



One Week Guide to Spring Cleaning Your Finances

By David Rodriguez/Generations Federal Credit Union

Getting ready to do a little spring cleaning around the house? Set the broom and boxes down for an hour or two each day and tidy up your finances while you are at it. These seven tips are sure to help you eliminate the debt mites that exist in your finances and leave them green and squeaky clean:

Sunday – Start the week off by creating “SMART” goals. This is key, as you will not have much inspiration or drive if you cannot see the big picture in the end. It is also helpful to ensure they are Specific, Measurable, Attainable, Relevant and Time-bound so that they are more vivid and clearly defined.

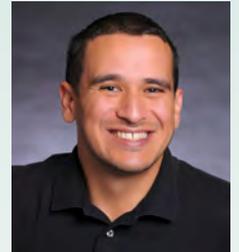
Monday – With your goals in place, consider downloading a helpful money management app or digital tool that will help you maximize your budget or start one. Apps such as Mint, BillGuard or Checkbook can help you navigate through your budget and make better sense of where your money is going. There are other bells and whistles that come with these programs, such as reminders and notices, and they are very visual.

Tuesday – Kill all the clutter that is draining your wallet every month and cancel all subscriptions and services you don’t use or need anymore. Better yet, take this a step further and call up other services you pay for monthly, like your cell phone, satellite/cable and internet providers and ask for a discount.

Wednesday – Like Tuesday, dedicate this day to lowering other money-draining endeavors. Back when I racked up some significant credit card debt as a naïve student, I overheard someone talking about how they called their credit card carriers and asked them to lower the interest rate. With nothing to lose, I called up the two credit card lenders I had and ended up getting my interest rate slashed in half!

Thursday – Now that you have de-cluttered and removed unnecessary expenses and debt, take a hard look at what is left. Create a simplified plan to eliminate your remaining debt.

Utilize the apps I suggested earlier to help you create a plan and/or consider exploring other sites. I really like an Excel template that I found online because of its simplicity (no pretty graphs) and it is easy to use.



Friday – Spend time today seeking feedback or getting some advice on your budget and debt payoff plan. Having a fresh set of eyes on your work may help you discover and rethink some of your strategies. In the end, you may choose to stay on the same course, but it will provide you an opportunity to determine if it is your best move. If you have a spouse or a family, it would be really beneficial that you communicate and agree on the approach together. You may also use a certified financial counselor that can review your plans.

Saturday – Give yourself a shot of liquid capital by having a garage or yard sale. Gather up all that excess clutter around the house and in storage and turn it into cash. If you pay for storage, this may be an opportunity to eliminate another expense and generate a little cash. I have friends that paid months of storage rent on a bed and couch that they will never use again, and the items are fully depreciated in value. Or, if you don’t want to have a sale, consider giving it to a charity so that you can help someone who will use it and take the tax write-off.

Spend a week putting these tips in place and you are almost certain to find yourself in a better financial position this summer.

The author is Financial Education Manager for Generations Federal Credit Union in San Antonio, Texas, a GreenPath Financial Wellness partner.

Consumer Financial Protection Bureau Proposes New Rules for Payday Lenders

By Jane E. McNamara, President & CEO, GreenPath, Inc.

The Consumer Financial Protection Bureau (CFPB) just announced that it will propose rules to regulate payday lenders. The Bureau said it seeks to end “payday debt traps” by requiring lenders to take steps to make sure consumers have the ability to repay their loans. They would also limit the number of loans a borrower could take out over the course of a year.

At GreenPath, we see the results of high-interest, payday lending practices every day. Clients are often unable to pay off the initial payday loan and, in turn, find it necessary to take out an additional loan, to help pay off the first. This domino effect continues as the consumer’s debt grows each month.

According to a recent news release from the CFPB, the proposals under consideration provide two different approaches to eliminating debt traps – prevention and protection.

Under the prevention requirements, lenders would have to determine at the outset of each loan that the consumer is not

taking on unaffordable debt. Under the protection requirements, lenders would have to comply with various restrictions designed to ensure that consumers can affordably repay their debt.

The strong consumer protections being considered would apply to **payday loans, vehicle title loans, deposit advance products, and certain high-cost installment loans and open-end loans.**

According to CFPB director Richard Corday: “Too many short-term and longer-term loans are made based on a lender’s ability to collect and not on a borrower’s ability to repay. The proposals we are considering would require lenders to take steps to make sure consumers can pay back their loans. These common sense protections are aimed at ensuring that consumers have access to credit that helps, not harms them.”

We applaud the CFPB’s efforts to protect consumers through enforcement of responsible lending practices.



Tax Refund Round-Up



April signals the deadline for filing your taxes, and many people have received refunds by now. Here are a few pointers from recent GreenPath media stories.

From *Mainstreet*: “A tax refund is such a great opportunity to really make a significant difference in someone’s entire financial situation,” said **Kathryn Bossler**, financial counselor with GreenPath Debt Solutions in Detroit. “It could be a way to make a major dent in credit card debt or a way to be able to build some emergency savings that many struggle to build throughout the year with just a paycheck.”

From *Upscale Magazine*: Other great tips include making contributions to prioritize your retirement, kid’s college education, create an emergency fund, giving to charity, or if you can’t make up your mind about what to do, divide the proceeds into thirds. Says **Sara Gilbert**, a counselor with GreenPath Debt Solutions, “Put some toward savings, debt and then splurge. That way, you make progress on several financial fronts.”



GreenPath Reviews on ConsumerAffairs.com

If GreenPath has helped you, consider sharing your story on *ConsumerAffairs.com*. Here’s a recent submission:

“GreenPath Debt Solutions has completely changed my lifestyle. We’re 100% debt-free, and although we have some credit cards just for emergencies, we don’t use them and we pay cash for everything.

They were able to lower our interest rates. I was there once initially to set everything up. Then if I had a question, I called

and whoever answered the phone was able to log into my account and answer all of my questions. It’s like once we set it up, it just did its own thing. They were very helpful and they did what they said they were going to do. In fact, I’ve recommended them to somebody today.”

Log on to www.consumeraffairs.com/debt_counsel/greenpath.html to tell us your story! So far, more than 100 clients have shared their experience.