

- ▶ New Credit Report Review Service
- ▶ Making Home Affordable Program
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## Credit Report Review at ACCS

Advantage Credit Counseling Service, Inc. has a new service for consumers seeking a better understanding of their credit report, what it contains and why it's important. Credit Report Review is a 90 minute counseling session where consumers learn that and much more.

During the session, the counselor will provide an in-depth review of the consumer's credit report. The counselor explains the components of the credit report and reviews the information it contains with the consumer. Consumers will also receive their credit score during the session and education on ways to improve it.

In addition, the counselor has access to software that helps predict how much the consumer's score may increase if he or she follows the specific steps outlined in an action plan.

There is a fee for the Credit Report Review Session. The charge is \$60.00 for a single person or \$75.00 per couple. The consumer will also receive educational materials on improving creditworthiness. Additionally, the counselor will compare the Agency's credit report with any others brought in by the consumer.

To schedule a Credit Report Review session, contact the Agency at 888-511-2227.



### **Q: What is the Making Home Affordable program and how does it work?**

**A:** The Making Home Affordable program is an important part of the Obama Administration's plan to help homeowners get mortgage relief and avoid foreclosure.

The MHA may offer the following solutions: obtain relief while searching for re-employment, lower interest rates, reduce monthly payments when you owe more than your home is worth, or leave your home without falling into foreclosure. Your mortgage company will ask for personal and financial information to determine what kind of help may be available to you. The best thing you can do during this process is stay in touch with your mortgage company. Be sure to call for updates and respond to their requests. Remain focused and be persistent about getting a resolution.

This is just one of the programs your mortgage company may offer. If you apply but don't qualify, your mortgage company should explain the reason in writing and give some possible alternative options.

You may visit [www.MakingHomeAffordable.gov](http://www.MakingHomeAffordable.gov) or call 888-995 HOPE (4673) for more information about this, other available programs and for a list of financial documents you'll need in order to apply.

## *Did you know?*

Advantage CCS is once again providing Pennsylvania homeowners with comprehensive foreclosure prevention counseling. This counseling service is made possible through funding from the National Foreclosure Mitigation Counseling Program via the Pennsylvania Housing and Finance Agency. Counseling is conducted in person at one of the Agency's office locations. During the counseling session:

- The counselor will review your budget to help better determine the reason for the delinquency
- You will learn about options for dealing with the mortgage delinquency
- If possible, the Agency will assist with working out a loan modification with your lender

Contact Advantage CCS at 888-511-2227 to schedule a session.

# Building an Emergency Fund

Building an emergency savings fund for yourself is essential groundwork for your personal financial security. All types of financial emergencies can happen, such as unexpected home repairs, car repairs, medical issues/care, or unexpected job loss. Many financial struggles that most people face are not always unexpected. Home repairs and car repairs are going to happen repeatedly. It is important to make sure you understand that there is a need to have a planned savings for periodic expenses. At the same time you need to be prepared for emergency expenses for events we don't see happening in the future, but sometimes do.

Before you can even begin to determine what you can save, you need to create a realistic and honest budget, including periodic expenses. The goal is to make sure that all your basic needs are covered while keeping honest your spending habits. This is also a great opportunity to see where you can make cut backs from areas where you are overspending. If it seems your budget is already tight then try creating a budget where only the items you must pay for are included. Then you can see if there is room for extra spending and savings. Advantage CCS offers a budget advisor on our web site that can help you establish your budget and provide you with tips on places you can make cut backs.

Now that you have worked out a budget you need to establish savings goals for an emergency fund. A good goal to start with is three months of expenses set aside, although it is recommended to have six or more months. If you are in a single income family, then it is important to increase savings since there is no other income to fall

back on. Next, you must determine how to achieve that goal. Since you have now developed a budget and understand your basic needs you should be aware of how much you can afford to set aside each paycheck. A realistic goal for most people is 5%-15% per paycheck.

Create a separate account to store your savings. Make sure the account doesn't have any penalties or fees for taking out the money when you may need it for an emergency. Be aware of any minimum balance requirements and the time frame with which you can withdraw your money in an emergency.

Make sure you deposit the same amount from every paycheck. Automatic deposits will insure you don't miss a pay. Do not allow yourself any excuses for not placing the same amount in every time. Now for the difficult part of the emergency fund.... Don't Touch It. The money you place here should be taken out for unexpected circumstances only. Once you start making excuses to use the money, you have started a habit of giving and taking as you feel necessary. Also, any extra income such as a bonus or tax return could be added to your emergency fund as well.

It is also important to re-evaluate a budget often. Income and expenses do change. There is a point where you may reach your goal for your emergency savings. At this point it's important to acknowledge the accomplishments and financial security you have made for yourself. It is suggested, though, that you still continue to put aside the same amount of money, perhaps in another savings account for periodic expenses, to help pay down debts, or even for a family vacation or future event.

## Resources

[www.onlinebudgetadvisor.com](http://www.onlinebudgetadvisor.com)  
[www.advantageccs.org](http://www.advantageccs.org)  
[www.makinghomeaffordable.gov](http://www.makinghomeaffordable.gov)  
[www.annualcreditreport.com](http://www.annualcreditreport.com)

### The Advantage Challenge

*Advantage CCS challenges you to ...build an emergency fund. Use the Advantage CCS Budget Advisor tool to create your budget and determine how much you can commit to saving monthly. Determine areas where you need to reduce spending and come up with a plan for making it happen. Set a short-term and long-term savings goal. Let us know how you do. Email results to [hmurray@advantageccs.org](mailto:hmurray@advantageccs.org)*

# Advantage

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