

Financial Goal-Setting Worksheet

1 Goals	2 Approximate Amount Needed	3 Month & Year Needed	4 Number of Months to Save	5 Date to Start Saving	6 Monthly Amount to Save (2-4)
Short-Term (under 3 years)					
Medium Term (3-10 years)					
Long-Term (10 or more years)					

date prepared ____/____/____

A Basic Spending Plan

INCOME	Expected	Actual
Commissions		
Salary/tips		
Interest		
Other		
<i>Total Income</i>		
EXPENSES		
Giving/Savings/Taxes		
Church		
Charity		
Savings		
Taxes		
Housing		
Rent/House Payment		
Electric		
Gas		
Maintenance		
Phone/Internet		
Renter's/Homeowner's Insurance		
Taxes		
Trash		
Water		
Car		
Lease/Car Payment		
Gas		
Insurance		
Maintenance		
Repairs/New Tires		
Replacement Fund		
Entertainment		
Concerts/Sports Events		
Eating Out		
Movies		
TV/Cable/Satellite		
Vacation		
Misc		
Clothes		
Credit Cards		
Debt		
Food		
Personal Care		
Medical Care		
Other		
<i>Total Expenses</i>		

Total Income \$ _____
- Total Expenses \$ _____
= Difference \$ _____

COMPOUND INTEREST TABLES

YR	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%	11%	12%
1	1.01	1.02	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10	1.11	1.12
2	1.02	1.04	1.06	1.08	1.10	1.12	1.14	1.17	1.19	1.21	1.23	1.25
3	1.03	1.06	1.09	1.12	1.16	1.19	1.23	1.26	1.30	1.33	1.37	1.40
4	1.04	1.08	1.13	1.17	1.22	1.26	1.31	1.36	1.41	1.46	1.52	1.57
5	1.05	1.10	1.16	1.22	1.28	1.34	1.40	1.47	1.54	1.61	1.69	1.76
6	1.06	1.13	1.19	1.27	1.34	1.42	1.50	1.59	1.68	1.77	1.87	1.97
7	1.07	1.15	1.23	1.32	1.41	1.50	1.61	1.71	1.83	1.95	2.08	2.21
8	1.08	1.17	1.27	1.37	1.48	1.59	1.72	1.85	1.99	2.14	2.30	2.48
9	1.09	1.20	1.30	1.42	1.55	1.69	1.84	2.00	2.17	2.36	2.56	2.77
10	1.10	1.22	1.34	1.48	1.63	1.79	1.97	2.16	2.37	2.59	2.84	3.11
11	1.12	1.24	1.38	1.54	1.71	1.90	2.10	2.33	2.58	2.85	3.15	3.48
12	1.13	1.27	1.43	1.60	1.80	2.01	2.25	2.52	2.81	3.14	3.50	3.90
13	1.14	1.29	1.47	1.67	1.89	2.13	2.41	2.72	3.07	3.45	3.88	4.36
14	1.15	1.32	1.51	1.73	1.98	2.26	2.58	2.94	3.34	3.80	4.31	4.89
15	1.16	1.35	1.56	1.80	2.08	2.40	2.76	3.17	3.64	4.18	4.78	5.47
16	1.17	1.37	1.60	1.87	2.18	2.54	2.95	3.43	3.97	4.59	5.31	6.13
17	1.18	1.40	1.65	1.95	2.29	2.69	3.16	3.70	4.33	5.05	5.90	6.87
18	1.20	1.43	1.70	2.03	2.41	2.85	3.38	4.00	4.72	5.56	6.54	7.69
19	1.21	1.46	1.75	2.11	2.53	3.03	3.62	4.32	5.14	6.12	7.26	8.61
20	1.22	1.49	1.81	2.19	2.65	3.21	3.87	4.66	5.60	6.73	8.06	9.65
21	1.23	1.52	1.86	2.28	2.79	3.40	4.14	5.03	6.11	7.40	8.95	10.80
22	1.24	1.55	1.92	2.37	2.93	3.60	4.43	5.44	6.66	8.14	9.93	12.10
23	1.26	1.58	1.97	2.46	3.07	3.82	4.74	5.87	7.26	8.95	11.03	13.55
24	1.27	1.61	2.03	2.56	3.23	4.05	5.07	6.34	7.91	9.85	12.24	15.18
25	1.28	1.64	2.09	2.67	3.39	4.29	5.43	6.85	8.62	10.83	13.59	17.00
26	1.30	1.67	2.16	2.77	3.56	4.55	5.81	7.40	9.40	11.92	15.08	19.04
27	1.31	1.71	2.22	2.88	3.73	4.82	6.21	7.99	10.25	13.11	16.74	21.32
28	1.32	1.74	2.29	3.00	3.92	5.11	6.65	8.63	11.17	14.42	18.58	23.88
29	1.33	1.78	2.36	3.12	4.12	5.42	7.11	9.32	12.17	15.86	20.62	26.75
30	1.35	1.81	2.43	3.24	4.32	5.74	7.61	10.06	13.27	17.45	22.89	29.96

Table 1:
LUMP SUM INVESTMENTS
Compounding Annually

Growth of principal amount of \$1 at varying compounding rates and time periods.

You can use this table as a quick reference to determine the approximate value of a lump sum investment, compounding annually, at a given rate of interest or growth over the time periods shown. For example, to determine the ultimate value of a \$1,000 lump sum invested at 6% for 30 years, refer to the 6% column and line 30 (30 years). The factor is 5.74 which, multiplied by \$1,000, equals approximately \$5,740. If the rate of growth was increased to 10% annually, the result would be \$17,450 (\$1,000 x 17.45).

YR	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%	11%	12%
1	12	12	12	12	12	12	12	13	13	13	13	13
2	24	25	25	25	25	26	26	26	26	27	27	27
3	37	37	38	38	39	39	40	41	41	42	42	43
4	49	50	51	52	53	54	55	56	58	59	60	61
5	62	63	65	66	68	70	72	73	75	77	79	81
6	74	77	79	81	84	86	89	92	95	98	101	104
7	87	90	93	97	100	104	108	112	116	120	124	129
8	100	104	108	113	118	123	128	133	139	145	151	157
9	113	118	124	130	136	142	149	156	164	172	180	189
10	126	133	140	147	155	163	172	181	191	201	212	224
11	140	148	156	165	175	185	197	208	221	234	249	264
12	153	163	173	184	196	209	223	237	253	270	289	308
13	167	178	190	204	218	234	251	269	289	310	333	358
14	180	194	208	224	242	260	281	303	327	354	382	414
15	194	210	227	245	266	288	313	340	369	402	437	476
16	208	226	246	268	292	318	347	379	415	454	498	546
17	222	243	265	290	318	349	384	422	465	513	565	624
18	237	260	286	314	347	383	423	469	519	576	640	712
19	251	277	306	339	376	418	465	519	579	647	723	810
20	266	295	328	365	407	456	510	573	643	724	816	920
21	280	313	350	392	440	495	559	631	714	809	918	1043
22	295	331	372	420	474	537	610	694	791	903	1032	1181
23	310	350	396	449	511	582	665	762	875	1005	1158	1335
24	325	369	420	479	548	629	724	835	966	1119	1298	1508
25	341	389	445	511	588	680	787	915	1065	1243	1453	1702
26	356	408	470	543	630	733	855	1001	1174	1380	1626	1919
27	372	429	496	577	674	789	927	1093	1292	1531	1818	2162
28	388	449	524	613	720	849	1005	1193	1421	1696	2030	2435
29	404	471	551	649	768	912	1087	1301	1561	1879	2266	2739
30	420	492	580	688	819	979	1176	1418	1714	2079	2528	3081

Table 2:
MONTHLY INVESTMENTS
Compounding Annually

Growth of \$1 per month invested at varying compounding rates and time periods.

You can use this table as a quick reference to determine the approximate value of a regular monthly investment, compounding annually, at a given rate of interest or growth over the time periods shown. For example, if \$100 is invested monthly at 6% for 30 years, multiply \$100 x 979 (on line 30 under the 6% column) = \$97,900. If the rate of growth is increased to 10% annually, the ultimate value would be \$207,900 (\$100 x 2,079).

Note: This table is based on a monthly investment compounding annually. Most financial calculators compound monthly investments monthly rather than annually; therefore, this table is more conservative.

All tables are for illustration purposes only. The performance shown is not representative of any particular investment, and your own experience may differ significantly. Does not reflect the impact of any sales charges or annual fees assessed on amounts sent for investment or held in accounts. Investment return and/or principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. No plan can assure that all retirement or other financial goals will be met.

\$10,000 Lump Sum Compounding Annually

Years	5	10	15	20	25	30
1%	10,510	11,046	11,610	12,202	12,824	13,478
2%	11,041	12,190	13,459	14,859	16,406	18,114
3%	11,593	13,439	15,580	18,061	20,938	24,273
4%	12,167	14,802	18,009	21,911	26,658	32,434
5%	12,763	16,289	20,789	26,533	33,864	43,219
6%	13,382	17,908	23,966	32,071	42,919	57,435
7%	14,026	19,672	27,590	38,697	54,274	76,123
8%	14,693	21,589	31,722	46,610	68,485	100,627
9%	15,386	23,674	36,425	56,044	86,231	132,677
10%	16,105	25,937	41,772	67,275	108,347	174,494
11%	16,851	28,394	47,846	80,623	135,855	228,923
12%	17,623	31,058	54,736	96,463	170,001	299,599

Table 3: You can use this table as a quick reference to determine the approximate compounding rate of increase for a \$10,000 lump sum, at various rates of return, for specified periods of time. For example, assume one purchased a 175 acre farm 30 years ago for \$10,000 and sells it today for \$57,000. The apparent rate of return on a "straight line basis" would be approximately 19% per year (570% divided by 30 years). However, this table shows that the true compounded annual rate of growth was slightly more than 6% per year (read downward in the 30 year column to the figure nearest the sale price (\$57,435), then refer laterally to the extreme left column -- 6%).

\$300 Per Month Compounding Annually

Years	5	10	15	20	25	30
1%	18,463	37,868	58,262	79,697	102,225	125,903
2%	18,937	39,845	62,929	88,415	116,554	147,622
3%	19,422	41,938	68,039	98,298	133,377	174,042
4%	19,919	44,153	73,637	109,510	153,154	206,254
5%	20,427	46,498	79,771	122,237	176,436	245,609
6%	20,947	48,979	86,493	136,694	203,874	293,777
7%	21,480	51,606	93,859	153,122	236,241	352,819
8%	22,024	54,385	101,934	171,798	274,452	425,284
9%	22,581	57,326	110,784	193,037	319,593	514,314
10%	23,152	60,437	120,486	217,196	372,948	623,788
11%	23,735	63,729	131,122	244,682	436,038	758,485
12%	24,331	67,211	142,779	275,957	510,662	924,292

Table 4: You can use this table as a quick reference to determine the approximate value of a \$300 monthly investment, compounding annually, at a given rate of interest or growth over the time periods shown. For example, if \$300 is invested monthly at 10% for 30 years, refer to the 10% line and the 30 year column. The result is \$623,788.

Note: This table is based on **annual** compounding. Most financial calculators compound monthly investments **monthly** rather than annually; therefore, this monthly table is more conservative.

Investment with a Fully Deductible IRA

Years	5	10	15	20	25	30
4%	21,999	48,999	81,665	121,665	170,331	229,331
6%	23,333	54,332	95,999	151,998	226,664	326,330
8%	24,333	60,332	113,332	190,998	304,996	472,661
10%	25,666	66,999	133,998	241,330	414,329	692,993
12%	26,999	74,665	158,665	306,663	567,327	1,026,989

Table 5: Assumes \$333.33 monthly investment compounding annually at varying rates. Subject to taxes at time of withdrawal.

Investment with a Nondeductible IRA

Years	5	10	15	20	25	30
4%	16,499	36,749	61,249	91,249	127,748	171,998
6%	17,499	40,749	71,999	113,998	169,998	244,747
8%	18,249	45,249	84,999	143,248	228,747	354,496
10%	19,249	50,249	100,498	180,998	310,746	519,744
12%	20,249	55,999	118,998	229,997	425,495	770,242

Table 6: Assumes \$250 (\$333.33 less 25% tax) monthly investment compounding annually at varying rates. May be subject to taxes at time of withdrawal.

Investment without an IRA

Years	5	10	15	20	25	30
4%	16,249	34,749	56,249	81,249	109,998	142,998
6%	16,749	37,499	63,249	95,249	134,748	183,498
8%	17,499	40,499	71,249	111,998	165,998	237,747
10%	17,999	43,749	80,249	131,998	205,747	310,746
12%	18,749	47,249	90,499	156,498	256,747	409,245

Table 7: Assumes \$250 (\$333.33 less 25% tax) monthly investment compounding annually at varying rates, minus 25% of the annual interest.

This information in these tables is for illustration purposes only and is not intended to represent the performance of any particular IRA account, and your own experience may differ significantly. Results are not guaranteed. Values shown do not reflect the impact of any sales charges or annual fees assessed on amounts sent for investment or held in accounts. Not all individuals are eligible for an IRA contribution deduction. There may be federal penalties for early withdrawal from an IRA. Federal taxes (and penalties) payable upon withdrawal have not been considered in this illustration. Investment amounts are based on January 2005 and later.

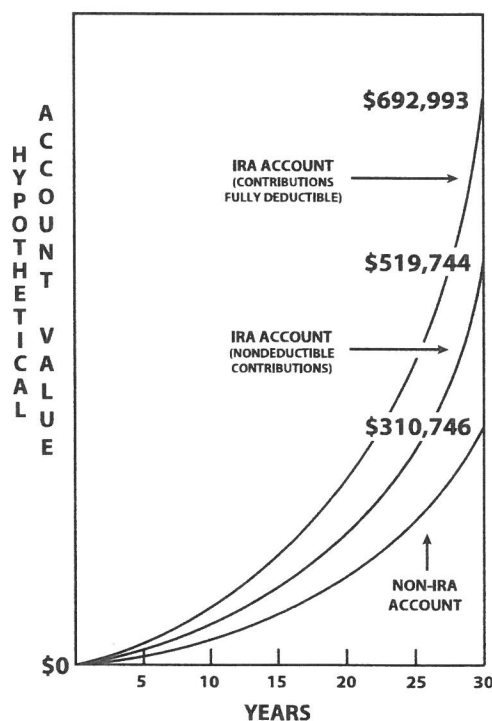
Hypothetical Growth of an IRA Account

(\$333.33 per month for 30 Years)

Compared to Unsheltered Investments

10% compounding annually, 25% tax bracket

Chart is based on the assumptions used in Tables 5, 6, and 7.



STEPS TO BALANCING YOUR CHECKBOOK

- Enter into your check register:
 - Every deposit
 - Every check
 - ATM withdrawals
 - Debit card payments
 - Electronic payments
- When your statement is received:
 - Check it within two days
 - Verify every transaction, one at a time and methodically, to make sure the bank is correct, your math is correct, and no foul play has occurred
- Put a check by each correct transaction in your register – follow-up on missing items (checks, deposits, ATM, etc.)
- Add interest paid (if you have this type of account) and deduct all fees
- To the statements' ending balance, add any new deposits and subtract all uncashed checks/transactions – compare the result to your balance in the register

OVERDRAFTS OR BOUNCED CHECKS

If you do not have enough money in your checking account when you write a check or withdraw money, you will bounce a check. What does it cost you?

- Your name is added to a bad check list
- The store will no longer accept checks from you
- It is **very** expensive

Example

You bounce a check for a latte (\$5.00). What does it cost?

\$5.00	The original latte
\$25.00	Bank overdraft fee
\$30.00	Store overdraft fee
\$25.00	Bank fee (second submission)
<hr/>	
\$85.00	Total (FOR ONE LATTE!)

The probability is fairly high that you will bounce more checks before you discover there is a problem – compounding takes over.

Always record your transactions and **never** write a check when the funds are not there.

FIVE QUESTIONS TO ASK BEFORE APPLYING FOR A NEW CREDIT CARD

1. What is your credit score range (280 – 850)?
 - A. If low, may not want to apply for a card with excellent ratings required.
 - B. Could be denied.
2. What is APR being offered?
 - A. If you pay in full each month, not as important.
 - B. You can attempt to negotiate a lower rate.
3. Do you want a rewards card?
 - A. Almost all have a higher interest rate.
 - B. Choose one that fits you personally.
 - C. If you pay off each month, can be profitable.
 - D. Read the fine print
4. Will you make a balance transfer?
 - A. What is length of time offered at 0%?
 - B. What will interest rate be at end of grace period?
 - C. Check on balance transfer fee....usually 3 – 5% (could be 0%)
5. Willing to pay an annual fee?
 - A. Do a cost/benefit analysis.
 - B. The benefit should certainly exceed the cost.

THIS IS A BUSINESS TRANSACTION.....DO NOT TAKE IT PERSONALLY

CREDIT SCORE BREAKDOWN

IN ORDER OF IMPORTANCE

1. Payment history....late payments, collection agency, bankruptcy
2. Amounts owed (Debt to credit ratio)
3. Length of credit history
4. New credit accounts
5. Types of credit in use

RAISING YOUR CREDIT SCORE

- Minimize number of cards.....all things equal, keep older card
- Don't apply for multiple cards at one time
- Avoid making min payment
- Check credit reports for errors – average score is 680
- Don't apply for cards you don't need
- Have a mix of debt types – mortgage, auto, revolving (gas & department store), bank credit cards....avoid payday and title
- Thousands of org and websites to repair your credit record and pay off debt
- Keep oldest cards active
- Debt to credit ratio.....if you lower your credit line (cancel cards with high limits) and debt stays the same your score goes down
- Don't cancel too many cards at once.
- Time your changes.....not right before you apply for a mortgage
- Don't use emergency fund to pay off debt

A good credit score/history can help you get credit, buy or rent a home, buy a car, get a job, lower insurance premiums, help you achieve goals

Command Debt Terminator

Sat Aug 20 2016 10:13:15 CDT

Debt Reduction Summary by Lowest Balance

Debt Name	Interest Rate	Starting Balance	Minimum Payment	Monthly Purchases
ONE	19.92%	\$311.00	\$94.00	\$0.00
TWO	20.40%	\$367.00	\$67.00	\$0.00
THREE	16.24%	\$466.00	\$148.00	\$0.00
FOUR	15.40%	\$3,225.00	\$242.00	\$0.00
FIVE	21.50%	\$4,117.00	\$305.00	\$0.00
Starting total balance		\$8,486.00		
Debt Reduction Starts		09/2016		

Monthly Dollars	Date Available	Amount
ADDL DOLLARS AVAILABLE	09/2016	\$333.00
Total Monthly Dollars		\$333.00

Lump Dollars	Date Available	Amount
INCOME TAX REFUND	02/2017	\$750.00
Total Lump Dollars		\$750.00

Debt Name	Interest Rate	Starting Balance	Minimum Payment	Total Interest	Date Paid
ONE	19.92%	\$311.00	\$94.00	\$5.16	09/2016
TWO	20.40%	\$367.00	\$67.00	\$9.56	10/2016
THREE	16.24%	\$466.00	\$148.00	\$10.70	10/2016
FOUR	15.40%	\$3,225.00	\$242.00	\$153.19	02/2017
FIVE	21.50%	\$4,117.00	\$305.00	\$399.69	03/2017

Results

Interest Before Reduction	\$1,020.71
Interest After Reduction	\$578.30
Amount saved	\$442.41

Month Detail

Debt Detail

Print

Back To Calculator

Command Debt Terminator

Sat Aug 20 2016 10:13:15 CDT

Debt Reduction Detail by Month

Month	Lender	Rate	Balance	Interest Paid	Purchases	Payment	New Balance
09/2016	ONE	19.92%	\$311.00	\$5.16	\$0.00	\$316.16	\$0.00
	TWO	20.40%	\$367.00	\$6.24	\$0.00	\$177.84	\$195.40
	THREE	16.24%	\$466.00	\$6.31	\$0.00	\$148.00	\$324.31
	FOUR	15.40%	\$3,225.00	\$41.39	\$0.00	\$242.00	\$3,024.39
	FIVE	21.50%	\$4,117.00	\$73.76	\$0.00	\$305.00	\$3,885.76
10/2016	TWO	20.40%	\$195.40	\$3.32	\$0.00	\$198.72	\$0.00
	THREE	16.24%	\$324.31	\$4.39	\$0.00	\$328.70	\$0.00
	FOUR	15.40%	\$3,024.39	\$38.81	\$0.00	\$356.58	\$2,706.62
	FIVE	21.50%	\$3,885.76	\$69.62	\$0.00	\$305.00	\$3,650.38
11/2016	FOUR	15.40%	\$2,706.62	\$34.73	\$0.00	\$884.00	\$1,857.35
	FIVE	21.50%	\$3,650.38	\$65.40	\$0.00	\$305.00	\$3,410.78
12/2016	FOUR	15.40%	\$1,857.35	\$23.84	\$0.00	\$884.00	\$997.19
	FIVE	21.50%	\$3,410.78	\$61.11	\$0.00	\$305.00	\$3,166.89
01/2017	FOUR	15.40%	\$997.19	\$12.80	\$0.00	\$884.00	\$125.99
	FIVE	21.50%	\$3,166.89	\$56.74	\$0.00	\$305.00	\$2,918.63
02/2017	FOUR	15.40%	\$125.99	\$1.62	\$0.00	\$127.61	\$0.00
	FIVE	21.50%	\$2,918.63	\$52.29	\$0.00	\$1,811.39	\$1,159.53
03/2017	FIVE	21.50%	\$1,159.53	\$20.77	\$0.00	\$1,180.30	\$0.00

Summary

Print

Back To Calculator

STEPS TO BUYING A CAR

Select a Reliable Dealer

- Check the Better Business Bureau.
- Franchised or independent?
- ASE (Automotive Service Excellence) certified technician or staff?
- Avoid dealers who offer “finances for everyone”, “no down payment”, “no credit no problem.”

Buying a New Car

- Never pay more than in SRP – should be less.
- Dealer invoice is not the dealer cost due to holdbacks and incentives.
- See holdback percentages for manufactures at www.edmunds.com.
- Check for factory rebates on the Web.
- Make sure it isn't “forgotten.”

Buying a Used Car

- Passed the certified used vehicle test?
- Cost less to buy, but more to maintain.
- Consider a comprehensive service contract.
- Research used cars online at consumer reports.
(www.consumerreports.org) and at auto pricing guides.
(www.edmunds.com or www.kbb.com) to know fair retail prices.

Be Inquisitive...Ask

- What condition is it in?
- What is the mileage?
- Undergone any body work?
- Why is the owner selling?
- How was most driving done?

Check Registration Documents

Focus on the Test Drive

.....
More Steps >>

Steps to Buying a Car (Continued)

Make Sure Everything is Functioning

- Condition of the interior.
- All lights – inside and out.
- Check alignment on the test drive.
- Check the tires.
- Do doors shut properly.
- Condition of paint and body.
- Condition of all glass.
- Check A/C and heating.
- Check radio and speakers.
- Have a mechanic do a basic engine and drive train check for you.
- Check the levels and color of all engine and transmission fluids.
- Check background information on a specific vehicle number by VIN at CarFax (www.carfax.com.)

Avoid Add-Ons and Extras with a New Car

- Delivery, promotion, handling, sales charges, floor charges or new car prep fees are **not** required.
- Taxes, registration, licenses and destination charges **are** required.
- **Avoid** clear coating, etching, rust undercoat and cleaning fees – They can be very expensive.
- Research extended warranties.

Financing Your Vehicle

- You will have difficulty getting a loan from a credit union or bank if you have a poor (or no) credit history, low credit score, no co-signer, or vehicle repossession.
- A low interest rate is attractive but can be more than offset if sales price and fees are inflated elsewhere in the negotiation.

Additional Thoughts to Buying a Car

- Never buy a car on the spot – **never**. They'll give you the same deal or better tomorrow.
- Take home a copy of the contract **before** you buy the vehicle – no contract to review, no deal.
- Do **not** take the new car or leave your trade-in if financing is not complete.
- You are in control. They make you feel like they are by making you wait while they “talk to the manager.”
- If you are offered financing on certain terms and they change, walk away.
- Never fall in love with a vehicle.

New Cars Are (Almost Always) a HORRIBLE Investment

- If you can afford \$400 per month on a new car, pay \$200 per month for a used one and invest \$200 per month in a mutual fund – you'll be **way** ahead financially!

Car Costs

- Loan payment
- Maintenance
- Gas charges
- Insurance
- Car wash
- Parking
- License registration
- Periodic inspection
- Tickets – moving and parking

Negotiation

- Do your homework – knowledge is key.
- Do comparison shopping at several dealers.
- Get an itemized quote in writing .
- Ask, "If I write a check for this amount today, would I own the car and drive off?"
- If they try to charge you for dealer prep, walk away (they have been paid for this by the manufacturer.)
- Stay on the subject of cost – don't let them drift to financing, etc.
- Do not be lured into extra features and upgrades.
- Make sure you take a good test drive.

LEASE VS BUY

1. Your credit score is a bigger factor when you lease than when you buy:
 - A. May be harder to qualify for a lease with low score
 - B. Low score may require larger down payment
 - C. Usually lease from vehicle manufacturer vs bank or credit union.....shop around.
2. Will probably have a lower payment when leasing. You only pay on the difference between the cost and residual (turn-in) value.
3. Due to short term of the lease, the manufacturer's warranty is usually in affect the entire lease period.
4. You are responsible for regular maintenance. Failure to maintain the vehicle will result in high fees at turn-in.
5. Leases only last 2 – 4 years.....this protects you from excessive depreciation. BIG financial consequences (charges and fees) for breaking the lease early.
6. Leased cars have mileage limits. High fees at turn-in for going over.
7. May need more insurance when you lease.

BOTTOM LINE

If you have money for the down payment and plan to keep the vehicle for a long time, especially if you want to use the residual value for your next car purchase, then buy. If you are fastidious with your cars and want a new model every two years, then a lease may be better for you. Either way, **SHOP AROUND!!**

RENTING AN APARTMENT OR HOUSE

- Can you afford the expense including utilities and renters insurance – with or without roommates?
- Are utilities included?
- Accessible to public transportation?
- Accessible to a supermarket?
- Laundry facilities in the building? (If not, laundromat close by?)
- Adequate storage space?
- Furnished or unfurnished?
- Blinds or curtains included?
- Are all appliances in good condition?
- Is the apartment freshly painted and carpet clean (If not, will management pay for it?)
- Signs of bugs or rodents ? (Is bug extermination included?)
- If furnished, is the price for furniture included?
- Will your furniture fit?
- Are pets permitted? (Is there an additional deposit?)
- What is amount and provision for refund of the deposit?
- Does the apartment appear to be secure from break in? (Is it gated?)
- Is the outside well maintained and landscaped?
- Is there a resident manager? (Those with resident managers tend to provide quicker response to repair requests.)
- Are locked mailboxes included?
- Is the neighborhood safe after dark?
- If possible, talk to other tenants prior to signing the lease.
- Is the lease reasonable and equitable?

- Are locks in good repair on doors and windows?
- Are smoke detectors working?
- Is tile moldy?
- Does toilet flush properly?
- Are elevators working?
- Check if people above, below and each side.
(Do your neighbors have children or pets?)
- Real estate agents and apartment locator services will help you find an apartment or rental but generally charge one month's rent for the service?
- Check the Better Business Bureau and Chamber of Commerce for potential problems.
- Roommates – the most common problems.
 - Cleaning the apartment.
 - Paying rent and bills.
 - Messing with personal belongings.
 - Noise and sleep interruptions.
 - Friends over/parties.
 - Inviting boyfriend/girlfriend over.
 - Pets.
 - Sharing food.
- Always look at the apartment/rental with your roommate(s), not separately.

BASICS OF AUTOMOBILE INSURANCE

Liability for bodily injury – essential

- Protects against suits by pedestrians and passengers in your car.
- Protects your assets – if sued.
- Protects yourself – if hurt by uninsured driver.
- Protects the injured – moral obligation.

Liability for property damage – damage to someone else's property.

Medical payments – minimal in fault states.

Personal injury protection – covers your own medical bills, lost wages up to a limit.

Collision – covers repairs to your car from accident no matter who caused it. Cost depends upon deductible (\$100 - \$1,000.)

Comprehensive – pays for random damage to your car from flood, fire, vandalism, hail, stones from the roadway, etc. as well as theft.

Uninsured and underinsured motorist – pays the cost of your injuries if you're hit by:

- An uninsured motorist who is at fault.
- An at fault driver who has insufficient coverage to cover damages.
- A hit and run.
- Also covers lost wages.

Towing and rental car reimbursement – is inexpensive and probably a good idea. If you belong to an auto club these will duplicate your benefit.

Umbrella insurance – wait until you develop a more substantial amount of assets.

Note: *Texas is an at fault state.*

RENTERS INSURANCE

- Get it - You will not be covered for your possessions being replaced by the apartment or co-op coverage.
- Comparison shop among companies.
- Be aware of what exclusions exist in the policy. These surprises are not fun.
- The best of these policies cover 17 or 18 risks. A few offer "All Risks."
- Know exactly what benefits you receive.
- If you can afford it, replacement-cost coverage is the way to go. Generally, more expensive but far better than standard reimbursements.
- You can frequently save money by putting your property and casualty coverage with the same insurance carrier. Check to see what discount is available.
- Check your deductible amount.

Traditional IRA vs. Roth IRA Comparison Updated 5/5/2015

If you have questions regarding IRAs contact Debra Greenway at ext. 2675.

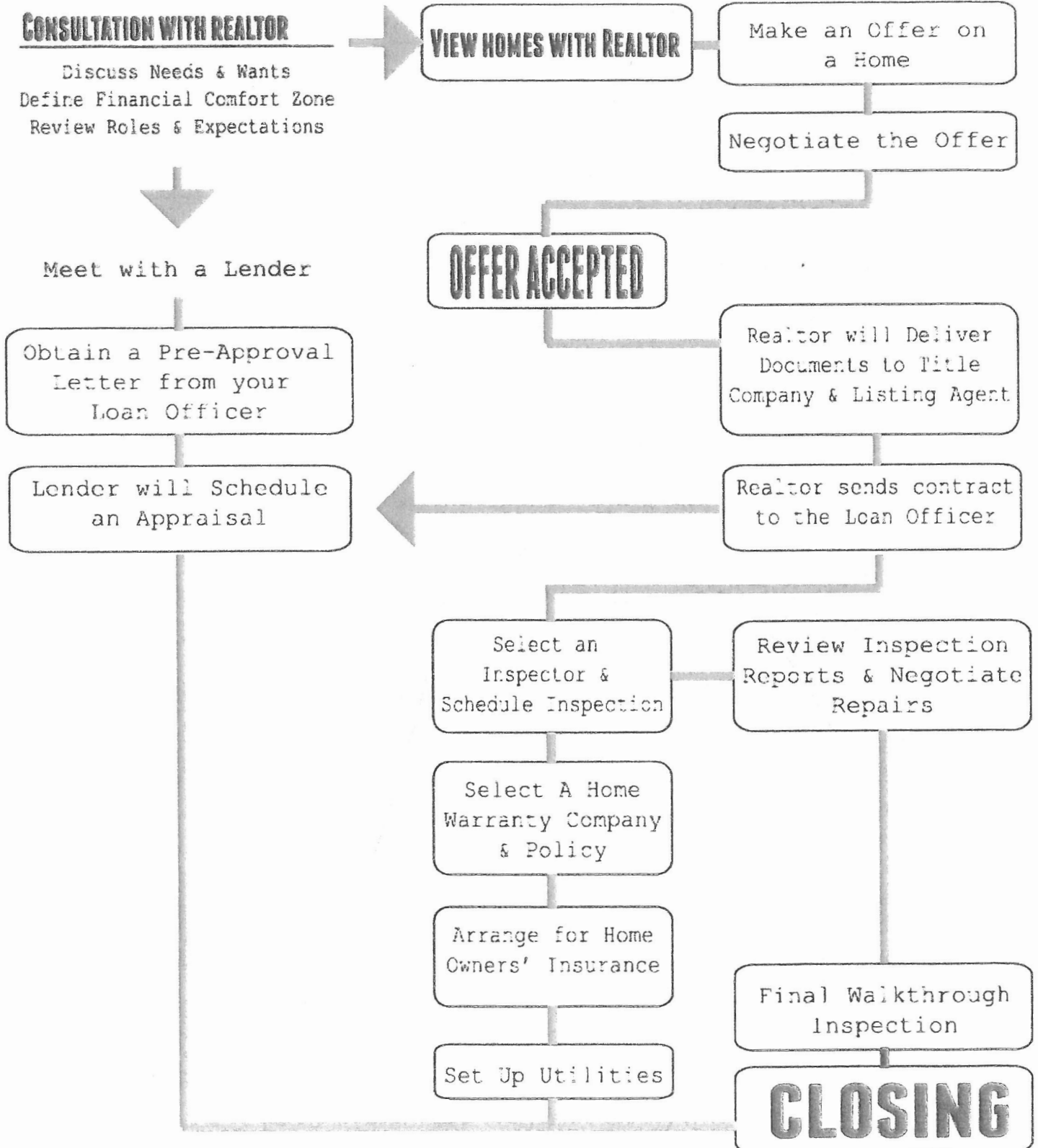
	Traditional IRA	Roth IRA
Basic Eligibility Requirements	Any person under age 70 1/2 who has earned income	Any person of any age who has earned income
Income Limitations	No income limits restricting contributions	Contribution limits are reduced and then eliminated as income levels increase. <i>See <u>Income Limits</u></i>
Are contributions tax-deductible?	Yes, provided: Neither spouse is covered by a qualified plan (QP). If covered by a qualified plan (QP), deductibility is phased out based on AGI. <i>See <u>Phase-out Ranges</u></i>	No Roth contributions can never be deducted.
Are distributions required?	Yes Required Minimum Distributions (RMD) must begin by April 1st of the year after the year in which the owner attains age 70 1/2. Subsequent RMDs must be made by December 31st each year thereafter.	No Owners are not subject to the RMD rules. Note: Beneficiaries are subject to RMD rules.
Are required distributions restricted?	The RMD for the year must be taken before an owner may roll over to another IRA or convert to a Roth IRA. A penalty of up to 50% of the RMD for the year may apply to violations of this rule. <i>See also: <u>Required Minimum Distributions</u></i>	No Note: Beneficiaries are subject to RMD rules.
Are distributions taxable?	Yes Distributions are fully taxable, except for any return of nondeductible contributions	No Qualified distributions (including earnings) are tax-free. <i>See <u>Qualified Distributions</u></i>

Does a penalty apply to early distributions?	Yes The IRS 10% early distribution additional tax is applied to distributions before participant has attained age 59 1/2	Yes The IRS 10% early distribution additional tax is applied to distributions before a participant has attained age 59 1/2 and met 5-year aging.
What about taxes and Roth IRA conversions?	All money converted from a traditional IRA to a Roth IRA is subject to tax, except for portions that were put in as nondeductible contributions. Taxpayer uses form 8606 to report conversions and nondeductible contributions as well as calculate the tax-free "return of basis".	
When can a reconversion be processed?	Following a re-characterization from a Roth to a Traditional IRA, an individual may reconvert to a Roth IRA the following tax year or 30 days after the re-characterization, whichever is longer.	
Maximum Contribution	2015: \$5,500 (\$6,500 if you are 50 or older) or 100% of employment compensation, whichever is less <i>See <u>Contribution Limits</u> for other tax years.</i>	
Catch-up Contribution	Individuals age 50 or older (in the calendar year of their contribution) can contribute an additional \$1,000 each year. <i>See <u>Contribution Limits</u></i>	
Spousal IRAs	Compensated spouse can make IRA contribution for a "non-compensated spouse". To qualify: <ul style="list-style-type: none"> • Husband and Wife must file a joint tax return and have unequal compensation • Couple must establish separate IRAs • Total annual contribution for both IRAs may not exceed annual limits 	

HOME BUYING EXPENSES BEYOND THE MORTGAGE

- **Property taxes**
- **Insurance**
 - 1. Structure
 - 2. Liability
 - 3. Belongings
- **Ongoing Maintenance**
 - 1. HVAC
 - 2. Sprinkler system
 - 3. Painting....inside and out
 - 4. Sidewalks and driveway
 - 5. Gutters
- **Utility bills**
 - 1. Electricity
 - 2. Gas or oil
 - 3. Water
 - 4. Sewer
 - 5. Trash
- **HOA dues**
- **Appliance replacement account**

HOME BUYING



My Next Home Will Have....

This home criteria sheet will help you get extremely focused on exactly what you need in your next home to ensure that you get the home you want and want the home you get. Please identify the following features/amenities as they apply to your needs and wants. A **"Need" (N)** is defined as a mandatory item. A **"Want" (W)** is something you would like to have but is not a necessity. Place an N or W next to all appropriate features/amenities.

- | | |
|--|---|
| <input type="checkbox"/> Town House | <input type="checkbox"/> Breakfast Room |
| <input type="checkbox"/> Condominium | <input type="checkbox"/> Island Kitchen |
| <input type="checkbox"/> Patio Home | <input type="checkbox"/> Microwave |
| <input type="checkbox"/> Free Standing | <input type="checkbox"/> Dishwasher |
| <input type="checkbox"/> One Story | <input type="checkbox"/> Compactor |
| <input type="checkbox"/> Two Story | <input type="checkbox"/> Disposal |
| <input type="checkbox"/> 3 - Bedrooms | <input type="checkbox"/> Gas Appliances |
| <input type="checkbox"/> 4 - Bedrooms | <input type="checkbox"/> Electric Appliances |
| <input type="checkbox"/> 5+ - Bedrooms | <input type="checkbox"/> Gas Heat |
| <input type="checkbox"/> 2 - Bathrooms | <input type="checkbox"/> Separate Shower in Master |
| <input type="checkbox"/> 3 - Bathrooms | <input type="checkbox"/> Whirlpool Tub |
| <input type="checkbox"/> Powder Room | <input type="checkbox"/> Alarm System |
| <input type="checkbox"/> Split Floor Plan | <input type="checkbox"/> Walk-In Closet |
| <input type="checkbox"/> Master Bedroom Down | <input type="checkbox"/> Fireplace |
| <input type="checkbox"/> 2 - Car Garage | <input type="checkbox"/> Swimming Pool |
| <input type="checkbox"/> 3 - Car Garage | <input type="checkbox"/> Community Pool/Tennis Courts |
| <input type="checkbox"/> Attached Garage | <input type="checkbox"/> Acreage |
| <input type="checkbox"/> Detached Garage | <input type="checkbox"/> Subdivision Name |
| <input type="checkbox"/> Formal Living Area | <input type="checkbox"/> Sprinkler System |
| <input type="checkbox"/> Study/Office | <input type="checkbox"/> Landscaping |
| <input type="checkbox"/> Game Room | <input type="checkbox"/> Basement |

Additional Information:

Square Footage: _____

Year Built: _____

Price Range: _____

School District: _____

Area or Subdivision: _____

How Soon Do You Need To Move? 1-2 Months 3-4 Months 5-6 Months 6-12 Months

Do You Have a Home to Sell First? Yes No

Are You Considering "New" Homes Too? Yes No

BENEFITS OF USING A REAL ESTATE PROFESSIONAL

Agents can help establish a plan for a home that fits your needs. Style, size, amenities, and other preferences will help determine what kind of home is best suited for you.

Agents have access to all home listings within the multi-listing system which enables them to provide you with the most current and accurate information about listings and market data that consumer websites can't.

They will help you to determine realistic spending limits. They can often explain alternative financing options or introduce you to a mortgage counselor. Agents can arrange to have you "pre-approved", which can help improve your positioning in negotiations and speed-up the closing process.

They have access to information on taxes, real estate values, utility costs, municipal services, and schools all of which can aid you in your decision to buy.

They provide direct service by working for you as a **buyer's** agent, helping to negotiate the best terms and price for you.

They can recommend home inspectors, pest inspectors, and surveyors, and can help you understand and negotiate repairs or compensation for items discovered during inspections.

They can make you comfortable with the closing process and they will obtain closing figures in advance for your review.

COMMON DEFINITIONS EXPLAINED

APPRAISAL FEE: Cost for professional evaluation of the property's market value based on comparable sales, improvements on the property and location. (Fee usually set by the Appraiser)	LOAN APPLICATION FEE: Fee paid to the lender at time of application; check with your lender for their fee.
ASSUMPTION TRANSFER FEE: Fee is charged to the buyer, assessed by the lender for the buyer to assume the present loan.	MISCELLANEOUS LENDER FEES: May include fees for underwriting, processing, tax service fee, warehousing, etc., varies with each lender. Check with lender for disclosure and explanation.
CLOSING FEE/ESCROW FEE: The title company's service fee for acting as an escrow officer to carry out contract instructions, obtaining execution, recording of necessary documents and disbursing sale proceeds; usually assessed to each party	MORTGAGEE'S TITLE POLICY: Policy ensuring lender of validity and priority of its lien.
CREDIT REPORT: A detailed report of your credit history prepared by a credit bureau and used by a lender to determine credit worthiness	ORIGINATION FEE: A fee the lender charges to begin the loan
COURIER FEE: A fee charged to cover the cost of transporting documents to complete the loan transaction as quickly as possible	OWNERS' TITLE POLICY: Policy that indemnifies the buyer against losses for covered defects in title. (Premium is set by the State Board of Insurance)
DISCOUNT POINTS: A prepaid interest a borrower can purchase that lowers the amount of interest they will pay on their monthly payments.	PREPAYMENT PENALTY: A fee charged for early payoff of the Seller's existing mortgage loan. If the penalty applies, it will be stated in the existing mortgage instruments.
FILING/RECORDING FEES: Fees for recording documents in Public Records; fee is determined by the number of pages filed per document.	PMI PREMIUM/MIP PREMIUM: (PMI-private mortgage insurance, conventional loans, MIP, mortgage insurance protection, FHA loans) Insures lender against loss in the event of default by the borrower.
FLOOD DETERMINATION: A fee paid to a third party to determine if the subject property is located in a flood zone. If the property is determined to be located in a flood zone, the buyer will need to purchase flood insurance.	PRORATED TAXES: Taxes are prorated with the Seller paying taxes from January 1st through the closing date, and buyer paying the remainder. Figures are usually based on actual taxes charged the previous year. Any shortages or overages due at the end of the existing year are between Buyer and Seller.
HOA TRANSFER FEE: A fee charged by the Home Owner's Association to transfer the ownership of the property and account information.	REALTOR FEE: An amount paid to the brokerage firm representing the consumer (buyer or seller) for real estate services agreed upon in the property listing agreement or buyer representation agreement.
HAZARD INSURANCE: Fire and extended coverage casualty insurance protects property and contents in case of loss; required by lender for at least the loan amount	RESTRICTIONS: Recorded documents that restrict and limit the use of a defined property.
INSPECTIONS: An examination of the property for various reasons such as termite inspections, mechanical inspections, roof inspections that determine the condition of the property.	SURVEY FEE: A statement (drawing) showing the corners, distances, and directions of the boundaries of a tract of land along with easements encroachments, etc., as may be required in the contract.
INTEREST: Interest due on Seller's existing mortgage through date of payoff received. Interest also includes prepaid interest on the buyer's loan for the remainder of the month in which closing occurs.	TAX SEARCH CERTIFICATES: Certificate Obtained to determine unpaid property taxes or assessments that may constitute liens against the property.

WHY DO I NEED AN ESCROW ACCOUNT?

Information Provided by DFW Title

An escrow account is a trust account held in the borrower's name to pay obligations such as property taxes and insurance premiums. Ad Valorem taxes, taxes based on the value of real estate or personal property, are priority over all other liens.

So, to protect their interests in our property, the Mortgage company makes sure that your taxes are paid in a timely fashion each year, (sending you an annual statement for income tax purposes) thus protecting their "first lien position" claim to your property until your loan is paid off in full and a Release of Lien is filed on record with the County Clerk. You are then on your own to pay your own taxes. If you forget to pay them or fail to pay them, the taxing authorities may sell your property at a "Sheriff's Sale" for all delinquent (back) taxes due. The Internal Revenue Service may also sell your home for back Income Taxes due, with a limited option for paying the same, after which time they sell your property. Foreclosure sales for mortgages are held on the first Tuesday of each month and they will post your foreclosure 21 days prior to the first Tuesday. Prior to posting, you will receive notification of default (20 days), giving you time to cure the default.

The Mortgage Company also pays your Hazard Insurance Policy Premium each year to be certain you have insurance and to protect their interest in your home in case of damage and destruction due to fire or other covered hazard. If you have a fire or other covered hazard in your home and it is damaged or destroyed and you have a Mortgage on the Home, there are two options (depending on your mortgage):

1. COLLECT the insurance and payoff the Mortgage on your home and have a foundation and partially destroyed home on your hand with which to rebuild.
2. Use the insurance proceeds to rebuild and repair your home and continue your Mortgage payments as usual.

The Insurance Company makes all the insurance claim checks payable to both you and the Mortgage Company, and the Mortgage Company will not endorse the check to you until all repairs have been made. REMEMBER THAT, in essence, the Mortgage Company owns a part of your property until their note is paid in full.

POST-CLOSING INFORMATION

TITLE POLICY: You will receive your Owner's Title Policy within 90 days from the settlement date. If you do not receive this, please contact your title company immediately.

KEEP THIS FOR YOUR RECORDS! Remember your policy is good for as long as you own the property and continue to warrant your title after you sell.

ORIGINAL DEED: The County Clerk's office in which your property is located will forward the original deed after recording. **KEEP THIS FOR YOUR RECORDS!**

ADDITIONAL COPIES: Please keep your documents in a safe place along with the survey used at closing. In the event you refinance or want to move to a new house you will need these documents to expedite your closing. Your closer gives all of these documents to you at the closing

APPRAISAL REPORT: If your lender did not furnish you with a copy of your appraisal at closing, contact them in writing or by telephone directly. Most appraisals are only kept in file for 90 days!

GOOD FUNDS RULE: The Texas Board of Insurance requires that all Texas Title Insurance agents collect "Good Funds" at closing.

Good Funds are Defined as Follows:

Wire Transfers to the Title Agency Trust Account

Personal Checks or Money Orders not to exceed \$1499.99

Certified Checks

Cashier's Checks

Note: It is the title company's duty to report any cash or checks totaling \$10,000 or more to the IRS.

COUPON BOOKLETS: Your first payment letter is in the set of documents given to you at closing. Please contact your lender if you have not received a coupon book within 30 days (to be included with your mortgage payment each month).

HOMESTEAD EXEMPTIONS: Please contact the appraisal district in which you purchased your new home directly to obtain information on applying for the exemption. Declaring a Homestead is free and forms can be downloaded and submitted online in most counties.

Collin County Appraisal District	(866) 467-1110	www.collincad.org
Dallas County Appraisal District	(214) 631-0520	www.dallascad.org
Denton County Appraisal District	(940) 349-3800	www.dentoncad.com
Tarrant County Appraisal District	(817) 284-0024	www.tad.org

HOME WARRANTY:

Your home warranty provider is:

Telephone #

Conf. #

Your brochure and a copy of the invoice and confirmation are given at closing.

Information Provided by DFW Title

RETIREMENT PLANNING

SECURITY IS WHAT MATTERS MOST!

QUESTIONS TO ANSWER:

- What are your retirement goals
- Standard of living considerations
- Monthly income needed
 1. How much do I need
 2. How long must it last
 3. Should inflation be considered
 4. What are the sources
 5. Should I be in tax free investments
 6. How safe is safe (blended approach)
- Getting rid of dumb debt
- Rent or own my home
 1. Move to lower cost of living area
 2. Downsize
 3. Stay where you are without change
 4. Mortgage free
 5. Rent (depends on your cash needs)
 6. Reverse mortgage
- Health insurance for the elderly/Medicare
- Long term care
- Social Security considerations

WHAT'S INVOLVED IN A FINANCIAL PLAN?

- Your Budget/Spending Plan.
- Your Specific Goals.
- A Review Of All Requirements.
- A Savings Plan.
 - Emergencies.
 - Short-term contingencies.
- A Risk Plan.
 - Renters insurance.
 - Automobile insurance.
 - Health coverage.
 - Disability coverage.
 - Life/guaranteed insurability.
- An Investment Plan.
 - Your employer's provided investments.
 - Tax qualified plans.
 - A long-term investment.
- A Tax Plan.

Minimize taxes to the greatest extent legally possible
(Do not let Uncle Sam hold your money interest free.)

LEGAL CONSIDERATIONS FOR YOUR

FINANCIAL PLAN

The following four documents should be considered as a part of your financial plan:

1. Last Will and Testament
2. Directive to Physicians and Family
3. Durable Financial Power of Attorney
4. Medical Power of Attorney

Credit report review checklist

Once you get your credit report, you will want to review it carefully. Ordering it is not enough—you have to read it. Credit reports may have mistakes. And if there are mistakes, you are the only one who is likely to find them.

Use the following worksheet to review each section of your credit report. Do this for each credit report you get throughout the year. Then, keep the completed checklist with your credit report.

Your credit report contains a lot of personal and financial information. Be sure to keep any hard copies of your credit reports in a safe and secure place. If you do not want to hang on to your credit reports, be sure to shred them before getting rid of them.

Credit report review checklist

Today's date: Name of credit reporting agency:

- | | | |
|---|---------------------------|--------------------------|
| 1. Is your name correct? | <input type="radio"/> YES | <input type="radio"/> NO |
| 2. Is your Social Security number correct? | <input type="radio"/> YES | <input type="radio"/> NO |
| 3. Is your current address correct? Is your current phone number correct? | <input type="radio"/> YES | <input type="radio"/> NO |
| 4. Are the previous addresses they have listed for you correct? | <input type="radio"/> YES | <input type="radio"/> NO |
| 5. Is your marital status listed correctly? | <input type="radio"/> YES | <input type="radio"/> NO |
| 6. Is the employment history they have listed for you accurate? | <input type="radio"/> YES | <input type="radio"/> NO |
| 7. Is everything listed in the personal information section correct? | <input type="radio"/> YES | <input type="radio"/> NO |
| 8. Is there anything listed in the public record information? | <input type="radio"/> YES | <input type="radio"/> NO |
| Is it correct? | <input type="radio"/> YES | <input type="radio"/> NO |
- Highlight the information you think may not be correct.*

- | | |
|--|--|
| <p>9. Are the accounts on the list still open?
 <i>Review each item under the credit account (trade account) section.</i></p> | <input type="radio"/> YES <input type="radio"/> NO |
| <hr/> | |
| <p>10. Are all of the current balances correct?</p> | <input type="radio"/> YES <input type="radio"/> NO |
| <hr/> | |
| <p>11. Are accounts where you are an authorized user or joint owner listed?</p> | <input type="radio"/> YES <input type="radio"/> NO |
| <hr/> | |
| <p>12. Are zero balances recorded for debts discharged in bankruptcy?
 For debts paid in full?</p> | <input type="radio"/> YES <input type="radio"/> NO
<input type="radio"/> YES <input type="radio"/> NO |
| <hr/> | |
| <p>13. Are you listed as a co-signer on a loan?
 Is this correct?</p> | <input type="radio"/> YES <input type="radio"/> NO
<input type="radio"/> YES <input type="radio"/> NO |
| <hr/> | |
| <p>14. Are accounts that you closed listed as "closed by the consumer"?</p> | <input type="radio"/> YES <input type="radio"/> NO |
| <hr/> | |
| <p>15. Is negative information reported on each credit account correct?
 <i>Look for late payments and missed payments. Highlight those items you think are not correct.</i></p> | <input type="radio"/> YES <input type="radio"/> NO |
| <hr/> | |
| <p>16. Are any accounts listed more than once?
 <i>Check to make sure the same account is not listed multiple times in the collections section.</i></p> | <input type="radio"/> YES <input type="radio"/> NO |
| <hr/> | |
| <p>17. Is old negative information still being reported?
 <i>If yes, highlight the information that has exceeded the negative information reporting limit, which is usually seven years.</i></p> | <input type="radio"/> YES <input type="radio"/> NO |
| <hr/> | |
| <p>18. Do you suspect that you have been the victim of identity theft after reviewing your credit reports?</p> | <input type="radio"/> YES <input type="radio"/> NO |

If you find something wrong with your credit report, you should dispute it. You may contact both the credit reporting company and the creditor or institution that provided the information. Explain what you think is wrong and why.

To correct mistakes, it can help to contact both the credit reporting company and the source of the mistake. You may file a dispute not only with the credit reporting company, but also directly with the source of the information, and include

the same supporting documentation. However, there are certain circumstances where creditors and furnishing institutions are not required to investigate.

You may file your dispute online at each credit reporting agency's website.

If you file a dispute by mail, your dispute letter should include: Your complete name, address, and telephone number; your report confirmation

number (if you have one); and the account number for any account you may be disputing.

In your letter, clearly identify each mistake, state the facts, explain why you are disputing the information, and request that it be removed or corrected. You may want to enclose a copy of the portion of your report that contains the disputed items and circle or highlight the disputed items. Include copies (not originals) of documents that support your position.

Send your letter of dispute to credit reporting companies by certified mail, return receipt requested, so that you will have a record that your letter was received. You can contact the nationwide credit reporting companies online, by mail, or by phone:

You can contact the primary nationwide credit reporting agencies online, by mail, or by phone:

Equifax

Online

ai.equifax.com/CreditInvestigation/home.action

By mail

Download and complete the dispute form: equifax.com/cp/MailInDisclosureRequest.pdf. Mail the dispute form with your letter to:

Equifax Information Services LLC
P.O. Box 740256
Atlanta, GA 30374

By phone

Phone number provided on credit report or
(800) 864-2978

Experian

Online

experian.com/disputes/main.html

By mail

Use the address provided on your credit report or mail your letter to:

Experian
P.O. Box 4000
Allen, TX 75013

By phone

Phone number provided on credit report or
(888) 397-3742

TransUnion

Online

transunion.com/credit-disputes/dispute-your-credit

By mail

Download and complete the dispute form: transunion.com/docs/rev/personal/InvestigationRequest.pdf. Mail the dispute form with your letter to:

TransUnion Consumer Solutions
P.O. Box 2000,
Chester, PA 19022-2000

By phone

(800) 916-8800

** Keep copies of your dispute letter and enclosures.*



If you suspect that the error on your report is a result of identity theft, visit the Federal Trade Commission's [IdentityTheft.gov](https://www.identitytheft.gov) website for information about identity theft and steps to take if you have been victimized. This will include filing a fraud alert and possibly filing a security freeze.

If the error is with a specific account, you can also choose to start the process by contacting the creditor or the debt collector to resolve the dispute.

Whether you file your dispute directly with the creditor (information furnisher) or the credit reporting agency, they generally have 30 - 45 days

to investigate your claim and 5 days to send you written notice once their investigation is over.

If the dispute results in a business changing the information it reported about you, the business must notify the credit reporting agencies. And vice versa, if you filed your dispute with a credit reporting agency, it must fix your file and notify the creditor of the error.

You can also submit a complaint to the Consumer Financial Protection Bureau at consumerfinance.gov/complaint or by calling 855-411-2372.

Steps to filing a dispute checklist

Steps to filing a dispute

- ☐ 1. Write a letter to the credit bureau that sent you the report.
- ☐ 2. Provide the account number for the item you feel is not accurate.
- ☐ 3. For each item, explain concisely why you believe it is not accurate.
- ☐ 4. If you can, include copies of bills or cleared checks (money order stubs) that show you have paid them on time.
- ☐ 5. Provide your address and telephone number at the end of the letter so the credit bureau can contact you for more information if necessary.
- ☐ 6. Make a copy of your letter before you send it to the credit bureau.
- ☐ 7. Send the letter. You may choose to use Certified Mail with Return Receipt to have proof of when the letter was received. The consumer reporting agency or the creditor generally has 30-45 days to investigate your claim.

Example letter

You can use this example dispute letter from the Federal Trade Commission to a credit reporting agency as a guide for writing your own letter.

Be sure to keep copies of everything you send to the credit reporting agencies, including the dates you sent the items.

[Your name]

[Your return address]

[Date]

Complaint Department

[Company Name]

[Street Address]

[City, State, Zip Code]

Dear Sir or Madam:

I am writing to dispute the following information in my file. I have circled the items I dispute on the attached copy of the report I received.

This item [identify item(s) disputed by name of source, such as creditors or tax court, and identify type of item, such as credit account, judgment, etc.] is [inaccurate or incomplete] because [describe what is inaccurate or incomplete and why]. I am requesting that the item be removed [or request another specific change] to correct the information.

Enclosed are copies of [use this sentence if applicable and describe any enclosed documentation, such as payment records and court documents] supporting my position. Please reinvestigate this [these] matter[s] and [delete or correct] the disputed item[s] as soon as possible.

Sincerely,

[Your name]

[Phone number]

Enclosures:

[List what you are enclosing.]



This checklist is a tool included in the Your Money, Your Goals toolkit. The CFPB has prepared this material as a resource for the public. This material is provided for educational and information purposes only. It is not a replacement for the guidance or advice of an accountant, certified financial advisor, or otherwise qualified professional. The CFPB is not responsible for the advice or actions of the individuals or entities from which you received the CFPB educational materials. The CFPB's educational efforts are limited to the materials that CFPB has prepared.

This Tool may ask you to provide sensitive personal and financial information. The CFPB does not collect any information from you or the organization using this Tool. The CFPB is not responsible and has no control over how others may use the information that you provide to them about your personal or financial situation. The CFPB recommends that you do not include names or account numbers and that users follow their organization's policies regarding retention, storage, and disposal of documents that contain personal information.

Equifax Information Services, LLC

P.O. Box 740256
Atlanta, GA 30374
(866) 349-5191 (for disputes)
www.equifax.com

Experian

P.O. Box 9701
Allen, TX 75013
(888) 397-3742
www.experian.com

TransUnion LLC

P.O. Box 2000
Chester, PA 19022
(800) 916-8800
www.transunion.com