

God's Plan For Finances

Credit Report

3 I's to Financial Freedom

- Income

Money/Assets

- Insurance

Protection

- Investment

Ways to make more money/Retirement

Credit=Income

- Income-Money received especially on a regular basis for work or through investments.
- Credit-The granting of money in exchange for a promise of future repayment.

Credit=Income

- Debt-Money owed. Also called “liability.”
- Credit Report- A record of how a consumer has repaid credit in the past, used as a guide to determine a potential person creditworthiness.

Credit Profile

- Credit Score- A numerical value based on the analysis of a credit report that is used by creditors to predict how likely an individual is to repay a new loan.

Credit Profile

- **Creditor-** Any person or business to whom a consumer owes money and who has the right to undertake legal action to collect money owed.

Credit Bureaus

- Experian- P.O. Box 2104 Allen, TX 75013 (800) 682-7654
- Equifax- P.O. Box 105873 Atlanta, GA 30348 (800) 685-1111
- Trans Union- P.O. Box 390 Springfield, PA 19064 (800) 916-8800

Credit Score Rating

30 Day Reporting

- Excellent 750-850
- Good 701-749
- Fair 641-700
- Poor 581-640
- No Credit/Bad Credit 300-580

What's on a Credit Report

- Personal Information
- Public Records
- Credit Items- Accounts in Good/Bad Standing
- Inquiries- Request for your credit history
- Your Statements- Fraud Alert or Explanation for credit file

Bad Credit Cost

- Interest – The price of using someone else money; the price of borrowing money.
- Interest Rate – The price paid for using someone else money, expressed as percentage of the amount borrowed(annual)

Bad Credit Cost

- Fixed Interest Rate – An interest rate that does not change during the term of the loan.

Interest Rate

- Mortgage Interest Rate – 3% excellent, 4% good, 5% high
- Auto Loan Interest Rate – 1.5% excellent, 4.34% good, 11.25% high
- Credit Card Interest Rate – 5.25% excellent, 12.01% good, 24.9% high

* Annual Fees and Always look for better credit card offers.

Bad Credit Cost

- Chapter 7- Involves total liquidation “straight bankruptcy”
- Chapter 13- Involves a wage-earner repayment plan
- Repossess – To take back goods or property from a buyer who has failed to keep up payments for them.

Bad Credit Cost

- Late Payment Fee – In a credit arrangement, a fee is charged when payment is received after the due date.
- Grace Period – A time period during which a borrower can pay the full balance of credit due and not incur any finance charge.

Bad Credit Cost

- Minimum Payment – The required amount a card holder must pay each month to remain a borrower in good standing.