

MONEY SENSE

Genesis
FINANCIAL MANAGEMENT INC.

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NEW BEGINNINGS, DEBT FREE

How Can I Rebuild My Credit?

If your credit has been damaged by late payments, accounts gone to collection or even judgments and bankruptcies, do not despair. It is possible to rebuild it, and it probably will not take as long as you think. Here are 8 suggestions to get you started on the path to better credit:

- **Stop job-hopping**— steady employment is a plus with creditors
- **Pursue further education**— or find another way to beef up your skills so you can advance in your current position or find another with higher earning potential. Higher income is a credit asset.
- **Spend less than you earn**— overspending is a surefire way to dig yourself deeper into debt
- **Open an emergency savings account**— making systematic deposits to a savings account sends a positive message to lenders. Better still, you'll have money in the bank if unexpected bills come up and won't have to rely on credit cards.
- **Pay your bills early**— a history of early payments may give you credibility when a payment is late and it's not your fault.
- **Stop borrowing**— don't continue to add to the debt burden, and avoid the temptation to tap your home equity to pay off unsecured debts. That equity is better saved for other things, and you don't want to put your house at risk if you can't make your loan payments.
- **Close credit lines as soon as they are paid off**— you won't be tempted to use them again, and having too many open lines of credit, even with no balances on them, can negatively impact your credit score
- **Review your credit history regularly**— correct errors as soon as you catch them, including requesting that outdated negative information be removed (if it's been more than 7 years for most debts, 10 for bankruptcy)

Remember that bad credit didn't happen overnight. And rebuilding good credit won't happen that fast either, but the sooner you start, and the more consistently you work at it, the sooner you'll reap the rewards.

Dollar Saver\$:

Transportation

- Buy vehicles during slow sales times. February is usually a great month for good buys. The two weeks prior to Christmas are also good.
- Don't carry more than you need. In these times of soaring gas prices, maximizing fuel efficiency is important, and the heavier your load in the car, the worse the gas mileage.
- Have breaks replaced before the rotors have to be turned. This simple act can save you hundreds. Don't drive with less than 5% of your break pads remaining
- Forgo vanity license plates
- Avoid spending unnecessary money on fancy dealer's options
- Use public transportation whenever possible or car-pool.
- Drive with the windows closed. Open windows cost you more in gas mileage than running the A/C.

Payment Address

Genesis Financial Management
P.O. Box 758602
Baltimore, MD 21275-8602

If you need to adjust the date on which you mail your payment to us, please let us know when we can expect it, so that we can respond appropriately to your creditors if they contact us. Remember, it is your responsibility to ensure your payments reach us by the same time every month to avoid late fees and loss of benefits.



Credit Fact:

Did you know that an overdue library book could hurt your credit score? It's true. Increasingly, libraries, local governments, health clubs and others are using private collection companies to help them track down overdue fines for books, traffic tickets, court costs and memberships. It's common for these collectors to report to the credit bureaus. Don't let a small fine become a big problem!

A clean credit history in 30 days?

Remember, if it sounds too good to be true, it usually is.

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One Client's Story of Success...

Claire Whitney and Neil Baldwin had a lot of debt when they started their debt management plan in October of 2003, and they've added more since then. It would be easy enough for anyone to get discouraged. But Claire and Neil haven't given up. They knew, after about 10 years of gradually accumulating debt, that they were not going to get it paid off at the rate they were going. Rather than throwing their hands up in frustration, though, they looked around, and they found Genesis online, and they made the

call that has made all the difference.

The debt management program "has taken a load off my mind," states Claire. Thanks to consistent monthly payments, their balances are going down. There is a light at the end of the tunnel. And as a result of participating in the program, both Claire and Neil are making positive financial changes. They're not charging anything anymore and thinking twice about purchases.

While the road has not

always been smooth, Claire credits the counselors at Genesis for their efforts to keep her and Neil on track and address problems quickly. "They treat me like I'm the only person they've talked to all day," states Claire. "Genesis is the best company I have ever dealt with for anything."

And Claire's advice for others on the debt management plan? Stick with it. Be persistent, and know that Genesis is there to be an advocate for you. You're not in it alone.

Money Smart Topic of the Month: Beware Credit Repair!

Although rebuilding your credit history can, at times, seem like a painfully slow process, use caution when considering alternatives such as credit repair companies.

These companies appeal to consumers with poor credit histories and promise, for a fee, to clean up your credit report so you can qualify for a car loan, mortgage, insurance, etc. They will even offer guarantees. All too often, though, they disappear with your money without providing any ser-

vices. And in truth, anything a credit repair service can legally do for you, you can do for yourself for free.

Accurate information, no matter how negative it is, cannot legally be removed from your credit file for 7 years from the date of last activity (10 years in the case of bankruptcy) under the guidelines of the Fair Credit Reporting Act. And creating a new "credit identity," which many of these companies suggest, usually involves applying for a new social security # or Em-

ployer Identification Number and can be illegal.

If there is inaccurate data in your credit file, you have a right to dispute it directly with the credit bureaus under the Fair Credit Reporting Act.

And the best way to rebuild your credit is to continue making timely payments on a debt management plan so you can satisfy your debts in full. For more information on credit repair, check out the Federal Trade Commission's site at *ftc.gov*

Please Note: Missing Information Not Meant to Confuse

If you receive your monthly progress report from us and notice that not every creditor on your DMP shows up or that the payments disbursed do not add up to the amount you sent, don't panic.

Progress reports are timed to go out automatically on your contractual due date, which is the day of the month on which we

disburse funds to your creditors (typically 8 days after we debit your account or receive your money order). But if we do not receive your payment on time, or if we do not receive the amount we had scheduled, then we may not be able to disburse funds to every creditor until we can get further instructions from you.

Also, there may be an issue with a particular creditor—such as a returned payment or account that was sold to another creditor—that we need to resolve before a payment can be sent or resent. If you watch your next progress report, you'll probably see the missing payment(s) on there. If you still have concerns, please contact us.

Check Out Our New Web Address! www.YourGFM.com