

Check Your Credit Report Before the Holidays

Did you know that, each year, you can get a free credit report from each of the three major reporting bureaus? If you haven't requested any this year, now is the time to pull reports from Experian, TransUnion and Equifax.

"It's important to check to see if there has been any suspicious activity with your accounts," said **Katie Moore**, GreenPath counselor. "The upcoming holiday season is a very busy time when it comes to using credit cards. If you don't track your credit, you could be in for a surprise when you start gift shopping."

To pull your credit reports, log on to www.annualcreditreport.com. You can also access GreenPath's support materials to help you read and understand your credit report by logging on to www.greenpathref.com and searching "credit report."

So what to do if you find fraudulent activities on your credit report? "If you find an error, you may dispute it online through the main credit reporting agencies," said Moore. "You also can call the telephone number on your credit report for assistance, if you feel any information is inaccurate or incomplete."

"You'll need to be specific, by including the account number of an item you feel is in error and explain exactly why you feel it is inaccurate," continued Moore. "Simply saying an item is wrong does not give enough detail to help resolve the issue."

"Investigations of disputed items can take up to 45 days, so if you pull your reports in September, you should be in good shape by the holidays," Moore concluded.



Save \$300 for Holiday Shopping

GreenPath understands that credit cards can be very tempting to use for holiday shopping, and encourages shoppers to set aside cash for gifts. "If you set aside \$25 a week from September until mid-November in a special "Christmas Club" account,* you could have almost \$300 towards gifts, that will stay off your credit cards this holiday season," said Katie Moore, GreenPath counselor. "By using cash instead of credit, you will have less to pay off when your bills come in January."



Home Equity Loans are Returning

By Mark Munzenberger, *GreenPath Housing Director*

Nearly every state across the country is experiencing increases in home values. On average, about 10 percent, but in some cities and states, closer to a 20 percent increase. The increase in home values is opening up the door for some homeowners to tap into that equity in the form of a Home Equity Loan or Line of Credit.

However, as with nearly every financial product out there, there are pros and cons for homeowners to consider as they decide whether or not to borrow against their home.

The positives:

- The interest rates on these loans are typically lower than unsecured credit cards or other personal loans. Also, the application fees are minimal – significantly less than a full-fledged refinance.
- The interest paid on these loans may be tax deductible. Consult a tax advisor for further advice.
- The money can be used for anything – home improvements, debt consolidation, college tuition, etc.
- Lines of credit are available for you to use only as needed.

The negatives:

- It's very easy to get into financial trouble. Consumers who use these loans for regular, everyday expenses (like using an ATM) will undoubtedly find themselves in trouble with excessive debt.
- Home values fluctuate, and a decrease in your home value will increase the probability that you may suddenly be underwater. This happens when you owe more on your mortgage(s) than what the market value of the property is worth.
- Because this loan is secured by the home, homeowners who fall delinquent on either their primary or secondary home equity loan are at risk of foreclosure.
- The goal should be to reduce the amount the amount of debt you carry, not increase it. A home is usually an individual's most valuable asset, and building equity in the property is a sound financial strategy.

If you're interested in learning if a home equity loan might be right for you, a good first step would be to conduct a housing counseling session with a GreenPath housing counselor. For more information, log on to www.greenpathref.com and click on the orange "housing services" link on the front page.



Webinar Wednesdays in September

GreenPath's education department is ready to call class back into session this September with two popular webinars:

September 3 – Re-building Your Credit - If you are finding yourself in a position with not so good credit, then this webinar is for you. We will review tips on how to rebuild your credit score, or how to start establishing credit. The course will review how your credit score is determined, what can be done to increase your score and how to start building a positive credit report.

September 17 – Home Improvement on a Budget - As the housing market continues to heat up, more homeowners

are deciding if this is the right time to fix things up, either for the long haul or to get ready to sell. This course will explore different ideas for maintaining and sprucing up your home without breaking the bank. We will look at all areas of the home including kitchens, bathrooms, other interior rooms and the exterior of the home.

All GreenPath webinars are free and informative without a sales pitch. Log on to www.greenpathref.com and click on the Financial Education link, then Webinars, for more information and to sign-up. All webinars take place at noon ET.

Clients give us feedback on our Facebook page from time to time.

Scott F. wrote: "Today we received a call from our GreenPath representative informing us that our debt of four years was fully paid off. Thank you for such an easy process over those years. Things went very smoothly, and we even paid off earlier than the 5-year window. Highly recommended!"

More than 2,000 people have liked our GreenPath Facebook page so far! Log on to www.facebook.com/greenpathdebt and get news updates, personal finance video links, timely tips and more.



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