossessions, garnishments, utility shut-off and debt collection activities.[21]

Types of personal bankruptcy
CHAPTER 7:
Filing Fee: $200 (In certain cases, the court may allow payment of this fee in installments).
Attorney Fees: May range from $400 to $1,000. Before hiring an attorney find out what the fees are charged and if payment can be made in installments.

- A person can file once every six years for Chapter 7 bankruptcy. A notice of filing will remain on a person's credit report for 10 years.
- Known as straight bankruptcy, Chapter 7 involves liquidation of all assets that are not exempt. Exempt property can include cars, clothing, life insurance, work-related tools, and basic household furnishings. Some property might be sold by a court-appointed officer or turned over to creditors. Even after filing for bankruptcy, anyone who has co-signed a loan with your client will remain responsible for debt.

CHAPTER 13:
Filing Fee: $185 (In some cases, the court may allow payment of the fee in installments).
Attorney Fees: May range from $400 to $1,000. Before hiring an attorney, find out what the fees are charged and ask if payment can be made in installments.

- After filing a petition, your client must file a proposed plan of repayment with the original petition within the next 15 days. A court-appointed trustee will supervise your client, make payments to creditors, and give the court information about your client's finances.
- The filer does not have to surrender property: a person with a steady income is allowed to keep property, such as a mortgaged house or a car. The court approves a repayment plan that allows the filer to use future income to pay off a default during a three-to-five-year period. Anyone with unsecured debts of less than $270,000 and secured debts of less than $800,000 is eligible.

How Does Your Client File?

File a petition and schedule at the clerk's office of the federal bankruptcy court. These should include:

- A list of all creditors
- Sources of income
- A list of all personal property
- A list of living expenses
- Deeds, mortgages, contracts home and mortgage statements
- Any papers relating to past bankruptcies
- Copies of tax returns for the past two years
- All legal papers, summonses, complaints and notices of attachment, execution or garnishment
- Credit card bills, medical bills and any document relating to outstanding debt
- Bank statements, passbooks for savings and checking accounts for the last year, and student loan papers

How do the New Bankruptcy Regulations Affect Your Client?

- Go to the Consumer Credit Counseling Service website for more information at www.moneymanagement.org.

- People filing for bankruptcy are now required to take an approved financial counseling course within 6 months of filing for bankruptcy.

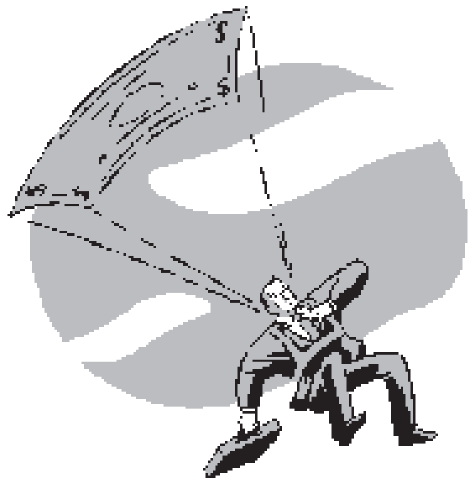
- If a person's income is more than Connecticut's median income and he or she has $10,000 (or more) of unsecured debt, the person must file a five-year Chapter 13.

- If your client's income is less than Connecticut's median income then the person may file under Chapter 7.

Bankruptcy Court locations in Connecticut:	www.ctb.uscourts.gov
915 Lafayette Boulevard, Bridgeport	(203) 579-5808
450 Main Street, Hartford	(860) 240-3675
157 Church Street, New Haven	(203) 773-2009

Personal Financial Security

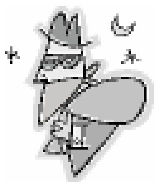
Many people do not know how easy it is for others to access their confidential information. It is important for your clients to understand the dangers of identity theft, how identity theft occurs, different homeowner and home improvement scams, and fraudulent activities. This section examines different predatory practices of thieves and illegitimate contractors.



Did you know?

- "According to two studies done in July 2003 (Gartner Research and Harris Interactive), approximately 7 million people became victims of identity theft in the prior 12 months. That equals 19,178 per day, 799 per hour, 13.3 per minute."[22]
- In 2003 Identity theft victims spent an average of 600 hours recovering from this crime, over a period of years. In 2000 the average time spent recovering was 175 hours, which is an increase of about 2470%.[23]
- In 2003 identity theft victims spent an average of $1,400, to help correct the damage caused by identity theft; this is an increase of 85% from years past.[24]

Identity Theft? Take Action



What is Identity Theft?
Identity theft occurs when someone purchases goods and services using a person's personal information (their name, address, Social Security number, bank or credit card account number) without that person's knowledge.

If a credit or debit card is lost or stolen:
Call the card issuer immediately! Operators are available 24-hours a day and 7 days a week to take these claims. **Under federal law maximum liability for charges made on lost or stolen cards is $50 per card.**

Also beware of fraudulent credit card loss protection offers. A person's liability is limited to $50 per card; therefore there should be no need for further protection. Phone or mail solicitors will lie in order to obtain credit card information and fees for services. Warn your clients to **NOT** give out their credit card information.

If a purse or wallet is lost or stolen:

- File a report with the police right away. Keep a copy of the report.
- Cancel credit cards. Call the card issuer immediately (see above).
- Make sure new credit and charge cards have new numbers.
- Report missing driver's license to the state Department of Motor Vehicles (DMV).
- Report lost cell phone to the cell phone carrier.
- Change home and car locks if keys are lost or taken.
- Report the loss to the bank in order to protect personal checking and/or savings accounts.

If theft is suspected:

- Call the fraud department of the major reporting agencies and ask each company (Equifax, Experian, Trans Union) to put a 'fraud alert' on credit reports.
- File a complaint with the Federal Trade Commission (FTC) at www.consumer.gov/idtheft or call 1-877-IDTHEFT.
- Review personal credit reports regularly (once a year) in order to catch any errors.
- Follow up in writing with everyone spoken to over the phone, using certified mail with a return receipt and keep copies of all the forms sent.
- Keep **originals** of all police reports and letters to and from creditors. Share only the **copies**.
- Set up a filing system to keep records organized.
- Keep all files even if the case is closed.

Connecticut Law
Connecticut's identify theft law establishes procedures to help victims of identity theft. The Act:

- Establishes procedure for reporting and processing identity theft crimes
- Establishes a graduated penalty for violators
- Prohibits businesses and people from printing more than the last five digits of a credit or debit account number on a consumer's receipt
- Prohibits individuals, firms, and corporations from publicly disclosing Social Security numbers (some exceptions apply)

Homeowners Beware

If your clients own a home, they should be aware of the following scams that specifically target homeowners:

Balloon Payment: If a homeowner is behind on mortgage payments, another lender may offer to lower the monthly payments. The new payments may be lower because the lender is offering a loan where only the interest is due each month. At the end of the loan term, the entire amount borrowed is due in one lump sum called a balloon payment. If the borrower cannot pay the final balloon payment, the lenders can take the house.

Loan Flipping: A lender calls to talk about loan refinancing and claims it's time the equity the home started "working" for the homeowner. Each time the homeowner refinances, the lender may increase the interest rate, and charge high points and fees for the service.

Credit Insurance Packing: Lenders add additional charges, such as credit insurance, into a mortgage before closing. These services and "benefits" are not necessary and will increase the cost of the loan. Make sure these services are not added into the mortgage before signing.

Signing over the deed: A homeowner is having trouble paying the mortgage and another lender offers to help find new financing. This new lender asks the borrower to "temporarily" deed the property to the lender to prevent foreclosure. When the refinancing fails to come through, the lender has the property deed and now legally owns the home.

What to do if your client falls for a scam: If the lender has broken the law, call the lender or the lender's company and register a complaint. Also contact a lawyer from the Connecticut Attorney General's Office (860-808-5318), or the Federal Trade Commission at www.ftc.gov or call 1-877-FTC-HELP.

For further legal assistance, see page 48.

Agencies to check out before doing business with any company:

Attorney General
Hartford, CT
(860) 808-5318
www.ct.gov/ag

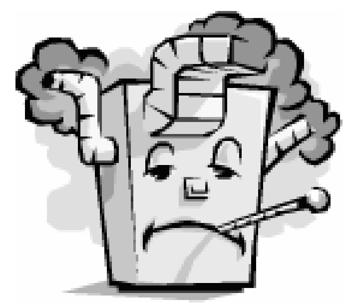
Better Business Bureau
94 South Turnpike Road
Wallingford, CT 06492
(203) 269-2700
www.connecticut.bbb.org

Dept. of Consumer Protection
165 Capitol Avenue
Hartford, CT 06106
(860) 713-6050
www.ct.gov/dcp/site/

Home Improvement

Tips for finding a contractor

- Find out if the contractor is licensed by contacting the Department of Consumer Protection at: (860) 713-6050 or go online at: www.ct.gov/dcp/cwp/view.asp?a=1625&Q=276438&PM=1
- To gather information on contractors under consideration, contact the State Attorney General Consumer Service Division (www.ct.gov/ag) or call (860) 808-5318 and the Better Business Bureau (www.connecticut.bbb.org) or call (203) 269-2700.
- Ask friends who used the contractor if they liked their work.
- Get all bids in writing. Get at least 3 written estimates from different contractors. Compare bids and services.
- Ask if the contractor's company is insured against claims covering worker's compensation, property damage, and personal liability in case of accidents. Call the insurance carrier or agency to verify the coverage.



Protect against home improvement scams

- If it is a good deal today, it will be a good deal tomorrow. Take time and think it over.
- A legitimate company will be more than willing to wait for the potential borrower to check them out. Do not fall for lines like "This is the only chance you have" or "The material will soon be gone."
- Avoid unlicensed contractors.
- Do not use contractors who say they can arrange loans to pay for the work.
- Before signing a contract, make sure all papers are fully completed, dated, and there are no blank spaces that can be filled after signing.
- Get a written and signed contract that explains the costs, a detailed description of the work and materials, estimated start and completion dates, and contractor's name and address.
- The lowest bid isn't always the best bid. You get what you pay for.

Filing a Complaint

Connecticut Department of Consumer Protection www.ct.gov/dcp/site

The Connecticut Department of Consumer Protection requests that those who wish to file a complaint do so in writing. Send a copy of the contract, copies of the back and front of the cancelled checks for home improvement, and new home contractor complaints with the form.

165 Capitol Avenue, Hartford 1-860-713-6050

Predatory Lending

While the majority of lenders are honest, others earn profit by taking advantage of Connecticut families. The best way to avoid being taken advantage of is to be aware of how dishonest lenders work.

Avoid any lender who:

- Offers a "bargain loan," takes applications over the phone, guarantees low-interest loans, or asks for fees up-front
- Pressures lenders to sign blank documents or a contract without first explaining them
- Claims that the loan offer is for a "limited time
- Won't answer or redirects questions
- Refuses to give copies of signed documents
- Pushes loans and payments that are not affordable
- Encourages falsifying information on a loan application
- Includes extra fees in the loan agreement, claiming they are "required"

How can your clients find a good lender?

- Do your homework! Free information is available on the lending process. Visit Fannie Mae Foundation's website at www.homebuyingguide.org. (Publications are available in several languages and can be ordered by mail.)
- Before taking out a loan for home improvement, go to a local library for books on buying or renovating homes.
- Take a Connecticut Housing Finance Authority (CHFA) class. This may help your client get approved for a low-interest or reduced-rate loan. See page 24.
- Shop around for a low-cost loan. Start at local banks and compare the types of loans offered and their interest rates.
- Find a loan that fits the need by asking lots of questions!
- Bring a friend to the bank or finance company. (This is important for non-English speaking clients.)

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24. www.idtheftcenter.org/facts.shtml

Other publications available from CAHS:

Your Family's Money, Simple Ways to Build a Better Future, A Handbook for Families
[Please specify town: Bridgeport, Hartford, Stamford, Norwich, New London, or New Haven]

Your Family's Money II: Managing Debt and Credit, A Handbook for Connecticut Families

How to Get Food in Connecticut

Sowing Prosperity: Low-Income Working Families and Connecticut's Future

Programs That Help People in Connecticut

Investing in Families...Investing in Our Future, 2004 Connecticut Kids Count Data Book

ChildWise: Connecticut's Academic Achievement Gap

ChildWise: TFA Rolls Decline, But Hardship for Children and Parents Continues

Pathways from Poverty

You can download pdf versions of our publications online at www.cahs.org/publications/index.html.

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