

The Credit Professional

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Using the Power Of Others

By Orna W. Drawas

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I CAN HELP
Billy Swan, 1975

*If you got a problem, don't care
what it is
If you need a hand, I can assure
you this
I can help, I got two strong arms
I can help
It would sure do me good,
to do you good
Let me help*

***The best executive is
the one who has sense
enough to pick
good men to do what he
wants done, and
self-restraint enough
to keep from meddling with
them while they do it.***

Theodore Roosevelt

The Art of Delegating

Delegating is good. It can be a great tool for helping motivate, train and build self-confidence in the people who work around you. Taking on new responsibilities can really help them to realize their full potential. But for everyone who is reading this, know that it is also a very productive means to ensure that you are freed to focus on what matters most to



you, the more strategic issues— to really concentrate on the rocks in your jar.

Many professionals are afraid to delegate. They typically want to retain control. Tasks should be done their way and slight variations on their particular approach tend to be hard to deal with. They aim for perfection, only to ultimately slow down their own personal progress. We all have this tendency to get in our own way over a matter of personal pride. Whether you are an executive, manager, team leader or independent contributor, knowing how to delegate well can make an enormous

difference to your personal forward momentum and success, as well as the success and effectiveness of your team.

Delegating is important in every business environment. When you delegate, you empower the other person. You say: I believe in you. I trust you. If done well, delegating can inspire commitment and develop a more satisfied, productive and effective employee.

Captain Kirk Knew How to Delegate

Captain James Kirk, commander of the Starship Enterprise, was not the

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brainiest guy on the ship. And he knew it. He depended on Mr. Spock, his first officer, with his highly logical intellect, Dr. McCoy, with all the medical knowledge available to mankind in the twenty third century, and Scotty, the chief engineer, who had the technical know-how to keep the ship running even when it was under attack by Andorians. He was the essence of the dynamic manager, a guy who had the passion to inspire and he knew how to delegate. In every episode, his life depended on it.

DELEGATE THE RESULT, NOT THE PROCESS

Delegate the result; the process is none of your business. This usually works. When you ask your spouse to cook dinner, expect a delicious meal and stay out of the kitchen. When you ask your gardener to maintain your lawn, don't knit-pick on which direction the grass gets cut. Simply be happy with a neat, trimmed, lush and healthy lawn. And when you ask a co-worker to do a project, be sure to let them know the results you expect, but let them decide how to complete or implement the process. Unless they ask for help, empower the worker to successfully achieve the task on their own, but be certain that they completely understand the end result you are looking for.

You will find that when you give a true professional the opportunity to be creative, use their resources, take the initiative and develop a

strategy and approach, the results you get will exceed your expectations.

Duke Basketball Coach Mike Krzyzewski (Coach K) expressed this concept best in his book, *Leading With Heart*. "If you put a plant in a jar, it will take the shape of the jar. But if you allow the plant to grow freely, twenty jars might not be able to hold it. The freedom to grow personally, the freedom to make mistakes and learn from them, the freedom to work hard, and the freedom to be yourself—these four freedoms should be guaranteed by every leader in every organization."

Certainly, it is important to agree upon the criteria and standards by which the outcome will be judged, but then get out of the way. The empowered employee will enthusiastically approach their task, proudly figure out the

process and hopefully give you the results you expect. If all goes according to plan, you now have one less thing on your plate and one more effective member of your team producing real results.

The Janitor

If you tell the janitor to empty the waste baskets on Tuesdays and Fridays, the baskets will be emptied only on Tuesdays and Fridays. If the baskets overflow on Wednesday, they will be emptied on Friday as specified. If instead, you said to empty the baskets as often as necessary, the janitor would decide how often and empty them as needed. By leaving the decision to the janitor you will apply his/her specific knowledge to the challenge. Consider this frankly: do you want to be an expert on emptying waste baskets? If not, delegate it to someone who gets paid to do it well.

Know What You Want

Ambiguity kills any hope of getting the outcome you want. When you delegate, communicate the results you want, and then help that person accomplish the task by giving specific and relevant information about what, why, when, who, where and how you want it done. Too often people have not decided exactly what they actually want before making a request of someone else. This is something we've all experienced in our everyday lives, even over trivial matters. Imagine this typical conversation:



Carly

Let's go out to dinner!

Jeremy

OK. How about Chinese?

Carly

No, I'm not in the mood for Chinese.

Jeremy

How about Mexican?

Carly

Na, I just had Mexican yesterday.

Jeremy

OK, how about Italian?

Carly

No, that's too heavy.

Jeremy

Want a burger?

Carly

Not really in the mood for a burger.

Jeremy

What do you want?

Carly

I don't know?

Jeremy

OK, when you figure out what you want, let me know.

If you don't know what you want, will anything really satisfy you? To delegate effectively, you must know right upfront what you really want, not just what you don't want! Clarity is the absolute key to getting your desired results.

Set-up for Success

To enable someone else to do a good job for you, you must ensure that:

- A. They know what you want.
- B. They have the authority to achieve it.
- C. They know how to do it.
- D. They have the required information and resources to get it done.



Put it in writing. If possible, put your request in writing so there is no misunderstanding. Ask for feedback and questions. If possible, demonstrate or show an example of the expected results.

Give total authority to complete the job. Let everyone know that this individual is now in charge and has been empowered to make final decisions regarding this project. Don't allow others to come to you with their suggestions or disagreements. Refer them back to the person who has been delegated the task and make sure you give that person the authority to make the decisions required to achieve the results.

For example, if Sara is delegated to manage the logistics for the Sales Conference in Puerto Rico, then be sure the team understands and accepts that Sara has final decision-making authority on

such details as room allocation, entertainment selection, menu options and activities. Sara is encouraged to ask for input, but the team must be directed to coordinate their activities through her and respect the decisions she makes. In this case, you will find that Sara will take her job more seriously, evaluate options more thoroughly and work even harder because she knows she has been entrusted with this important responsibility.

Ensure they have the ability to do an excellent job. The key is to delegate gradually. If you present someone with a task which is daunting, one for which they don't have enough experience or knowledge to complete, then odds are they won't meet expectations and will ultimately come away from the experience de-motivated.

However, if you give them a small task and continue to

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build on it with more responsibility and greater results, you will be training a professional with the skills and motivation you can count on. It's the difference between asking people to scale a sheer wall and providing them with a staircase.

If a project requires additional resources, be sure to help provide access to whatever is needed to get the job done well and on time. Help by providing access to company information, cooperation from another team member or department, direction or information from others on the management team. Knowing that the necessary knowledge and resources are available will give your team member the confidence to undertake their new responsibility.

Questions lead to more questions. Don't hover over your employee but maintain open lines of communication so they feel comfortable turning to you for help. But most importantly, avoid making decisions which the employee is capable of making on their own.

Duke basketball's Coach K likes to ask questions, lots of questions. He explains: "If a player is looking for an answer, for instance, rather than just telling him straight out, I may ask him a series of questions so that he'll think for himself and try to reason the answer out. That way, he'll remember the solution better and be more likely to implement it."

Help them build confidence and you will be rewarded with an employee and team member you can trust to work hard and make the right decision on your behalf.

Unfortunately, the power to delegate doesn't come with an instruction book of success. Successful delegating is not always intuitive and many can benefit from some basic guidelines to help ensure the results you want.

There are many good reasons to delegate:

- ⇒ Allows managers to spend time on their most valuable tasks.
- ⇒ Divides responsibilities or work effort to create a more efficient process.
- ⇒ Increases employee commitment to the organization.
- ⇒ Shows confidence in the individual and positively develops your team.

Some things lend themselves to delegating more than others:

- ⇒ Low priority tasks (high priority for someone else).
- ⇒ Projects that require technical or unique expertise.
- ⇒ Jobs and tasks that someone has more experience performing.
- ⇒ Tasks that someone else would enjoy more than you.
- ⇒ Cross-training so that work can continue without interruption.
- ⇒ Projects or activities that will enable a person to grow professionally.
- ⇒ Projects or tasks that can expose an employee to another segment of the business or a different professional team.

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Don't even think about delegating when it comes to:

- ⇒ Motivating your team.
- ⇒ Evaluating performance or success.
- ⇒ Rewarding employees.
- ⇒ Dealing with personal challenges.
- ⇒ Attending an employee's family event.
- ⇒ Managing crises.
- ⇒ Creating policy.

About the author:

International speaker and instructor for workshops on achieving high priority goals, Orna Drawas has worked to inspire thousands of business professionals in helping them drive towards real and measurable results in everything they do.

Contact Orna Drawas directly at www.RSLeaders.com

Editor's note: This article is an excerpt from Orna Drawas book, "Perform Like a Rock Star and Still Have Time for Lunch." You can order the book online at www.RSLeaders.com

"Scott, when you see Debbie, tell her I said she did a good job?"

Don't ever delegate managing or motivating your team!

Serving as business coach to dozens of organizations in virtually every industry, Orna offers very practical approaches to attaining personal peak performance and real breakthrough results. By working closely with so many different professional organizations and environments, she has amassed an impressive understanding of the core principles that can truly make a difference for career-minded people in today's fast-paced and competitive environment. The result—PERFORM LIKE A ROCK STAR and Still Have Time for Lunch.

Peak Performance Principles

- ⇒ Delegate the result, not the process.
- ⇒ Delegate to empower; provide total authority.
- ⇒ Ensure all the resources are available for success.



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Managing People 101: Be a Good Boss

By Colleen Kettenhofen

“Attitude is a little thing that makes a big difference.”
Winston Churchill

Most of the leadership programs and teambuilding trainings I conduct consist of managers, supervisors, and executives. Sometimes there are engineers, meeting planners, and nurses attending. Other times it's administrative assistants, salespeople, and even students in a leadership role. Hence, I've come up with the phrase, “leadership at all levels” because no matter what your position, if you're in charge of managing people, you are a boss—even if you're supervising people who serve in a voluntary position and aren't paid.

As some of you are aware, my book, *Secrets Your Boss Isn't Telling You*, is based on in-depth conversations with more than 200 managers, supervisors, top executives and CEOs. In it, I reveal hot topics such as the biggest frustrations of bosses guaranteed to get you fired, the top 10 things most employees don't know or do to keep their bosses happy, and more. After the book was published, I was frequently interviewed by radio hosts. I'd emphasize that being an exemplary employee goes both



ways. In other words, those who are managing people need to be successful role models: *good* bosses that others look up to and *want* to emulate and follow.

What are the “secrets” your employees aren't telling you? I've conducted research on this during my leadership programs and teambuilding trainings. It doesn't matter whether you're supervising employees or all volunteers in your spare time, or you're a student leader, or a parent. Being a good boss goes beyond managing people; it's about the traits, qualities and characteristics your staff

members want to see in *you*. Here they are:

Trustworthiness, Integrity, and Honesty.

In my leadership programs and teambuilding trainings, I keep things engaging and interactive. I break people into groups and have them share with each other what they consider to be the top traits that leaders in their organization or association need to possess. Afterwards, we have a group discussion. Not surprisingly, at the top of the list is trustworthiness, integrity, and honesty.

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Excellent Communicator.

It's not just important that leaders have a plan, but that they can *successfully communicate what it is* to their people. Lately, "excellent communicator" has ranked higher than average in my leadership programs. Why? There's so much change in the workplace—and in everyday life for that matter—that it's imperative for leaders to communicate their vision *and* get everyone on board. Make sure you state how you intend to execute your plan. Give your people a clear path forward. In group discussions, participants tell me all the time they want to know two things about their bosses. First, that he or she has a vision. Second, a strategy for *how they're going to execute that plan.*

Inspirational.

In managing people, be inspiring by tying your goals and objectives—your vision—to the values and priorities of your staff. Start by really listening to them. Get to know them. Find something interesting or positive that you can sincerely compliment them on, and they'll know you care. This can be especially motivational if you're in upper management or even the owner of the company. It makes people feel valued and special to know that "big, big boss" cares about them! Trust me. I know. I hear it all the time.

Supportive, Caring.

When I ask people (many of them are managers themselves)



what traits they think are most important for being a good boss, they'll often say, "I like knowing my manager has my back." The other words that consistently crop up are supportive, caring and being a good listener.

Open-minded, Flexible.

Aside from conducting leadership programs and teambuilding trainings, the second most requested topic I speak on is managing change. With all the uncertainty in the workplace—and in the world—it's no wonder that having a boss who is open-minded and flexible to change ranks in the top five.

A good boss is a great role model through change and adversity. If a leader expects his or her people to be open-minded and positive about change, it starts at the top.

Lastly, leadership is at all levels—whether you're an inspirational, supportive and caring role model for a friend going through a tough time, or an employee who is representing your company in your community, or a parent wanting to be a positive example.

"Management is all about managing in the short term, while developing the plans for the long term."
Jack Welch

About the author:

An internationally recognized award-winning speaker, Colleen is the author of the book, *Secrets Your Boss Isn't Telling You*, as well as 10 unique audio programs, available at www.BounceBackHigher.com.

Known as "The Queen of from Trouble to Turnaround," Colleen has delivered more than 1,100 dynamic and entertaining programs before thousands in 48 states and five countries. She has served as a keynote speaker for conferences, corporate meetings, associations, Native-American tribes, and non-profits.

Colleen is available for speaking, coaching, and consulting by calling 623-340-7690 in Portland, Oregon.

Background Screening Of Job Applicants: Avoiding Unanticipated Hazards!

By Michael King, Esq.

Should You Check Backgrounds Before Hiring?

Most employers obtain background information on prospective employees. Screening job applicants helps to protect the business and the public. Customers want to do business with safe and reliable people. After all, you don't want thieves and bad credit risks working in your credit department!

Employers must be careful in how they obtain and use background screening reports, however. If you refuse to hire criminals, the Equal Employment Opportunity Commission (EEOC) may sanction you if your criminal background checks cause employment discrimination against protected minorities. Businesses must also comply with the Fair Credit Reporting Act and other government regulations in the hiring process.

Using Credit Reports to Screen Employees

Obtaining credit reports on job applicants without written



- permission from the prospective employees cost Kmart three million dollars. Therefore, you should follow these guidelines to comply with the Fair Credit Reporting Act:
- Employers may not obtain consumer credit reports for employment purposes unless they clearly and conspicuously disclose in writing that credit reports “may be obtained for employment purposes.”
 - Job applicants must authorize prospective employers to obtain credit reports. The authorization to obtain credit reports by the job applicants must be in writing.
 - The employer must provide the job applicant with a copy of the credit report.
 - The employer must provide the job applicant with the most current version of the Fair Credit Reporting Act Summary of Rights prescribed by the Bureau of Consumer Financial Protection. 15 U.S.C. § 1681b(b)(3). The copies of the credit report and the current version of the FCRA Summary of Rights must be given to the job applicant before any adverse action is taken “based in whole or in part of the reports.”

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What Did Kmart Do That Was So Bad?

Kmart “failed to comply with the disclosure and authorization requirements” of the Fair Credit Reporting Act. Kmart also “failed to comply with the pre-adverse action notification requirements prior to taking adverse employment action.” *Pitt v. Kmart Corp.*, No. 3:11-cv-697 (E.D Va. May 24, 2013) In other words, Kmart obtained credit reports on job applicants without written permission from the applicants in violation of 15 U.S. C. § 1681b(b)(2). Kmart also apparently failed to give people copies of their credit reports and current copies of the “FCRA Summary of Rights” before deciding not to hire them.

One would think that Kmart caused a lot of harm to have to settle the case for \$3 million. In fact, no proof was presented that anyone was harmed by the wrongful conduct. There may have been as many as 64,500 claimants in the class action, however. Kmart wanted to avoid the burden and expense of the litigation!

What Should Employers Do About Credit Reports for Background Checks?

979828.2

Relying upon consumer credit reports for employment decisions seems like a bad idea. The reports usually contain too little information that is truly relevant to employment decisions. The cumbersome nature of all of the notifications required, including providing the credit report to the job applicant, makes the credit



Black applicants were excluded from being hired at PepsiCo because of the criminal background check policy. The EEOC taught PepsiCo a \$3.13 million lesson!

On the other hand, pick up the local newspaper and read the headlines. Nearly every day you can find a situation where an employer could have protected its existing employees and community members by conducting criminal background checks and not hiring a convicted criminal. Clearly, some balance is needed!

EEOC Enforcement Guidance

report nearly obsolete for employment purposes.

Using Criminal Background Checks in Hiring Employees

If your company uses criminal background checks to screen job applicants, you risk violating Title VII of the Civil Rights Act of 1964 by discriminating illegally. If you don't conduct criminal background checks, however, you will hire some criminals and possibly jeopardize your company, your co-workers and the public.

The Government Assessed Pepsi \$3.13 Million!

The EEOC settled an investigation of PepsiCo for \$3.13 million. What did PepsiCo allegedly do wrong? PepsiCo conducted criminal background checks as part of its hiring policy. The EEOC said that

In typical government fashion, the EEOC issued a 52-page document called the *EEOC Enforcement Guidance* on April 25, 2012, to clarify the guidelines for criminal background checks as a means of screening future employees. EEOC Commissioner Constance Barker thinks the guidelines will harm businesses, however.

She said, “All this new guidance does is to put business owners between a rock and a hard place: conduct criminal background checks to protect your employees and the members of the public you serve and you bear the risk of having to defend your action as discriminatory; don't conduct a background check and you take the risk that an employee, or a member of the public, will be harmed.”

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So What's in the EEOC Enforcement Guidance?

For starters, the EEOC tells us: "An employer's use of an individual's criminal history in making employment decisions may, in some instances, violate the prohibition against employment discrimination under Title VII of the Civil Rights Act of 1964...." Your helpful federal government provides a list of "best practices" to keep employers out of trouble for discrimination when using criminal background checks to disqualify applicants. One "best practice" identified by the EEOC is: "Eliminate policies or practices that exclude people from employment based on any criminal record." Gee, that was helpful! If we hire felons, at least we won't be discriminating!

Disparate Treatment Discrimination

979828.2

A clear example of improper discrimination using criminal



background checks is "disparate treatment." A violation of the Civil Rights Act might occur if an employer treats applicants or employees differently based upon their race or national origin despite similar prior criminal convictions. For example, if the Asian applicant and the White applicant were both convicted of fraud and you refused to hire the Asian applicant because of the conviction but hired the White applicant anyway, you have probably unlawfully discriminated.

Disparate Impact Discrimination

The EEOC says, "An employer's neutral policy (e.g., excluding applicants from employment based on certain criminal conduct) may disproportionately impact some individuals protected under Title VII, and may violate the law if not job related and consistent with business necessity...." The EEOC even tells us that neutral policies on criminal background checks are likely to get employers in trouble for discrimination. *According to the EEOC, national data shows that not hiring people based on criminal records has "a disparate impact based on race and national origin"*

Damned If You Do, Damned If You Don't

Criminal history background checks are required in all 50 states and the District of Columbia for several occupations. Nurses, daycare providers, school employees,

and elder-care workers are often not allowed to have criminal records by state law.

Thus, for many employers, state law requires that they discriminate against applicants with certain criminal convictions. You would think that complying with state law would protect a company from liability for discrimination under federal law! You would be wrong because "the mandates of state law are no defense to Title VII liability {of the 1964 Civil Rights Act}." *Gulino v. N.Y. State Education Department, 460F.3d 361,380 (2d Cir. 2006).*

Example

The example that the EEOC gives in the April 2012 Enforcement Guidance on the Consideration of Arrest and Conviction Records in Employment Decisions ("Enforcement guidance") is that a county prohibits all individuals with criminal convictions from working for the county. An African American who the EEOC calls "Chris" was convicted of felony welfare fraud 15 years ago. Chris has had no further problems with the law, however. Chris applied to be an animal control officer to respond to citizen complaint and handle animals. The county discovers the felony welfare fraud conviction and rejects Chris's application.

Chris files a discrimination charge with the EEOC and the EEOC finds disparate impact based on race. The EEOC also finds that the exclusionary policy (required by county law) is not job related and is not

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consistent with business necessity. Therefore, the county cannot justify rejecting everyone with felony convictions from employment. The county is liable for discrimination through an unlawful employment practice by following local law.

Double Standard

979828.2

If federal laws prohibit the employment of people with certain criminal records that is okay even if it causes discrimination. If state or local governments try to do the

same thing to prevent convicted felons from holding certain jobs, however, the state and local laws may be preempted by Title VII of the Civil Rights Act of 1964, according to the EEOC.

Possible Solutions—Employers Best Practices (as issued by the EEOC)

- “Eliminate policies or practices that exclude people from employment based on any criminal record.”
- Train decision-makers such as Human Resource Managers, other managers and hiring officials about Title VII of the Civil Rights Act of 1964 (Title VII) and the prohibitions on employment discrimination.
- Develop policies.
 - ⇒ Create a written policy and procedure for screening both applicants and employees for prior criminal conduct.
 - ⇒ Identify necessary job requirements.
 - ⇒ Identity actual circumstances of job performance.
 - ⇒ Determine what specific criminal offenses would show unfitness for specific jobs.
 - ⇒ Use “all available evidence” to identify which criminal offenses would disqualify applicants from specific jobs.
 - ⇒ Decide how long past criminal conduct will be considered a factor in the hiring process “based on all available evidence.”
 - ⇒ Individualized assessments of job applicants.
 - ⇒ Keep a record of the basis for determining your criminal background checking policy and procedures.
 - ⇒ Make and keep a record of all consultations and research involved in writing the criminal background checking policy and procedures
- ⇒ Once the policies have been formulated, train all decision-makers, Human Resource Managers, hiring officials and other key managers on implementing the policy and procedures to follow Title VII.
- Asking about criminal records.
 - ⇒ Limited inquiries about criminal records to questions about records “for which exclusion would be job-related for the position in question and consistent with business necessity.
- Confidentiality.
 - ⇒ Limited inquiries about criminal records to questions about records “for which exclusion would be job-related for the position in question and consistent with business necessity.
 - ⇒ Information about criminal records of job applicants and employees must be kept confidential.
 - ⇒ Information about the criminal records of job applicants and employees must only be used for the intended purpose.
- Don’t let criminal background checks cause you to discriminate..
 - ⇒ Disparate Treatment Discrimination.
 - ⇒ Disparate Impact Discrimination: EEOC says that national data shows that not hiring people based on criminal records has “a disparate impact based on race and national origin.”

Developing a Policy

The EEOC correctly says that a well-thought-out policy for the use of criminal background information is important. You need to develop written policies and procedures for screening applicants for employment based on criminal conduct. You should identify the essential job requirements and conditions and determine what specific criminal offenses might make someone unfit for particular jobs.

You should identify what criminal offenses will exclude job applicants based on actual evidence that prohibiting criminals is job related, and document what evidence you relied upon. Similarly, determining a policy of when old convictions are no longer relevant is important. Again, document what you used to determine that a fraud conviction nine years ago will disqualify an applicant, but the fraud conviction from ten-and-a-half years ago will not. Having the written justification for your policies and procedures and a record of the research you used in drafting the policies and procedures will be important.

Start with having applicants complete a carefully drafted employment application. Make sure that the employment application does not ask for information that would lead to discrimination against protected classes. Check the information provided for accuracy, but keep everything private and confidential. Be very careful not to violate any



government regulations! You don't want your company to pay as the next PepsiCo or Kmart!

About the author:

Michael R. King is a co-founder of Gammage & Burnham, P.L.C., a Phoenix law firm with diverse areas of emphasis. He has been a construction lawyer since 1979.

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These areas include emphasis on creditors' rights, including bankruptcy cases, general litigation, loan documentation, workouts, foreclosures and forcible detainers as well as deficiency collection and accounts collection. His client list includes banks, mortgage companies, distributors in various industries, and leasing companies. He received a

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Setting Up a Budget

by Kathryn Greiner, MPCE

Do you sometimes feel like no matter how much you earn there's never enough?

To get a handle on your finances, start by getting your income and expenses down on paper. Use the following directions and two forms provided on pages 18 and 19 and you'll have a clearer picture of your money situation. (Note: you may want to copy these forms first, or use a pencil so you can make changes easily.)

Step 1 is finding out where your money goes. A budget, like a roadmap, helps you get where you want to go. However, you can't plan the best route to your destination until you figure out exactly where you are now. Using the budget analysis form provided, fill in each line by **averaging** out your basic monthly living expenses. You can use this form as a planning tool when considering what life will be like in the next 12 months. Your **total monthly expenses** gives you a picture of what it typically costs to live.

Next, write down the amount of your take home pay plus any other predictable sources of income.

Subtract the total of your average monthly expenses from



your monthly take home pay to see if the **Amount Available for Debt** and other goals.

Now go to the next section of this form and make a list of all debts (i.e. home equity loans, car loans, credit cards, medical bills etc.) by creditor name, balance owed and required monthly payment. Tally up the balances and the monthly payments. Subtract the total of your **Monthly Debt Payments** from the **Amount Available for Debt**. The answer is your own "bottom line". If you end up with a negative number, you will clearly see why there is "never enough".

Now that you have defined what is "enough", you can decide how to solve the shortage. Start by looking at your basic monthly living expenses to see where you can spend less, and then find ways to earn the difference. Some ways to cut costs:

- Reduce phone expenses with fewer services
- Plan weekly menus, to buy what you need, and reduce meals out
- Barter to exchange something you can do for a service someone else provides

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- Use clothes, furniture and toys from second-hand sources. (Recycling is good for the planet too!)
- Find inexpensive ways to enjoy holidays and have fun
- Treasured gifts from the heart:
 - ◊ Write down a few fond memories; the words to a shared favorite song; or pictures from the past
 - ◊ Offer to help with a chore
 - ◊ Offer free babysitting for an evening
 - ◊ Take a class together or make a date for a walk in the park
- Consider cheaper housing and/or transportation
- Magazines, books and websites offer articles on ways to spend less

Now that you've take a look at where the money goes, you're ready for **Step 2: A Monthly Plan for Spending, Bill Paying and Saving.**

Using the form provided, list what bills (creditors) must be paid this month. Add these up to get your bill-paying total. Next, fill in the amount you want to save for long term goals, precautionary savings and short term goals. It is always easier to save when you have something concrete in mind. Start by setting up three savings accounts.

Retirement: open a Roth IRA of your own. What you are saving through you job and the Social Security income you anticipate may not be enough.

Emergency: Establish a fund for times when your income stops, perhaps because of



injury, illness or job loss. Aim for one month's rent, and then expand that to one month's take home pay, putting away a little each month. This fund tides you over until you can get disability pay, unemployment benefits, another job, etc.

Set Aside: Begin a separate account for basic living expenses that don't hit every month, like a car and house repairs, furnishings, holidays, travel, annual insurance premiums, etc. (For example, if you estimate the yearly cost of your car repairs to be \$600, set aside \$50 each month to be used anytime you need to fix your car.)

Hints: If it seems overwhelming to think about saving anything, start by putting aside small amounts (so small that you would never tap into it—even your loose change can add up. Once you get going, it's easier to manage the three different funds if you establish three different accounts. Start now and start small.

Remember, it's difficult to get out of a rut if you don't plan ahead. As you get more financially stable you can increase your savings as you decrease your debt.

Finally, to finish your monthly plan, add what you want to save to the bills that must be paid (your creditors), and subtract this sum from your take home pay for the month. What is left is what is available for spending. Divide that number by four to determine your weekly spending allowance for food, gas, haircuts, laundry, donations, entertainment, gifts and clothes.

Congratulations! You have now developed a bill-paying and saving plan that allows you to relax and enjoy your spending allowance!

(See page 18 for the "Budget Analysis" form)

See page 19 for the "Monthly Plan for Spending, Bill Paying and Saving" form)

Continued on page 17

About the author:

Called the “Budget Guru” by the Ann Arbor Observer, Kathryn Greiner has been helping people improve their budgeting skills since 1976. Kathryn provides budget counseling as a free service to members of the University of Michigan Credit Union.

Trained and certified as a credit counselor, Kathryn developed a Credit Education Program to teach consumers the skills needed to establish workable budgets, avoid bankruptcy and improve creditworthiness.

In private counseling sessions, she teaches UMCU members how to control spending, reduce

debt, begin to save - and still enjoy life! With her unique blend of compassion, realism and humor she helps them find sensible, workable answers to their financial problems.

Kathryn hosted a call-in radio talk show called “Credit Line” on WAAM Radio for two years, and assisted in the production of four credit education videos. Ms. Greiner provides a myriad of financial literacy workshops in a “lunch and learn format” throughout the area, helping the UM Credit Union to win the 2014 Desjardins Award for Adult Financial Literacy. She is the recipient of the 2016 Michigan Credit Union Foundation's Award for Excellence in

Consumer Education. Kathryn also teaches financial counseling skills to credit union staff through the Credit Union National Association.

Kathryn is an active member of Credit Professionals International, and has held many committee and officer positions over the years.

In 2006, Kathryn received the prestigious International Credit Professional of the Year Award for the credit education she provides.

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Step 1 – Budget Analysis or Where the Money Goes

Average Monthly Expenses

Housing:	
Rent/Mortgage	\$
Heat (Average)*	\$
Electric	\$
Water	\$
Phone/Internet	\$
Property Taxes	\$
Household Expenses/Furnishings	\$
Repair/Improvements*	\$
Home Insurance	\$
Food:	
Groceries	\$
Paper/Cleaning Supplies	\$
Mid-week Shopping	\$
Meals Out	\$
Transport:	
Gas/Fares	\$
Maintenance	\$
Parking	\$
Car Insurance	\$
Personal:	
Clothing	\$
Medical/Dental/Vision	\$
Education*	\$
Life Insurance	\$
Gifts	\$
Donations	\$
Entertainment**	\$
Child Care	\$
Vacations*	\$
Grooming Supplies	\$
Haircuts/Laundry	\$
Pets*	\$
Cable/Satellite TV	\$
Other	\$
Other	\$
Expense Subtotal:	\$
Savings:	
Emergency Fund	\$
Other	\$
Monthly Living Expenses:	\$

Average Monthly Income

Monthly Take Home Pay	\$
Partner's Take Home Pay	\$
Other Income	\$
(include roommate, second job, child support, alimony, Social Security)	
Total Monthly Income:	\$
<hr/>	
Monthly Income:	\$
less Monthly Expenses:	- \$
Amount Available for Debt:	= \$
<hr/>	
Debt: (i.e. credit cards, home equity loan, car payments, student loans, medical bills)	

Creditors	Balance	Payment
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$

Total Debt Owed:	\$ _____
Total Monthly Debt Payments:	\$
Subtract from Amount Available for Debt (see above)	- \$ _____
This is your Bottom Line!	= \$

*Take year's estimated total and divide by 12 for the average monthly expenses. **Entertainment includes: Reading, Videos, Music, Hobbies, Going Out, and Sports.

Getting Customers to Pay Without Losing the Customer

By Michelle Dunn

As the economic recovery limps along, a growing number of companies are discovering that customers who have always been able to pay on time are having trouble paying their bills and staying current. Others who may have been slow payers are falling even further behind or are unable to pay at all.

To keep cash flowing through your business, it's often a good idea to offer payment plans. If you have customers that can't realistically pay in full and you don't offer a payment arrangement, you may not get paid.

Offering payment options will get you your money, though the process may take place over a given amount of time. It might be your best option to keep your existing customers, get paid and stay in business.

Establishing payment arrangements is a two-way street; you create the rules and your customers have to play by them if they want to do business with you. It is up to you to be fair, reasonable, and not intimidating.

You only need to set up payment arrangements if a customer cannot make payment in full. You must always do this by talking with the customer, and then you must follow up



by sending a written notice or letter reiterating what the arrangement is. The only way to make this work is to be very specific.

The first line of your letter should say something similar to, "As per our conversation today (date)." Then you can go into detail on the terms to which you agreed, the total due, the number of payments, and the due date and amount of each payment. I cannot stress enough that you need to be very specific and detail oriented. It's even better if you can include a payment envelope.

Never start a call with a customer by asking how much they can pay; this will just set you up for failure. You must let

the customer know how much you can accept in order to remain in control of the call—not the other way around. Once you ask the debtor how much they can pay, you lose all negotiation ability as well as control of both the call and the situation. It is essential to communicate confidence when you are speaking to past-due customers, and remain relaxed, self-assured, and prepared.

Related: How to Check a Customer's Credit Worthiness

When you're setting up each customer with their specific payment plans, decide how many monthly payments you can extend to the customer, and then divide the total

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amount due by the number of months you want the balance to be paid in. This will be the monthly payment. Make sure that you put the payment arrangement with any customer in writing. Let the customer know that if they cannot make a payment they must call you and let you know. They can't just skip the payment because this could void the agreement. This will keep the lines of communication open while helping your customers stay on track and keeping some cash flow through your business.

Accepting whatever customers offer as payment without any negotiation is a huge mistake that can cost you the customer, money, and business. Business owners need to maximize in-house receivables, and they cannot get a handle on these without assessing the situation and negotiating a payment plan that works for them and the customer, and which is also beneficial to all involved.

You have to make payment arrangements that are both worth your while and feasible for the customer. If you work with each customer to assess their specific situation and agree on a certain amount and schedule that the customer can realistically achieve, you'll increase the likelihood of getting paid.

Specific steps for successful payment arrangements are:

- Ask for payment in full. If the customer cannot pay in full, offer to split the balance into two payments with specific due dates.

- Gather information on the customer's financial status. Ask open-ended questions that allow you to evaluate the situation.
- Suggest weekly or bimonthly payments, as opposed to the common monthly payments. This will give you more money per month and allow the debt to be paid off more quickly.
- Come to an agreement that is beneficial and realistic for you and your customer.
- Get a commitment and document it.
- Send the customer a letter reiterating your understanding of the agreement.
- Ask for a signature on that agreement.

Related: Six Ways to Smooth Out Uneven Cash Flow

Always start off by asking for payment in full. Then, go down from there. Always aim high, such as first asking for 100 percent, then 80 percent, then 75 percent, and so on. If you leave it up to the customer, they are likely to offer the lowest possible amount, which probably won't help your situation at all, and it certainly won't help them. Try to get as much as you can as frequently as you can. Remember to: Send a confirmation letter the day you make the payment agreement with your customer. Send a payment reminder 10 days before the payment is due.

If you do not have the payment on the due date, send a letter informing the customer that they have five days to pay before the arrangement is



revoked and they go back to full collection efforts on the full amount.

Something else to consider with another business: Could you start a barter relationship with this customer? If they offer a service or something else you could use in your business, think about making a barter arrangement to clear up the past-due balance.

Negotiation is a key skill that anyone who is trying to collect money needs to develop. Even if you agreed upon an amount at the time of the sale, you may have to negotiate later if payment is not made.

Michelle Dunn is an award winning author and columnist. She is one of the Top 5 women in collections and one of the Top 50 most influential collection professionals in her industry. Michelle has been quoted and featured in The Wall Street Journal, Smart Money Magazine, CNN and other national publications. Visit her blog at www.Credit-and-Collections.com and find her books in bookstores everywhere and Amazon.com.

How To Improve Interpersonal Relationships

By Mary Horner

Why do we bother to communicate when people can be so frustrating? Because communication allows us to connect with others.

If you're in business, you're in business with people. And although we are social creatures, some of us find it difficult to communicate with anyone other than our closest family members and friends. With a few simple guidelines, however, anyone can learn effective interpersonal communication skills.

One of the most basic principles—and the most important—is that all communication takes place within a context. Every interaction has a physical and relational context, which means the location and people involved can determine how you communicate.

Because we normally adapt to the person with the most power, effective language and nonverbal communication is not static. The lines move and blur as we encounter a variety of people throughout the day. For example, your communication style in the workplace may be more formal when you are discussing a project with your supervisor



but casual while enjoying a social lunch with colleagues.

By keeping in mind where and with whom you communicate, you can develop the rules of effective communication and practice them in a wide variety of situations.

Empathy: A Key Element

A key element in developing and using effective interpersonal communications skills is empathy.

For years, business leaders have been studying the use of empathy as it relates to success. Merriam-Webster defines empathy as the feeling that you understand and share

another person's experiences and emotions. Successful leaders know that empathy creates an environment in which we treat others as we would like to be treated. Empathetic leaders succeed by creating an atmosphere of support, which serves everyone well.

According to Cathy Downen, MA, MA, PLPC, the principle concept for successful business communication is not much different than the principle for any successful interpersonal relationship: the key to getting along with others is empathy, which is the cornerstone of emotional intelligence, or EQ.

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“When you can see a situation from the other person's perspective,” she said, “you have a better understanding of the motivating factors that drive the interaction. If you can help others achieve their goals, you will build equity in the relationship that will pay dividends in future transactions. Treating others with respect is non-negotiable, and communicating clearly your needs and expectations works best.”

By using empathy—that is, seeing things from the other person's point of view—and following a few guidelines, you can succeed in developing and maintaining good relationships in both your professional and personal lives.

Trust and Respect

Trust and respect are two pillars that build relationships. Without them, relationships will falter and fail. Businesses that create an atmosphere where it is possible for colleagues to trust and respect each other have employees who trust and respect each other.

The opposite also is true. If name calling, finger-pointing, scapegoating, allowing unfounded accusations and other negative activities in your office is the norm, this will essentially destroy the trust and respect necessary to do business in a positive and creative manner. When everyone feels safe, they can be themselves, which allows them to be their best selves. And that's when they can contribute their best abilities to the company, group or goal.

Successful communication requires attention:

Trust—create an environment of trust and credibility. Be honest, genuine and open (Colleagues and clients must know that you are who you say you are, and you do what you say you'll do.)

Respect—You don't have to agree with everyone, but respect ideas and opinions.

Environment—Remember you are at a place of business.

Everyone—Treat everyone the same (see respect)

Listen—Don't assume. Let others finish their thoughts without jumping in to finish their sentences.

Remember, your job is to project the image that best reflects your company and its goals. To begin, you may want to assess your own communication skills as it reflects the mission of your organization. There are several online tests available, and this one from Forbes.com provides many insights:

<http://www.forbes.com/sites/markmurphy/2015/08/06/which-of-these-4-communication-styles-are-you/#4888fc041ecb>

Although the majority of your business communication may take place online or through computers, speaking face to face with colleagues and clients still can be the best way to get a message across quickly and clearly. Face-to-face communication isn't easy for many people, but there are ways to make it less painful.

By taking a look at three basic communication theories, we can begin to understand why the ability to communicate effectively can be learned. The first is that communication is inevitable, the second deals with common ground, and the third focuses on contributing, not competing.



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Communication Is Inevitable:

Human beings are always communicating. Much of that communication is nonverbal, so although we may be quietly working at our desk, we are actually communicating that we are working. Reading nonverbal cues can help us interact appropriately while maintaining a professional demeanor.

Most of us can tell when someone is in a hurry, or doesn't have time to talk, or is in a good, friendly mood or eager to talk. Although you may not have thought about it specifically, we recognize (or can learn to recognize) cues that tell us how to react. So if someone is rushing by us with his or her eyes focused straight ahead and not making eye contact, he or she isn't going to stop and make small talk. It's not a good time to ask about questions, unless it is an emergency.

But when someone walks slowly to your desk with a cup of coffee and asks if you have a minute, that person probably wants to sit and visit.

Regardless of whether or not the topic is work, that person will probably linger. He or she is making no effort to hurry, and you may need to send verbal or nonverbal cues when it is time for that person to get back to work, and let you do the same. You may begin by looking at the clock, or check a message coming in by computer or phone.



If your visitor doesn't get the hint, then you may say something to the effect that you need to finish a project. There is no need to be rude, and obviously the visitor is trying to maintain a relationship that he or she finds valuable.

By stating "I'd love to talk more, but I need to finish this," can soften the message, as can "I want to hear the end of this story later, but right now I need to finish this project. I promised my supervisor I would finish it ASAP."

Letting the visitor know that you also find the relationship important, but that you have work to do, lets both parties accomplish his or her goals without hurting anyone's feelings.

Establish Common Ground:

The theory of Common Ground states that connecting with

others is easier if we establish common ground. If you walk into a room of strangers and happen to see someone you barely recognize—whose child went to the same preschool as yours—even if you don't know him or her well, you will probably gravitate to that person because you have something in common. It would be easier for you to approach that person and introduce yourself and ask if his child went to the Pretty Preppy Preschool a few years ago because you thought he or she looked familiar.

Sometimes, though, we don't have any connection that we can see. If that's the case, keep four simple topics in mind: weather, sports, traffic, food. One of these topics will work in almost any situation. Don't underestimate the importance of small talk. Every relationship has to start somewhere, and by using one of these topics

you can open the lines of communication.

Another process to try is to state how you feel, and then ask a question. “I feel excited about the next breakout session. I read the speaker’s book and it changed the way I view decimal points. Have you read it?”

“I’m looking forward to the next speaker. Are you familiar with Dr. Anderson?”

“I’m a little overwhelmed with all the information. I’ve only been in the business for a few months and am beginning to realize how much I don’t know. How long have you been in this business? (Or, how long did it take you to feel like you had a handle on the world of finance?)”

By sharing a feeling and asking a question, you have revealed something about yourself, and reached out to another person who may feel the same way, establishing common ground. Most people will respond to a direct question.

Don’t compete, contribute:

Instead of worrying about competing, focus on how you can contribute to someone’s well being, wealth, relationships, or job. Once you start taking the focus off yourself and begin to pay attention to how you can make someone’s life better, communication is easier because it’s not about you. Focusing on something bigger than yourself also removes the pressure to perform or act a certain way. Keep your eye on



the other person’s goal, and by determining how you can help him or her reach that goal gives you common ground (which connects you). Focus on how to make someone else’s goals attainable. By taking yourself out of the picture, the pressure is off you and the potential awkward conversations that may make both of you uncomfortable.

Anyone can use these three theories to develop effective interpersonal communication skills. By paying attention to the communication that is going on all around you, establishing common ground, and focusing on your contribution, communication is easier.

Listening Can Improve Interpersonal Communication

Have you ever had clients or colleagues who didn’t listen? If so, the situation may have become difficult. When information is traveling only one way (instead of back and forth for optimum effectiveness) relationships cannot build on solid ground.

The person who isn’t being heard usually begins to feel the relationship isn’t working and may try to find excuses to dissolve it. An unbalanced relationship, or one that maintains an uneven cost-benefit, can’t last. If both parties aren’t benefitting in some way, the relationship

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fails. The benefit of every relationship must outweigh the cost.

If a client or supervisor causes unnecessary stress by not listening, but you love your job overall, then the cost of that stress may be well worth it to keep your job. But at some point, if the love of the job decreases due to the level of stress increasing, then the job may no longer be worthwhile. Everyone has to determine the cost-benefit ratio of relationships to maintain a healthy stress level and protect their mental health. It's a balancing act we all perform as changes force us to adapt.

Although most people consider themselves good listeners, many people aren't because they've never been taught. Here's another acronym to improve your listening skills.

Sit forward, lean toward the person

Open up (crossed arms sends the message that you are closed to the message)

Look at the person's eyes

Act like you are interested, nod your head, use appropriate facial expressions

Respond with questions or comments when appropriate

Creating Immediacy to Connect with Others

There are some people who make work fun, and they draw others to them. The reason may involve communication immediacy, or the ability to connect in a way that makes their co-workers feel respected.



Immediacy can be created by using the techniques listed below, which may help you become the person that others want on their team!

Compliment someone, which can be as simple as recognizing positive qualities and bringing them to light. "I'm glad we work together because you always know how to put a positive spin on every situation."

Pay attention to the topics someone talks about, or the personal items on a desk.

Both can reveal someone's interests, and responding to them is a great way to open the lines of communication.

For example: "I love this picture of the beach you have on your desk. Where's it from?"

Don't forget to share your own information about a favorite beach you've visited.

Make eye contact and face the person to whom you are speaking. Don't look away or turn away, like you want to get away. Give everyone your full attention. This is especially true when speaking to subordinates and clients.

Listen attentively and give feedback.

Smile and nod in agreement, if appropriate. A genuine smile goes a long way.

Using the theories of common ground, empathy, and immediacy can help create effective interpersonal relationships. So the next time you find yourself feeling uncomfortable in a social situation, take stock of the information in front of you and open the lines of communication. You may find a new ally in the trenches.

What do I say when I'm embarrassed that I made a mistake?

We all make mistakes, and when we do, the best strategy is to offer a sincere apology because it's an effective way to maintain interpersonal relationships. If we don't acknowledge our error, those affected by it may think you don't care. And if someone thinks you don't care, then that relationship can begin to disintegrate.

How to apologize in four easy steps:

- Tell anyone affected that you're sorry
- Admit the mistake
- Let the other party know how you will fix it
- Assure the other party that it won't happen again

Scenario:

I sent the wrong report to my supervisor.

1. I am so sorry I sent you the wrong report.
2. I heard you say Smith, but for some reason I sent the Schmidt report.
3. I hope it didn't cause you a problem, and I sent the Smith report as soon as I realized what I did.
4. Next time I will write down the correct name so it won't happen again.

Be sincere, and hopefully the matter will be resolved with a minimum amount of damage or concern. Admitting that we aren't perfect isn't easy, but with a sincere apology you can put it behind you and strive to do better in the future.

About the author:

Mary Horner is the author of **Strengthen Your Nonfiction Writing**. She teaches communications at St. Louis Community College and has written for several publications.

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St. Louis MO 63122

If You Need to Borrow for Higher Education

By Federal Deposit Insurance Corporation

College or graduate degrees can provide career options and higher income, but they also can be expensive. If you need to borrow for school, carefully consider your options, keep the loan amount as low as possible, and have a clear repayment plan. Here are strategies to keep in mind.

Obtaining a Student Loan

First look into your eligibility for grants and scholarships.

Many students qualify for some aid, so start by filling out the Free Application for Federal Student Aid (FAFSA) on the U.S. Department of Education's Web site at www.studentaid.gov. You can learn more about the FAFSA and grant opportunities at that same site.

Know how much you need to borrow and that you can make the monthly payments.

Your anticipated costs (tuition, textbooks, housing, food, transportation) minus your education savings, family contributions, income from work-study or a job, scholarships and/or grants will help determine how much you may need to borrow. Again, your goal should be to limit the amount you borrow, even if you are approved for a larger loan,



because the more you borrow, the more money you will owe.

Also consider the minimum you will owe each month to pay off your loans, including interest, after you graduate and how it compares to your projected earnings. To help you project your future salary in the lines of work you're considering, look at the U.S. Department of Labor's statistics on wages in

more than 800 occupations (www.bls.gov/oes). Your monthly repayment amount also will generally depend on your interest rate and the term of your loan, which can vary from 10 years to more than 20 years.

“Even though most student loans won't require you to begin monthly payments until after you graduate—generally six to

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nine months later—a student loan is a serious commitment,” said Matt Homer, an FDIC Policy Analyst.

He noted, for example, that many adults who borrowed more than they could afford to repay have faced serious debt problems for many years following their graduation. Unlike some other loans, federal and private student loans generally cannot be discharged through bankruptcy. Borrowers who fail to pay their student loans could be referred to debt collection agencies, experience a drop in their credit score (which will make credit more expensive and perhaps make it harder to find a job), and have a portion of their wages withheld.

If you need help deciding how much to borrow, consider speaking with a specialist at your school (perhaps a school counselor at your high school or an admissions or financial aid officer at your college). A college budget calculator also

can be helpful, and you can use one from the Department of Education.

Consider federal loans first if you need to borrow. Experts say that, in general, federal loans are better than private student loans, and that you should only consider private loans if you’ve reached your borrowing limit with federal loans. Why?

The interest rates on federal loans are fixed, meaning they won’t change over time. But the interest rates on private loans, which are often significantly higher, could be either fixed or variable (they can fluctuate).

Federal student loans also offer more flexible repayment plans (see below) and options to postpone your loan payments if you are having financial problems.

When You Are in School

Set up direct deposit for your student aid money. Although

some schools or financial institutions may encourage you to select a certain debit card or prepaid card for receiving part of your student loan or other aid (the part left after your school has subtracted tuition and fees), carefully weigh all of your options.

School-preferred products may come with high fees and inconvenient ATM locations. Remember that you can always deposit federal loan proceeds anywhere you choose.

Keep track of the total amount you have borrowed and consider reducing it, if possible. For example, if your loan accrues interest while you are in school, you may be able to make interest payments while still in school, and this can reduce the amount owed later on. You could also repay some of the principal (the amount borrowed) before the repayment period officially begins.

Paying Off Your Loan

Select your repayment plan. Federal loans offer a variety of repayment options and you can generally change to a different repayment plan at any time. For example, one type of loan starts off with low payment amounts that increase over time. Another is the “Pay as You Earn” program that the Department of Education will soon make available, in which your monthly payment amount will be 10 percent of your “discretionary” income (defined by the Department’s regulations but generally what you have left over after paying key expenses).



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In addition, it may be possible to have any remaining balance forgiven after 20 years of payments. In contrast, private loans generally require fixed monthly payments over a period of time.

With federal loans you also may qualify for special loan forgiveness benefits if you pursue certain careers in public service. Remember, though, that the longer you take to repay any loan, the more you pay in interest (although in some cases you may receive a tax benefit for the interest you pay).

Make your loan payments on time. “Student loans are typically reported to credit bureaus, so paying on time can help build a good credit history, and paying late can harm your credit history,” said Elizabeth Khalil, a Senior Policy Analyst in the FDIC’s Division of Depositor and Consumer Protection. To help you stay on schedule, consider having your payments automatically deducted from your bank account or arranging for e-mail or text-message reminders.

Also, make sure your loan servicer—the company that collects your payments and administers your loan—has your current contact information so you don’t miss important correspondence, such as a change in a due date.



Consider making extra payments to pay down your loan faster. If you are able to, start by paying the student loans with the highest interest rates. If you have more than one student loan with a particular servicer, make it clear that you want to apply any extra payments to reduce the balance of the higher-rate loans.

Look into refinancing opportunities. You may be able to obtain a lower interest rate and even consolidate multiple loans of the same type into one loan. However, be aware that if you consolidate or refinance a federal loan into a private loan, you may lose important benefits associated with the federal loan (such as loan forgiveness for entering public service). In some cases,

even consolidating one type of federal loan into a different kind of federal loan can result in lost benefits.

Contact your loan servicer immediately if you’re having difficulty repaying. Repaying student loans can be challenging, especially during tough economic times. “Remember that if you have a federal student loan that you’re having trouble paying, you have options that could help. Private loan borrowers may be able to get some assistance as well,” noted Jonathan Miller, Deputy Director in the FDIC’s Division of Depositor and Consumer Protection. To learn more about student loans, start at www.studentaid.ed.gov.

CREDIT PROFESSIONALS INTERNATIONAL

Mission:

To support the members of Credit Professionals International by providing opportunities for networking, career development and community involvement.

Vision:

Our vision is to be an innovative, member-driven association, making positive contributions within the credit industry.

MEMBERSHIP NEWS

We are happy to welcome these new members,
who have joined Credit Professionals International within the past 12 months

District 3&4

Spartanburg, SC

Roberta Price
The J. F. Floyd Mortuary

District 5

Indianapolis, IN

Hannah Stuber
Student

Jackson, MI

Savannah Weiman
Student

District 7&9

Hutchinson, KS

Alicia Marsh
Interfaith Housing Services

Lacy Stauffacher
Interfaith Housing Services

Direct Members

David Matts
Evergreen Washelli Funeral Home
Mill Creek, WA

CERTIFICATION NEWS

The Following CPI Members
Achieved Certification, Recertification or a Certification Upgrade
April 2015—March 2016

At-Large	Tami Mason	Lifetime MPCE	Grandview, WA
Atlanta CPI	Al Parker	Lifetime MPCE	Duluth, GA
Direct	Geraldine Entienza	Lifetime PCE	Singapore



Credit Education Resources FOUNDATION

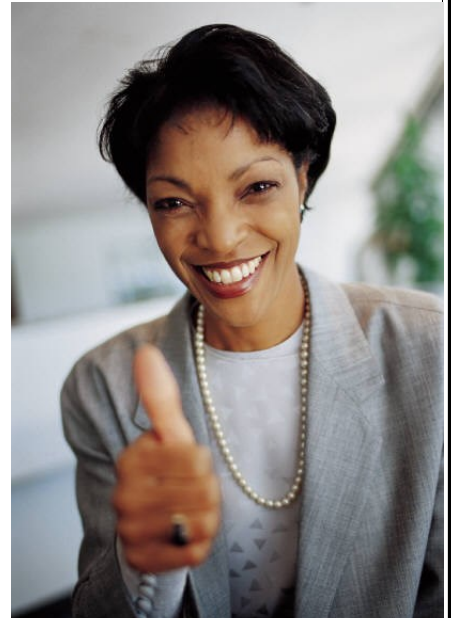
Serving CPI members through:

Scholarships for continuing education

Grants to support local association consumer credit education programs

Funds to publish *The Credit Professional* magazine

Recognition of CPI members, via the Helen B. Sawyers HERO Award, for outstanding dedication and achievement to CPI, the credit industry, and consumer education



AND



Serving consumers through:

Sponsorship of credit education programs for consumers

Creation and distribution of *Take Charge of Your Life*, a credit education program created by CPI members for consumers

Financial support of the National Center for Missing & Exploited Children, including NetSmartz®, an Internet safety program.

The Credit Education Resources Foundation is a 501(c)(3) tax-exempt, not-for-profit organization. It raises funds through an annual International Walk-A-Thon and other fundraising events. Donations, which are tax deductible, can be sent to Credit Education Resources Foundation, P. O. Box 220714, St. Louis MO 63122.