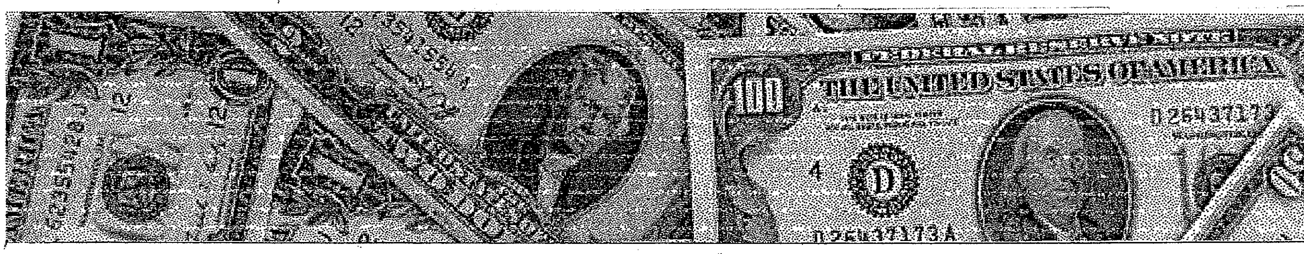
Instructor's Guide



Take Charge Of Your Life

A Guide to Taking Charge of Your Financial Life

Published by the
Credit Education Resources Foundation

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TAKE CHARGE OF YOUR LIFE

Guide for Consultants and Teachers

"Take Charge of Your Life" is a program intended to help today's consumer learn to take charge of his or her financial future. It was designed to be used in presenting credit seminars and for placement in public libraries and schools for consumer education. The program, on a 73 minute audio tape or compact disk, covers the basics of money and credit management. The tapes and CDs are available through the Credit Education Resources Foundation. This guide is intended as an accompaniment to the tapes and CDs to assist consultants and teachers in presenting the materials in the class room or as part of an adult credit seminar. This guide contains pages that may be copied over onto overhead transparencies or used as handouts, and you may contact the Foundation to obtain a copy of the companion 70 slide PowerPoint presentation with notes and handout masters.

FOREWORD

The association now known as Credit Professionals International was established in 1937 for individuals working in the credit industry. CPI's focus is on strengthening the credit industry and the individual through education and interaction. Its mission is to support its members by providing opportunities for networking, career development and community involvement.

The Credit Education Resources Foundation is committed to providing credit education to the general public by utilizing and enhancing the combined talents, education and expertise of the members of Credit Professionals International.

The audio program "Take Charge of Your Life", available on tape and compact disk, was developed by members of Credit Professionals International. It is intended to help consumers take charge of their financial life by helping them to better understand finances and learn more about credit and budgeting.

Tape	1-5 copies	$11.00 each	6+ copies	$ 8.00 each
CD	1-5 copies	$15.00 each	6+ copies	$12.00 each

Prices shown include shipping and handling and were correct at the time this guide went to press but are subject to change. The tapes and CDs, and additional credit education materials, are available from the Foundation:

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PROGRAM OVERVIEW

The audio program consists of seven sections:

1. **Introduction and Getting Started** - discusses what credit is and what is needed to obtain credit.

2. **How Credit Works** - an explanation of the credit process, credit scoring and credit decisions.

3. **Credit and Credit Cards** - finding the best deal, the cost of credit and how much credit an individual needs.

4. **You and Your Credit Record** - how credit records are established, why they are important and what to do if there is a problem.

5. **You and Your Money, Part One** - discusses sources of money and banking.

6. **You and Your Money, Part Two** - how to manage money and set up a budget.

7. **Protection Against Fraud** - how to protect one's identity, bank accounts and credit cards.

The audio program was designed to be used as a "stand-alone" guide for consumers to better understand credit, however it may also be used in the classroom or as a basis for a credit seminar. This guide has been provided to give direction to consultants or teachers who are using the tapes and CDs as all or part of a credit presentation.

Credit presentations featuring this program might be arranged with the cooperation of local schools (secondary, college, technical), libraries, churches, shelters, community outreach programs, county extension programs, Junior Achievement, senior citizens' groups, at career fairs, in conjunction with mortgage or first time home buyers' classes, through the local Chamber of Commerce or speaker's bureau, or as part of a local, state or district meeting of Credit Professionals International.

PREPARING FOR CLASS

There are basically three ways to use the tapes and CDs in a class environment:

- **Method A:** Listen to the audio program together in class, one section at a time, with activities and discussion before and after each section.
- **Method B:** Ask the participants to listen to the audio program individually in advance and then discuss the contents and do the activities together in class.
- **Method C:** Cover the content of the program in class through lecture and activities and provide the tapes and CDs as reinforcement material at the end of the class.

The activity plans give suggestions for using the outlines and overheads with Method A (listening to the audio program in class), however, they may be easily modified for use with Method B or C. Choose the format best suited to your audience, time frames and environment. With all three methods, the teacher or consultant should listen to the audio program at least once before conducting the class. And with all three methods, it is recommended that the class participants each be given a tape or CD, or the opportunity to purchase one, to keep for themselves for future study and reinforcement.

The content of the audio program is appropriate for use with junior high school students, high school students, and adults. The first portion of this session will deal with incorporating the program into a classroom format for students. It is based on an outside consultant making the presentation to the class, but can be modified by the teacher for use within the existing school curriculum. The second portion of this session will discuss ways to prepare your presentation and present the program to adult learners.

To make any or all of the overheads provided within this guide, simply copy the pages on to overhead transparencies. You may also contact the Foundation to obtain the companion PowerPoint presentation. A questionnaire is provided on pages 29-30 and copies may be made of this as well. If you are using Method A or C, have the class take the quiz before and then again after reviewing the material and compare the results. Answers are provided on page 31. If you are presenting the material over several days, you might conduct mini-quizzes before and after each section in addition to, or instead of, the full questionnaire.

IN THE SCHOOLS

Schedule a class visit and planning session with the teacher before your first activity with the students. This time will help you determine the schools' particular goals and objectives and how to best present the material to meet the students' interests or needs. Ask the teacher what activities the students enjoy the most, what the students' general abilities are, determine how much time you will have and get the teacher's suggestions for classroom management.

Find out in advance:

- How many students are there?
- How does the teacher encourage orderly participation?
- Does the classroom have a tape or CD player or will you need to provide one?
- What other equipment is available (flip charts, chalk board, etc.)?
- How is the room arranged...will you need to move desks or chairs for any part of your presentation?
- Will you be able to count on the teacher's help during the presentation?
- Do any of the students have special needs?
- What are the schools' policies regarding visitors?

There will be a wide variation in student ability, maturity level, and interests, and they should be approached with sincerity and respect.

Here are some general guidelines for a successful visit:

- Arrive early, but don't interrupt while the class is in session.
- Be enthusiastic and friendly.
- Be yourself, and share your own experiences.
- Use language the students can understand.
- Don't talk down to the students.
- Let them know up front what behavior you expect.
- Invite questions from the students.
- Never criticize a student's question.
- If you don't know an answer, offer to find it.
- Ask the teacher to help you keep track of the time.
- Leave discipline to the teacher.

ADULT LEARNERS

Adults like to determine their own learning experience. Adults, in contrast with children, like to feel that they are self-directing and that they can choose their own directions from a number of alternatives. They need to know why the learning is important to them, want to feel that they are on an equal level with the trainer and want to be involved in the process.

Adults learn best when new information builds on past knowledge and experience, and when they can relate the new information to their current situation. Unlike children, who are more content to accumulate knowledge to use at a later time, adults are concerned with immediate application. The participants themselves are an excellent resource and the teacher should encourage contributions from them.

Adults learn best in a setting that is physically and psychologically comfortable. Refreshments and breaks establish a relaxed atmosphere and convey respect to the learner. Adults can listen with understanding for 90 minutes, but they only listen with retention for 20 minutes, and it is best to involve them in an activity every eight minutes for optimum results.

Adults learn in different ways. Some need to be told, some need to see, and some need to do. Many need all three. For the best results, incorporate activities that involve the audience. Reinforce with the use of visual aids.

After sixty days, adults will retain:

- 25% of what they are told
- 45% of what they are told and shown
- 70% of what they are told and shown and get to use

Give adults a sense of ownership by encouraging them to share their expectations for the class with you, document those expectations along with your objectives for the session on a flip chart or board, and review them at the end of the session to make sure they have all been met.

TIPS FOR A SUCCESSFUL TRAINER

There are some basic guidelines for effective presentations regardless of the age and format of your audience.

The successful trainer will exhibit these five behaviors:

- Maintain and enhance the self-esteem of participants
- Focus on participants' behavior and not on personality or attitude
- Actively listen to show understanding
- Use reinforcement to shape learning
- Set goals and follow-up dates and maintain communication

The successful trainer will also spend an adequate amount of time on each stage of the process: Plan, Prepare, Practice, and Present.

The more prepared you are for your presentation, the more effective you will be. Planning is the key to effective presentations. It builds the foundation upon which the content is developed and from which the delivery evolves.

Planning involves:

- The purpose of the presentation
- Objectives of the speaker
- Roles and needs of the audience
- Logistics - when, where and why?
- Equipment and materials
- Costs
- Approach to the presentation
- Content of the presentation

Effective presentation planning helps the facilitator

- Identify and coordinate objectives
- Develop the best possible content
- Achieve flexibility in delivery of content
- Solve problems before the presentation

Part of planning a presentation means asking yourself "why", not "what?" The "what" part will come when you begin to organize your thoughts. In the beginning, you should concern yourself with *why* you are giving a presentation to a particular audience, and then what you want to accomplish with your presentation.

In developing your objectives, consider that there are three sets of objectives involved: the objectives of the presentation, those of the facilitator and those of the audience. The objectives of the audience, like those of the facilitator, may not be related to the subject of the presentation. The interest level among adult audience members covers a wide spectrum. It ranges from people who want to attend, to those that feel they have to attend, to those that would rather be doing anything else. Anticipate audience objectives when developing and conducting the presentation. Know the values, needs and constraints of your audience, as well as their general knowledge level.

For example, if your audience consists of high schools students, the objectives will probably include basic financial skills, such as making entries in a checkbook, reconciling monthly statements, and understanding and establishing credit. If the class is for home buyers, the objectives may focus more on understanding credit scoring, maintaining good credit, and handling problems with credit.

Remember to plan your introduction and conclusion.

- Tell them what you're going to say,
- Say it,
- And then tell them what you said.

Here are some additional hints for successful presentations:

✓ To plan and organize your presentation:

- Develop objectives
- Analyze the audience
- Determine the best method to use
- Develop an outline
- Brainstorm main ideas
- Plan handouts and visual aids
- Structure the introduction
- Incorporate and organize the main ideas
- Develop a strong conclusion

✓ To develop and use visual aids effectively:

- Keep them simple
- Choose the correct aids for the location
- Talk to the audience, not to the visual aid
- Use a pointer sparingly

✓ To prepare for the presentation:

- Rehearse standing up and using the visual aids
- Practice out loud and in front of a mirror
- Practice in front of friends or family, and ask for their feedback (see sample evaluation form on page 10)
- Time the rehearsals to make sure you are within limits
- Wear comfortable clothing that will not distract
- Arrive early to check seating, AV equipment, handouts, etc.

✓ During the presentation:

- Be animated, enthusiastic and direct
- Use a clear, strong voice
- Make the presentation personable and conversational
- Be flexible to the audience's needs
- Maintain control
- Keep to the time frame

✓ To deal with anxiety:

- Breathe deeply
- Focus on relaxing
- Release tension by unobtrusive isometrics
- Move during the presentation
- Maintain good eye contact with the audience

✓ During the question and answer sessions:

- Step towards the audience
- Watch and listen to the questioner
- Repeat the questions if necessary for all to hear
- Maintain style and demeanor
- Answer to the whole audience with eye contact

INSTRUCTOR'S CHECKLIST

DO'S	DON'TS
1. Make opening remarks	1. Don't break time agreements
2. Make the class comfortable	2. Don't waste time
3. State your objectives	3. Don't monopolize classroom conversations
4. Know your material	4. Don't lose the audience
5. Be prepared	5. Don't read the material word for word
6. Use training aids when appropriate	6. Don't fake it
7. Establish rapport	7. Don't interrupt students' answers
8. Show enthusiasm	8. Don't be pompous
9. Encourage participation	9. Don't use inappropriate language or humor
10. Be flexible	10. Don't be undignified
11. Maintain control	11. Don't ridicule or intimidate
12. Answer questions	12. Don't bring your problems into class
13. Provide feedback	13. Don't display distracting mannerisms
14. Evaluate progress	14. Don't be a dictator
15. Be yourself	15. Don't lock horns

PLAN - PREPARE - PRACTICE - PRESENT

Evaluating the speaker's skills

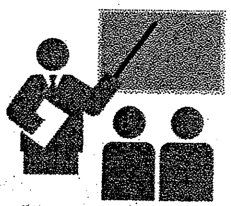
Score: 1 - lost my interest 2 - needs some work 3 - about average
4 - very good job 5 - excellent

	Score	Comments
Attention getting opening		
Voice - speed, volume, variance		
Eye contact with audience		
Gestures - appropriate		
Preparation - well structured and easy to follow		
Speaker valued the message - convincing		
Good transitions - well organized		
Held audience's attention - encouraged participation		
Strong closing		
Overall impression		
Total Score (maximum 50 points)		

Additional hints for next time:

1. INTRODUCTION AND GETTING STARTED

This chapter and the ones that follow will give you a general outline of the content of each section of the audio program, suggestions for using the overheads, discussion questions, and reinforcement activities.

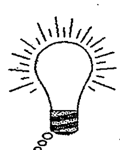


OVERHEAD 1

Welcome the participants and thank them for coming. Discuss the objectives that you have prepared based on your audience and their needs, your time frame, and the reason for the presentation (see page 7) and review the agenda. *"We are here today to learn some things about credit which will help you plan for the future. The information we share with you today will help you to "Take Charge of Your Life".*

OVERHEAD 2

Review the sections of the audio program. If you have already distributed the tapes and the participants listened to them in advance, this will be a review. If you are going to go over them as a class, this will be part of setting up your agenda.



Before going into the first section, you may have the participants take the pre-program questionnaire and/or open up some general discussion about what the participants hope to get out of the program. List their expectations on a flip chart or chalk board so you can refer back to them at the end of the sessions and make sure they have been met.

OVERHEADS 3 & 4

The first section of the program discusses what credit is and what is needed to obtain credit.

1. What is credit?

OVERHEAD 5

Ask the participants what they think credit is...try to get several responses.

Listen to the first session of the audio program *(Track 1 of the CD).* Time: 6 minutes 58 seconds

OVERHEAD 6

Review their responses in relation to the answer on the program: Credit is obtaining something now with a promise to pay for it in the future.

Make sure that they understand that purchases made on credit do have to be paid for eventually.

?

Ask if they know what happens when people don't pay for purchases made on credit. Tell them they'll learn more about that as they go along.

2. Why do we need credit?

OVERHEAD 7

Ask the participants why they think we need credit. Try to get several responses.

OVERHEAD 8

Credit is important because there are some things it is difficult to pay cash for - such as cars or houses. It would take years to accumulate enough money to pay cash for those items.
Another example is college education. Most students have to borrow at least some money to pay their tuition, and sometimes their living expenses.

OVERHEADS 9-17

Expand on the importance of credit to the U.S. economy. The audio program discusses the impact to the auto industry.

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Ask the participants for additional examples.

3. How to get started.

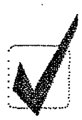
OVERHEAD 18

One of the things people always want to know is "if it takes credit to get credit, how do I get started?". Ask participants to give some of the solutions they heard in the program and discuss the responses.

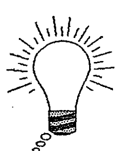
OVERHEAD 19

Ask if anyone has tried any of these methods and ask them to share the results.

- Bank Account
- Co-Signer
- Local Retailer's Charge Card
- Secured Credit
- First Time Car Buyer's Program
- Student Account



Discuss borrowing from a friend or relative. Explain that while prompt repayment of a personal loan shows that they are trustworthy and is the honorable thing to do, it does not affect their credit rating.



Bring in ads from local newspapers on First Time Buyers Program, bank promotions for students, etc.

Summarizing first section

OVERHEAD 3 — Display copy of overhead with section title and begin concluding remarks.

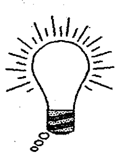
OVERHEAD 4 — Remind them what has been covered so far.

?

Ask if anyone has any questions about what has been covered in this session. *(Allow about 5-10 minutes for this, depending on size of audience. As participants respond, comment appropriately.)*

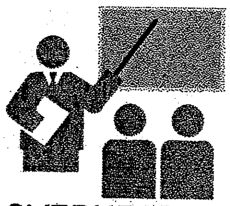
Review the expectations set at the beginning of the session and ask the participants if they feel they have been met. Respond as necessary.

If you are breaking before the next session, give details on when and where to resume.



If you have a day or so before the next session, you might ask the participants to bring in copies of credit applications they have received in the mail to use in the next session on “How Credit Works”.

2. HOW CREDIT WORKS



OVERHEAD 20

Discuss the objectives and the agenda for the second session (see page 7). Establish the participants' expectations for the session.

OVERHEAD 21

"This section is about how credit works, how you can get credit, a little bit about your credit records and the process of credit scoring, and what to do if you are turned down for credit."

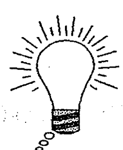
Why companies give credit and credit transactions

OVERHEADS 22-23

Discuss why companies give credit (generates more sales and revenue, encourages repeat business.)

OVERHEADS 24-25

Discuss what information a lender will want on a credit application - name, address, phone, social security, date of birth, source and amount of income, existing debts. Discuss why it is important that name and address information be given fully and consistently in all credit dealings (proper identification, retrieval of pre-existing credit history, and prevention of fraud).



Have copies of a "sample" application and let the participants fill them out, or make an overhead of one and discuss. You can obtain application forms from a local retailer, or use credit card applications received in the mail. If the class structure allows, you may have already asked the participants to bring in blank forms (page 14). Be sure all samples are shredded after class to safeguard against identity theft (see Section 7).

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Why does the lender need this information? What do they think happens after the application has been filled out and turned in? *(Get some of their responses and then tell them you're going to listen to the next section of the program to see if they are right.)*

Credit reports and credit scoring

Listen to the second session of the audio program. *(Track 2 of the CD).* Time: 12 minutes and 20 seconds

OVERHEADS 26-27

Make sure they understand that the lender makes the decision, not the reporting agency.

OVERHEAD 28-30

Discuss the concept of credit scoring as explained in the audio program and review the five main categories of information most programs use to evaluate risk:

- Payment History
- Outstanding Debt
- Length of Credit History
- Types of Credit
- Recent Inquiries and New Accounts

OVERHEAD 31

Review what to do if they've been turned down for credit.

OVERHEAD 32

Discuss ways to improve credit history and score.

- Pay bills on time
- Keep balances low
- Apply for credit only as needed

Emphasize the importance of paying bills on time.

?

Additional discussion topics: Pre-approved loan and credit card offers, objectivity of credit scoring, privacy issues.

Provide handouts with the numbers of the major credit reporting agencies using the references at the back of this book.

Summarizing second section

OVERHEAD 20 — Display copy of overhead with section title and begin concluding remarks.

OVERHEAD 21 — Remind them what has been covered so far.

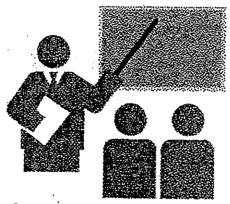
?

Ask if anyone has any questions about what has been covered in this session. *(Allow about 5-10 minutes for this, depending on size of audience. As participants respond, comment appropriately.)*

Review the expectations set at the beginning of the session and ask the participants if they feel they have been met. Respond as necessary.

If you are breaking before the next session, give details on when and where to resume.

3. CREDIT AND CREDIT CARDS



OVERHEAD 33

Discuss the objectives and the agenda for the third session (see page 7). Establish the participants' expectations for the session. This section is about the cost of credit.

Listen to the third session of the audio program. *(Track 3 of the CD).* Time: 8 minutes and 30 seconds

OVERHEADS 34-35

Review these ten questions to ask yourself before applying for credit.

1. Do I really need this item right now?
2. Can I qualify for credit?
3. What is the interest rate?
4. Are there additional fees?
5. How much is the monthly payment and when is it due?
6. Can I afford the monthly payment?
7. What will be the extra cost of using credit?
8. What will I have to give up to pay for it?
9. What will happen if I can't pay on time?
10. Is using credit for this purchase worth it?

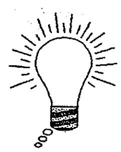
OVERHEADS 36-37

Discuss examples of interest charges.

OVERHEAD 38

Review the points to consider when evaluating pros and cons of a credit card:

- Permanent rate *vs.* the introductory rate
- Annual fee
- Grace period
- Late fees
- Cash advance fees and rates
- Limits on balance transfers
- Incentives and rewards



Provide copies of credit card disclosure statements and have the class determine actual fees and rates and “comparison shop” for the best deal.

<u>Summarizing third section</u>

OVERHEAD 33

Display copy of overhead with section title and begin concluding remarks.

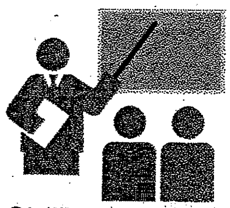
?

Ask if anyone has any questions about what has been covered in this session. *(Allow about 5-10 minutes for this, depending on size of audience. As participants respond, comment appropriately.)*

Review the expectations set at the beginning of the session and ask the participants if they feel they have been met. Respond as necessary.

If you are breaking before the next session, give details on when and where to resume.

4. YOU AND YOUR CREDIT RECORD



OVERHEAD 39

Discuss the objectives and the agenda for the fourth session (see page 7). Establish the participants' expectations for the session.

OVERHEAD 40

"This section is about credit reports…who has them, how they are created, how to maintain a good credit history and what to do if you are having credit problems."

Listen to the fourth session of the audio program. *(Track 4 of the CD).* Time: 10 minutes and 58 seconds

OVERHEAD 41

Review the ways that information gets in your credit file:

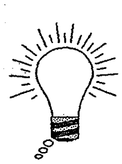
- Information you provided to your creditors on your applications.
- Account information provided by your creditors.
- Items of public record (such as judgements and bankruptcy).

OVERHEAD 42

Review the information that creditors provide and discuss why it is so important to maintain a good payment history

OVERHEAD 43

Discuss how the credit reporting agencies are regulated.



Arrange for a representative of one of the local credit reporting agencies to be on hand to distribute and discuss sample credit files, or to make arrangements for the participants to obtain copies of their own credit reports.

OVERHEADS 44-45

Review steps to take if they are getting over their head in debt:

1. Resolve to get yourself out of debt.
2. IMMEDIATELY STOP using credit cards
3. List all of your debts in writing.
4. Develop a repayment plan
5. Don't hide from creditors.
6. Consider bankruptcy only as a LAST resort.

Arrange for a representative of the local office of the Consumer Credit Counseling Service to be present to answer general questions and provide information about their services, or obtain handouts from their office to distribute.

Provide handouts with the numbers of the major credit reporting agencies and National Consumer Credit Counseling Service from the resources page at the back of this book.

Summarizing fourth section

OVERHEAD 39

Display copy of overhead with section title and begin concluding remarks.

OVERHEAD 40

Remind them what has been covered so far.

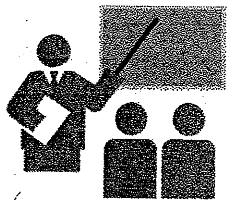
?

Ask if anyone has any questions about what has been covered in this session. *(Allow about 5-10 minutes for this, depending on size of audience. As participants respond, comment appropriately.)*

Review the expectations set at the beginning of the session and ask the participants if they feel they have been met. Respond as necessary.

If you are breaking before the next session, give details on when and where to resume.

5. YOU AND YOUR MONEY (PART ONE)



OVERHEAD 46

Discuss the objectives and the agenda for the fifth session (see page 7). Establish the participants' expectations for the session. This section is about banking.

OVERHEAD 47

Discuss the common sources of money (salary, investments, retirement/Social Security, trust funds)...ask the participants to name other sources.

Listen to the fifth session of the audio program. *(Track 5 of the CD).* Time: 15 minutes and 22 seconds

OVERHEAD 48

Review the financial institutions discussed in the program: Banks, credit unions, insurance companies, investment firms.

?

Ask by show of hands how many people bank at just one institution, two, three, more? Discuss pros and cons of different types of institutions. What other options can they imagine for banking in the future?

OVERHEAD 49

Review the three types of accounts mentioned in the program: Checking, savings and money market. Ask if anyone has other types of accounts, and, if so, how they differ.

OVERHEAD 50

Discuss some of the factors involved in choosing a financial institution.

Provide copies of product and service brochures from several different types of institutions and compare them in class.

Demonstrate how to make checkbook entries. Provide a sample bank statement and demonstrate how to reconcile the checkbook register to the statement.

Divide the group into teams and let them debate the pros and cons of electronic banking *vs.* checks *vs.* debit cards.

Ask a local police official to speak to the group about safety, specifically around banks and ATM's.

Summarizing fifth section

OVERHEAD 46

Display copy of overhead with section title and begin concluding remarks.

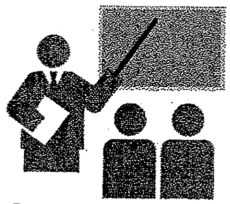
?

Ask if anyone has any questions about what has been covered in this session. *(Allow about 5-10 minutes for this, depending on size of audience. As participants respond, comment appropriately.)*

Review the expectations set at the beginning of the session and ask the participants if they feel they have been met. Respond as necessary.

If you are breaking before the next session, give details on when and where to resume.

6. YOU AND YOUR MONEY (PART TWO)



OVERHEAD 51

Discuss the objectives and the agenda for the sixth session (see page 7). Establish the participants' expectations for the session. This section will cover budgeting.

Listen to the sixth session of the audio program. *(Track 6 of the CD).* Time: 8 minutes and 17 seconds

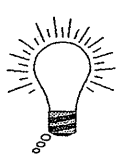
OVERHEAD 52

Review some of the hints for a successful budget given in the program: Paying bills on time, keeping to the pre-determined amounts, setting aside savings first, planning ahead for large purchases, and setting specific goals with deadlines.

OVERHEAD 53

Emphasize the importance of savings.

Ask by show of hands how many people have a budget that they follow. Ask if anyone has success stories or "tricks" to share.



Work out a sample budget in class.

Provide pictures or overheads of different items and have the participants discuss whether they represent needs or wants.

Summarizing sixth section

OVERHEAD 51

Display copy of overhead with section title and begin concluding remarks.

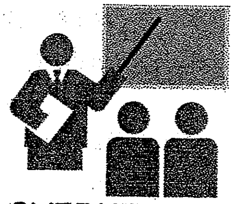
?

Ask if anyone has any questions about what has been covered in this session. *(Allow about 5-10 minutes for this, depending on size of audience. As participants respond, comment appropriately.)*

Review the expectations set at the beginning of the session and ask the participants if they feel they have been met. Respond as necessary.

If you are breaking before the next session, give details on when and where to resume.

7. PROTECTION AGAINST FRAUD



OVERHEAD 54

Discuss the objectives and the agenda for the last session (see page 7). Establish the participants' expectations for the session. This section will cover identity theft and protecting bank accounts and credit cards against loss.

Listen to the seventh session of the audio program. *(Track 7 of the CD).* Time: 11 minutes and 18 seconds

Identity Theft - Bank Accounts

OVERHEAD 55

Discuss the three methods described in the program: Using a copy of a check to "move" the account to another address, having identity stolen from monthly statements and then used to cash stolen checks, and having a forged check deposited with "cash back".

OVERHEAD 56

Review the recommendations for safeguarding your account: Picture ID's, never printing phone number and SSN on check, using cards that require a PIN and a careful review of monthly statements.

?

Ask the participants for more suggestions.

Identity Theft - Credit Cards

OVERHEAD 57

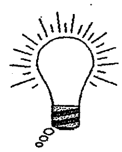
Discuss the methods described in the program: Fraudulent applications, phone scams and stolen cards.

OVERHEADS 58-59

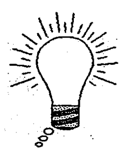
Discuss ways to reduce risk: Safeguarding account numbers, only dealing with reputable companies, shredding all receipts and applications, safeguarding your social security number, opting out of promotional lists, secure handling of mail.

?

Ask the participants for more suggestions, for example: keeping a record of all account numbers in a secure place, only carrying the cards you need at the time, only using one card for any online transactions.



Have a security officer or member of the Federal Trade Commission speak to the group about fraud.



Provide copies of recent news articles about fraud in your own area.

OVERHEAD 60

Discuss the steps to take if someone is a victim of identity theft: Notify financial institution/credit card companies, file a police report, notify the credit reporting agencies, document everything, log all phone calls.

Summarizing seventh section

OVERHEAD 54

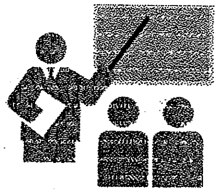
Display copy of overhead with section title and begin concluding remarks.

?

Ask if anyone has any questions about what has been covered in this session. *(Allow about 5-10 minutes for this, depending on size of audience. As participants respond, comment appropriately.)*

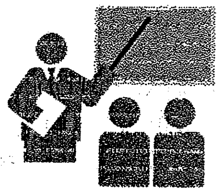
Review the expectations set at the beginning of the session and ask the participants if they feel they have been met. Respond as necessary.

WRAPPING IT UP



OVERHEAD 2

Recap the sections that have been covered and conduct a final Question & Answer session. Determine whether or not their initial expectations were met.



OVERHEAD 1

Ask each participant to identify at least one new piece of information or process they obtained that they can and will put to use immediately to "Take Charge of their Life".

Administer the Post-Program Questionnaire. Compare results to Pre-Program Questionnaire answers if one was administered and discuss.

Ask the participants to complete evaluation forms on the content (see sample on page 32) and, if you'd like, on your skills as a speaker (see feedback form on page 10).

Provide certificates to each participant who attended all of the sessions.

Distribute "Take Charge of Your Life" tapes or CDs to each of the participants and encourage them to review them periodically.

Offer to conduct similar workshops or classes for other groups who might be interested. If you can not do this yourself, notify the Foundation and they will try to get a facilitator from a Credit Professionals association in your area.

Please communicate any problems or success stories, new examples or activities, and suggestions for future courses to the Credit Education Resources Foundation.

Take Charge of Your Life

Questionnaire for Program Participants

1. What is credit? ____
____

2. What are good ways to establish credit? (check all that apply):
    ___ Get a co-signer
    ___ Pay back a loan from a relative
    ___ Demand credit from bank
    ___ Open a secured loan
    ___ Start a student account
    ___ Charge at local retail store

3. What benefit does a creditor get from extending credit? ______________
____

4. What information is requested on a credit application? (check all that apply)
    ___ Full name
    ___ Driver's license number
    ___ Gender
    ___ Job information
    ___ Bank information
    ___ Date of birth

5. Who makes the decision on whether or not to extend credit?
    ___ Potential lender
    ___ Credit reporting agency

6. What does a credit score indicate? ______________________________
____

7. What is the most important factor in determining whether or not to extend credit? ____
____

8. How can you improve your credit score? (check all that apply)
    ___ Add a statement to your file
    ___ Apply for credit frequently
    ___ Pay bills on time
    ___ Always pay cash

9. What should you consider before applying for credit? (check all that apply)
    ___ Payment schedule
    ___ Consequences of not paying
    ___ How soon item is needed
    ___ Current obligations
    ___ Interest rate
    ___ Type of credit

10. True or False? The credit bureau is a government agency.

cont.

11. How does information get in your credit file? ____________________
____

12. What should you do if you have too much debt? (check all that apply)

___ Immediately declare bankruptcy
___ Avoid your creditors
___ Get another credit card
___ Stop charging
___ Buy a lottery ticket
___ Seek counseling

13. Which of the following are financial institutions? (check all that apply)

___ Banks
___ Federal Trade Commission
___ Investment Firms
___ Credit Unions

14. Is it more secure to write a check, bank electronically or use a check card with a PIN? ____

15. True or False? When setting up a budget, pay yourself first.

16. True or False? Only people with low income need a budget.

17. True or False? You should always have your phone number printed on your check to save time.

18. What should you do with credit applications that come in the mail that you aren't going to fill out? ______________________________________
____

19. What is "red flag" fraud? ______________________________________
____

20. What should you do if you are a victim of identity theft? (check all that apply)

___ Immediately declare bankruptcy
___ Notify the credit reporting agencies
___ Document all transactions
___ Go to the police
___ Tell your bank
___ Get a new identity

Name: ____

Date: ___________ Check one: ____ Pre-Program ____ Post-Program

Answers to Questionnaire

1. Obtaining something now with a promise to pay for it in the future.

2. Get a co-signer, open a secured loan, start a student account, or charge at a local retail store.

3. Makes a sale they might have lost if they had to wait until the consumer can pay cash.

4. Full name, job information, bank information, date of birth

5. The potential lender.

6. The degree of risk that the individual will not pay as agreed. In most systems, the lowest score indicates the greatest risk.

7. Payment history.
8. Pay bills on time

9. All apply
10. False.

11. From information you provide on your applications, from your creditors, and certain items of public record like judgments and bankruptcies

12. Stop charging, seek counseling (consumer counseling).

13. Banks, investment firms and credit unions.

14. Use a check card with a PIN.

15. True, set aside something for savings.

16. False.

17. False, printing your phone number on your check is a security risk .

18. Tear them up or shred them.

19. When a criminal steals outgoing mail (red flag up on mailbox) to obtain account information.

20. Go to the police, notify the credit reporting agencies, tell your bank, document all transactions.

"Take Charge of Your Life" Evaluation

Date: ____________ Instructor: ______________________________

Please take a few moments to complete this evaluation about the "Take Charge of Your Life" program you have just completed. Your input is important to us.

Circle one where "1" is *least* satisfied and "5" is *most* satisfied.

1. Objectives were clearly defined.	1	2	3	4	5
2. Objectives were met.	1	2	3	4	5
3. Presentation of material (format).	1	2	3	4	5
4. Presentation of material (facilitator).	1	2	3	4	5
5. Activities were appropriate for the class.	1	2	3	4	5
6. Amount of time allowed was appropriate.	1	2	3	4	5
7. Quality of material on the audio tape.	1	2	3	4	5
8. Quality of material discussed in class.	1	2	3	4	5
9. Handouts.	1	2	3	4	5
10. Facility.	1	2	3	4	5

11. What was the most useful information you received? ____________

12. What was the least useful information discussed? ____________

13. What did you like best about the material/program? ____________

14. What did you like least about the material/program? ____________

15. What suggestions do you have for the next time this class is conducted?

Additional Comments (continue on back if necessary): ____________

Thank you for your time. Please let your instructor know if you would like to purchase additional copies of the audio program for your friends and family.

TAKE CHARGE OF YOUR LIFE

- Introduction & Getting Started
- How Credit Works
- Credit and Credit Cards
- You and Your Credit Record
- You and Your Money, Parts 1 & 2
- Protection Against Fraud

INTRODUCTION AND GETTING STARTED

1. What is credit?

2. Why do we need credit?

3. How do we get credit?

WHAT IS CREDIT?

Credit is obtaining something
now with a promise
to pay for it in the future.

WHY DO WE NEED CREDIT?

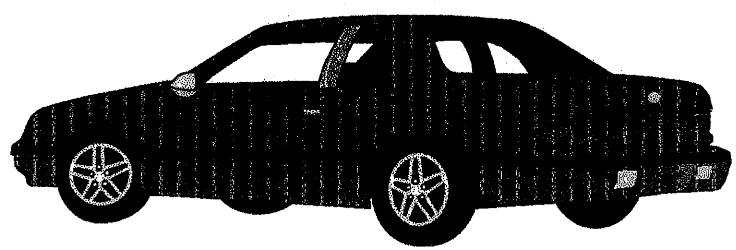
There are some things it is difficult to pay cash for - such as cars and houses.

It would take years to accumulate enough money to pay cash for those items.

How important is credit to the U.S. economy?

AUTO INDUSTRY

If there was no credit available to anyone, very few people would be able to purchase a car.



AUTO DEALERS

would go out of business because they couldn’t sell their merchandise and make money to pay salesmen and other employees.

AUTO MANUFACTURERS

would follow shortly, because they wouldn’t be able to sell the vehicles they manufacture.

SUPPLIERS OF PARTS AND SERVICES

would go out of business as fewer people had automobiles requiring maintenance.

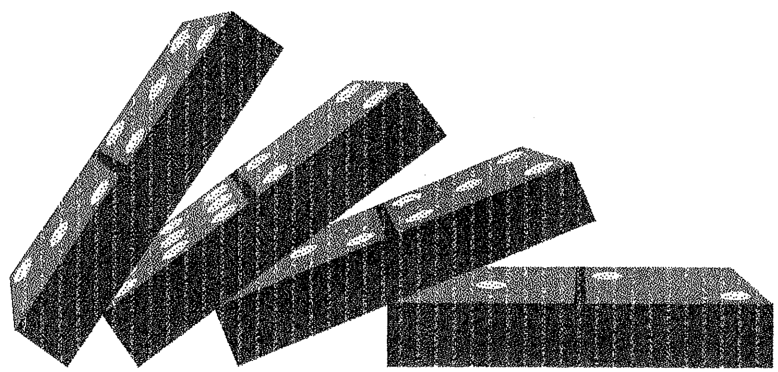
SUPPLIERS OF RAW MATERIALS

would also be negatively impacted.

It would leave consumers without goods, and employees without jobs.

With little or no income, consumers would be even less likely to be able to purchase high dollar items.

THE DOMINO EFFECT



Each business is dependent on the others to have products and services to sell. When one fails, it affects the rest of them, and they are unable to maintain their businesses.

HOW DO
WE GET STARTED
AND ESTABLISH
CREDIT?

- Bank Accounts
- Co-Signer
- Local Retail Charge Account
- Secured Credit
- First Time Buyer Programs
- Student Programs

HOW CREDIT WORKS

1. Why companies give credit
2. Credit transactions
3. Credit reports and credit scoring
4. What to do if you are turned down for credit

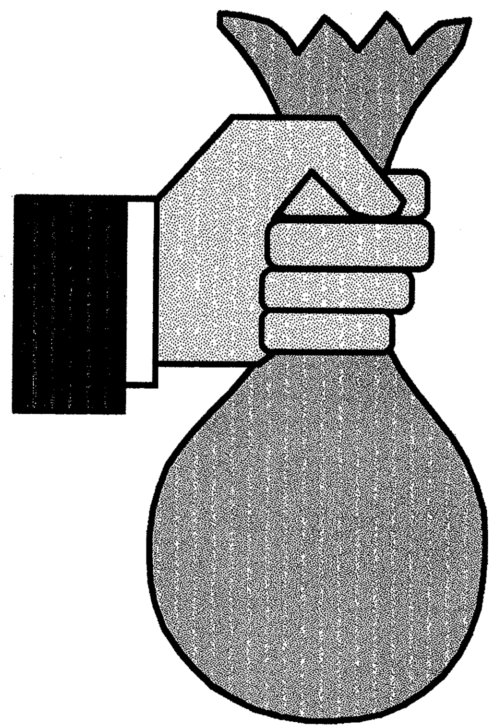
WHY DO COMPANIES EXTEND CREDIT?

- It's how our economy works.
- Credit gives companies a way to sell their products and services to consumers without waiting until they have cash.
- Allows consumers to impulse buy, which means higher sales.

WHAT INFORMATION WILL THE LENDER WANT ON THE CREDIT APPLICATION?

- Name
- Address
- Phone
- Other identifying information
- Source and amount of income
- Total outstanding debt

You have completed the application and returned it to the lender. Who decides if you get the credit you have applied for?



The lender

How do most lenders make their decision?

Credit Scoring

- Payment History
- Outstanding Debt
- Length of Credit History
- Types of Credit
- Recent Inquiries and New Accounts

If you've been turned down for credit, the Equal Credit Opportunity Act requires that you be given the reason why within 30 days. If a credit report was used to make the decision, review your report with that agency. If you find an error, the agency must investigate and respond to you within 30 days.

Ways to maintain a good credit history and improve your credit score:

- Pay bills on time
- Keep balances low
- Apply for credit only when needed

CREDIT AND CREDIT CARDS

Ask yourself:

1. Do I really need this item right now?
2. Can I qualify for credit?
3. What is the interest rate?
4. Are there additional fees?
5. How much is the monthly payment and when is it due?

And…

6. Can I afford the monthly payment?
7. What will be the extra cost of using credit?
8. What will I have to give up to pay for it?
9. What will happen if I can’t pay on time?
10. Is using credit for this purchase worth it?

COST OF USING CREDIT

Interest rate of 15%

Making minimum payments ($15 or 3%)

Original Balance	Time to Pay Off	Interest Charged	Total Paid
$1,000	almost 7 years	$508	$1,508
$2,500	over 11 years	$1,580	$4,080
$5,000	over 14 years	$3,365	$8,365

COST OF USING CREDIT

Interest Rate of 18%
Making minimum payments
($15 or 3% of balance)

Groceries	$125	$10 interest	$135 final cost
Clothes	$350	$85 interest	$434 final cost

What to consider when shopping for a credit card:

- Permanent rate *vs.* introductory rate
- Annual fee
- Grace period
- Late fees
- Cash advance fees and rates
- Limits on balance transfers
- Incentives and rewards

YOU AND YOUR CREDIT RECORD

1. Why a good credit record is important.
2. What affects your credit record.
3. What to do if you have credit problems.

The information in your credit file comes from:

- Information you provided to your creditors on your applications
- Account information provided by your creditors
- Items of public record (such as judgements and bankruptcy)

Information reported by your creditors will usually include:

- Name of the firm
- Date the account was opened
- Date of last activity
- Highest amount of credit extended
- Present balance
- Amount past due, if any
- Usual manner of payment
- Current status of account

Credit Reporting Agencies must follow reasonable procedures and be in compliance with Federal Laws, such as the Fair Credit Reporting Act (FCRA), the Equal Credit Opportunity Act (ECOA), and applicable State Laws.

If you are in trouble:

1. Resolve to get yourself out of debt.
2. IMMEDIATELY STOP using credit cards (cut them up or freeze them).
3. List all of your debts in writing.
4. Develop a repayment plan (contact CCCS or another reputable agency - don't be taken in by illegal or unethical "credit clinics").

5. Don’t hide from creditors…they will usually work with you if you are up front and honest with them.
6. Consider bankruptcy only as a LAST resort.

YOU AND YOUR MONEY (Part One)

SOURCES OF MONEY

- Salary
- Investment Returns
- Retirement Accounts
- Social Security
- Trust Funds

FINANCIAL INSTITUTIONS

- Banks
- Credit Unions
- Insurance Companies
- Investment Firms

TYPES OF ACCOUNTS

- Checking
- Savings
- Money Market

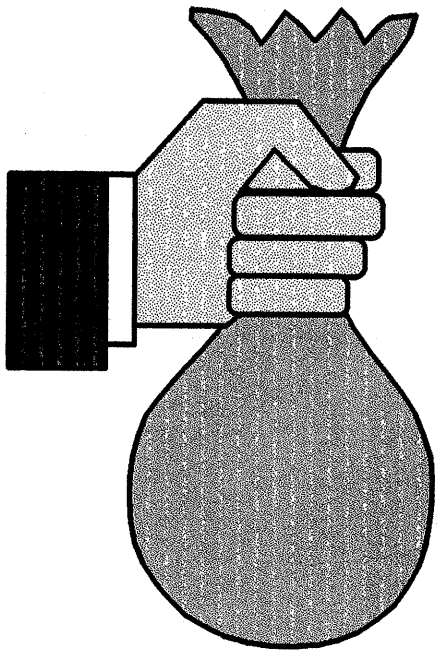
FACTORS TO CONSIDER WHEN CHOOSING A FINANCIAL INSTITUTION

- ✓ATM System
- ✓Direct Deposit
- ✓Location/Accessibility
- ✓Savings Options
- ✓Federal Insurance
- ✓Audio Response System
- ✓Minimum Balance Requirements
- ✓Additional Services (such as Electronic Fund Transfers, Money Orders and Notary)
- ✓Online Banking
- ✓Customer Service
- ✓Service Fees
- ✓Overdraft Protection

YOU AND YOUR MONEY (Part Two)

TIPS FOR STAYING ON TRACK

- Pay all bills on time
- Keep credit card and charge account spending within pre-determined limits
- Pay 10% to yourself (savings)
- Plan for large purchases
- Set specific goals with deadlines



PAY YOURSELF FIRST!

PROTECTION AGAINST FRAUD

Identity Theft - Bank Accounts

- Copy of check used to “move” account
- Identity used to cash stolen check
- “Split Deposit” scam

SAFEGUARD YOUR ACCOUNT

- Use a bank that requires picture identification.
- Never print your phone number or social security number on your checks.
- Use a check card that requires a PIN.
- Always review your monthly statement promptly for errors.

Identity Theft - Credit Cards

- Fraudulent applications with change of address request.
- Orders by phone.
- Stolen cards.
- Scams using 900 numbers.

REDUCE THE RISK

- Never give out information over the phone.
- Never give a credit card number out to a company unless you KNOW it is reputable.
- Never throw away an intact credit card or loan application you get in the mail.
- Shred, shred, shred!

Other Steps to Fight Identity Theft

- Have your Social Security Number removed from your Driver's License.
- Avoid using your Social Security Number on documents unless absolutely necessary and never give it out over the phone.
- Remove your name from promotional lists.
- Avoid putting outgoing mail in an accessible mailbox (avoid the "red flag" scam).
- Use a check card with PIN instead of checks.

If you do become a victim:

- Contact your financial institution and/or credit card companies.
- File a police report.
- Notify all three credit reporting agencies, review your files and have them flagged for potential fraud.
- Notify the local postal inspector if your address was changed fraudulently.
- Document EVERYTHING!

Material Resources:

Administrator of National Banks
American Bankers Association
Bank of America
Business Professionals Connect, Phoenix, AZ
Comptroller of the Currency, Dept. of Consumer Affairs, Los Angeles, CA
Fair, Isaac & Company
National Financial Services Corporation
St. Louis *Post-Dispatch*
University of Missouri

Referrals:

Credit Reporting Agencies

Equifax	800.685.1111	www.equifax.com
Experian	888.397.3742	www.experian.com
TransUnion	800.888.4213	www.transunion.com

To find the counseling service nearest you, call
National Credit Counseling Service 800.966.3328

To remove your name from promotional lists, call
888.5OPT OUT (888.567.8688)

Additional Resources:

Consumer Information Center	800.326.2996	www.pueblo.gsa.gov
Credit Professionals International	314.961.0031	www.creditprofessionals.org
Federal Deposit Insurance Corp.	800.925.4618	www.fdic.gov
FDIC Consumer Affairs Division	800.934.3342	
Federal Information Center	800.688.9889	http://fic.info.gov
Federal Reserve Board	202.452.3000	www.federalreserve.gov
Federal Trade Commission	202.326.2222	www.ftc.gov
National Banks Compliance Mgmt.	202.874.4820	
National Credit Union Admin.	703.518.6300	www.ncua.gov
Nat'l Foundation for Cons. Credit	800.388.2227	www.nfcc.org

THANK YOU FOR TEACHING "TAKE CHARGE OF YOUR LIFE"!