



Understanding and Repairing Credit

Presented by MembersFirst Credit Union



Hi! We're your credit union.

Count on us to provide:



Affordable Banking Solutions



Finance Solutions



Credit Guidance



Financial Counseling



What is Credit?




Credit is the ability of a consumer to obtain goods or services before payment, based on the trust that payment will be made in the future.

What is Creditworthiness?



Represents an individual's capacity to borrow. Credit reporting organizations provide measurements known as credit scores to determine whether a person is creditworthy and attempts to predict the likelihood a person will make payments for goods, services and debt in a timely manner.

Credit



**“A GOOD FINANCIAL PLAN IS A ROAD
MAP THAT SHOWS US EXACTLY
HOW THE CHOICES WE MAKE
TODAY WILL AFFECT OUR FUTURE.”**

- ALEXA VON TOBEL

Credit Karma

TYPES OF CREDIT

Secured Debt



Mortgages



Home Equity Loans



Auto Loans

Unsecured Debt



Medical



Credit Cards



Student Loans



SECURED

VS.

UNSECURED



A loan that has collateral attached to it. Collateral is a valuable asset (like a house or a car) that the lender can seize if the borrower fails to repay the loan.



Because the collateral reduces the amount of risk to the lender, secured loans are usually available for larger amounts and at a lower interest rate.



A loan that does not require collateral.



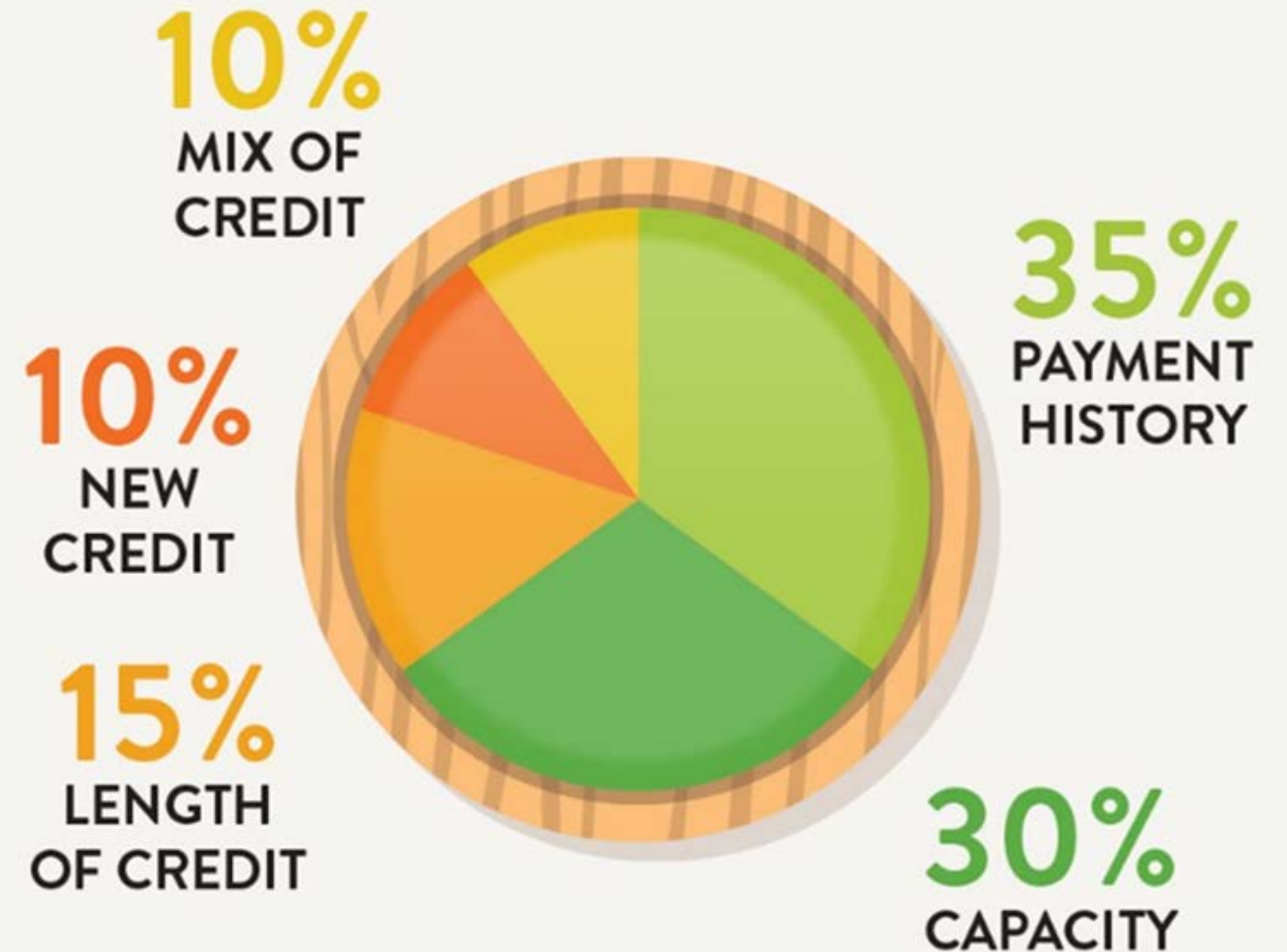
Unsecured loans are generally easier to obtain than secured loans, but are generally for smaller amounts and at a higher interest rate.

Credit Score

THE BREAKDOWN



How is my credit score
CALCULATED?



5 Factors of a Credit Score

1

Payment History = 35% of the score
History reflects whether you pay on time.

2

Capacity = 30% of the score
The amount available credit on existing revolving accounts

3

Age of accounts = 15% of the score
Reflects how long you've had a history of using credit.

4

Debt Accumulated = 10% of the score
New debt acquired

5

Mix of Credit = 10% of the score
Different types of credit are given different values in the score.

Simple Steps to Improve Credit



Pay	Pay bill on time every time.
Keep	Keep bills current and under the allowable credit limit for 12 consecutive months
Maintain	Maintain low balances on credit cards to 30% or less than the limit
Apply	Apply for new accounts only when needed.
Verify	Verify credit report information for accuracy. Dispute activity when needed
Explain	Explain extenuating circumstances that led to problems and describe the steps you have taken
Include	Include past due payments into your spending plan to pay the items off
Communicate	Communicate with creditors whom you owe about your repayment plans



8 Steps to Reduce Debt

1. STOP CREATING DEBT
2. ANALYZE DEBT
3. SELL SOMETHING
4. REFINANCE AND/OR CONSOLIDATE DEBT
5. USE CREDIT WISELY
6. DEVELOP A PLAN
7. SET GOALS
8. IMPLEMENT AND MONITOR THE PLAN

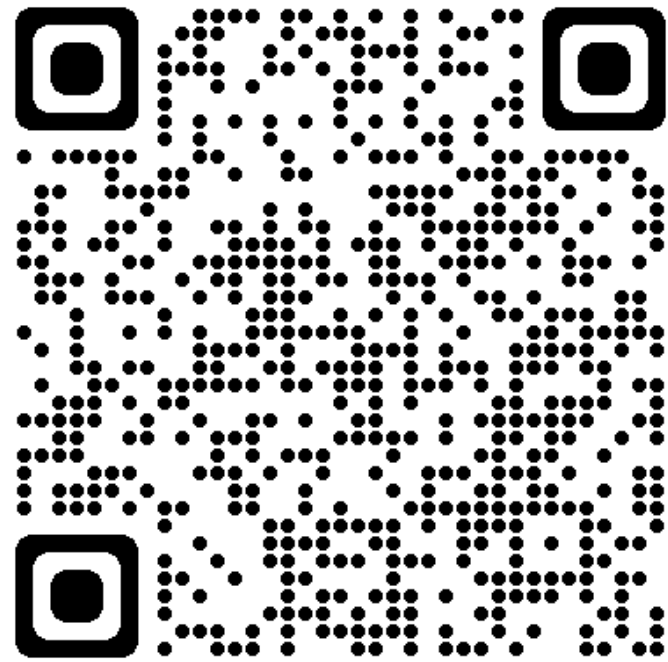


6 Steps to Repair Credit

STEPS TO REPAIR:

- **REVIEW CREDIT REPORT**
- **CHECK TO ENSURE ITEMS LISTED ARE CORRECT.**
- **CONTACT PAST DUE CREDITORS AND DETERMINE HOW YOU CAN PAY THEM. ASK FOR TOTAL AMOUNT OWED.**
- **CREATE A BUDGET AND INCORPORATE PAST DUE DEBTS IN YOUR BUDGET.**
- **REMEMBER YOU HAVE TO "LIVE".**
- **ONCE ITEMS ARE PAID, SEND PAYMENT RECEIPTS AND WRITTEN LETTER VIA CERTIFIED MAIL TO EACH CREDIT BUREAU.**

Free Credit and Budgeting Resources



Download these helpful

tools and more at:

membersfirstga.com/resources



How we
can help...

SCHEDULE A FINANCIAL COUNSELING SESSION WITH YOUR FINANCIAL REPRESENTATIVE

- Free for members
- Review credit
- Create a budget
- Determine how to pay off past due debts
- Work the plan to repair your credit
- Work the plan to save for unexpected situations

Credit-Establishing Loans

Shared Secured Loans

Visa Credit Card Options

Auto Loans

Personal Loans

Mortgages



Loan Options

PRIORITIZE YOUR PERSONAL SAVINGS OVER OTHER EXPENSES

- Review Your Spending
- Set Short- and Long-Term Savings Goals
- Set a Timeline for Each Savings Goal
- Calculate How Much You'll Need to Save Each Month
- Automate Your Savings
- Monitor and Make Changes as Needed



Pay
Yourself
First

BECOME A MEMBERSFIRST CREDIT UNION MEMBER

MEMBERSHIP PERKS

- Accounts with no monthly maintenance fees
- Accounts with no minimum balance requirements
- Free Financial Counseling
- Member Reward Options
- Personal Financial Representative to help you reach your goals

www.membersfirstga.com/join



- **Savannah Branch: 606 E 67th St.**
 - **Pooler Branch: 1501 Pooler Parkway**
 - **Savastate Branch: Savannah State University**
 - **Woodville Tompkins High School: SCCPSS Employees**
-
- **Free Online and Mobile Banking with App**
 - **Free Online Bill Pay**
 - **Free Debit card with no restrictions**
-
- **Surcharge-Free ATMs**
 - **All Publix Presto ATMs**
 - **5600 Shared Branching locations around the US**
 - **MembersFirst does not charge a foreign ATM fee**



BRANCHES AND ACCESS



Financial Wellness

BETTER CHOICES LEAD TO IMPROVED FINANCIAL WELLNESS

Reviewing your financial health on a regular basis is an important part of staying financially fit.

NEED HELP?

**TALK TO YOUR CERTIFIED CREDIT
UNION FINANCIAL COUNSELOR**

membersfirstga.com/ashley



Ask questions about...

- ✦ Wealth Management
- ✦ Becoming a Member
- ✦ Adding an Account
- ✦ Budgeting, Credit and Investing
- ✦ Financial Counseling

Or, email your questions to Ashley DuBois:
adubois@membersfirstga.com



Contact Us

Personal Financial Representative

Ashley DuBois

adubois@membersfirstga.com

912-508-0281

Become a Member or Access

Financial Resources:

membersfirstga.com/ashley

