



MONEY WISE

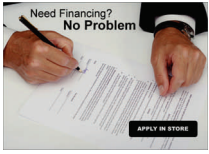


A Publication of Consumer Credit Counseling Service of Fayetteville
With Branch Offices in Central and Southeastern North Carolina
www.ccap-inc.org/cccs.htm

Sonji Holmes, Editor

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Beware of Dealer Financing



Need to buy a car? A smart move would be to get your financing approved in advance. Why?... because car dealers buy and sell money for a profit. In fact, sometimes the financing profit can be three times the dealer's profit from selling the car. By getting your financing in place before you choose your car, there's no pressure to take dealer financing. Furthermore, the dealer is motivated to compete with the deal you already have. The dealer may offer you a zero percent or promotional financing if you qualify.

For example, suppose you buy a car for \$20,000, and finance it with a four-year loan for 12% with dealership financing. Your monthly payments would be \$526. Whereas, if you had financed your car with a bank or credit union at 3.39% for four years, your payments would have been \$430 a month.

If you have not been pre-approved, be sure you know your credit score. In fact, it would be a good idea to carry a printed copy of your credit score with you when you shop. One of the typical scams is to claim your credit score is too low for 0% or low rate financing when in fact you could qualify. With a credit score of 740 or above, you should be able to qualify for any special promotional deal.

Another smart move is to put 20% as a down payment to help protect you from depreciation of a new car. Without the 20% down payment, you run the risk of owing more on the loan than the car is worth.

-Patricia Tyson, CCCS Director

Credit 101



How Long Will Charged-Off Debt Stay On Your Credit Report?

A charged-off account cycles off a credit report after seven (7) years. And, those seven (7) years are calculated from the date of the original delinquency that led to the charge-off (that's even earlier than the charge off itself). No matter how many times the account is sold to a new company or collector, it still cycles off a credit report in seven (7) years from that original missed payment.

Moreover, such information is automatically removed from an audit file when the reporting period ends. You don't have to do anything or contact anyone. It simply ages off the report.

It is prudent to check your credit report a few months after the charge-off was removed (sometimes with older accounts the original debt or delinquency has not been reported to the bureau). If you find that the charge-off is still there, you can dispute the charge-off as outdated information through the credit bureau.

Make sure that you are paying off your highest interest rate debt. If your mortgage rate is seven (7) percent and your tax rate forty (40) percent, than your net mortgage rate is really only 4.2%. If you have any credit card debt or other debt that is higher than this rate (auto loan, boat loan, student loan, etc.), it might make sense to pay that debt off first. Alternatively, if you thought you could invest the money and receive a return greater than your mortgage rate that would also be a reasonable alternative to paying down your mortgage.

-Patricia Tyson, CCCS Director

Money Smarts Radio Show

Tune in to 640AM WFNC News Talk Radio, Wednesday Mornings at 9am. **Money Smarts** with Patricia Tyson, Director of Consumer Credit Counseling Service of Fayetteville. Learn about better ways to handle your money and call in for financial advice during the show.



CCCS Director

Patricia Tyson

Consumer Counseling Department

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Judy James, Therese Melchiorre,
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Homeownership Department

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Debt Management Department

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Jacqueline Moore,
Felicia Ward, and
Ethel Lennon

New "Skin in the Game" Rule Means

The Dodd-Frank Act requires banks to have "Skin in the Game" thereby retaining some of the risk of loans they package and sell. Mortgages that met certain high underwriting standards may be exempt from the risk retention rule. It appears that Bank Regulators are leaning towards a 20% down payment requirement for mortgages to be exempt. Consumer groups are concerned that a 20% down payment requirement would be devastating to first time homebuyers. This requirement would drive community banks and small independent lenders to FHA Mortgages which are exempt. As a result consumers would have fewer choices. This would create a duel market with the government supporting low wealth lending, and big banks working with all the rest of the market.

-Patricia Tyson , CCCS Director

Announcement

Foreclosure Prevention

Are you behind in your mortgage payments?

Do you know someone who is behind?

Are you struggling to make your mortgage payments?

For a limited time, CCCS has grant funds available that allows us to provide **FREE** mortgage default counseling to those who need it. Let's get the word out: Anyone who is one, two, three or more months behind is eligible. Call 910-323-3192, ext. 21 or 888-381-3720, ext. 21 to schedule your appointment today!

DMP Success Story

A great big shout out to Clients 32518 who paid off more than \$83,000 in credit card debt in less than five years through our Debt Management Program. When they first came for counseling, she had recently retired from teaching after 30 years and with the reduced income and high interest rates on many of their credit cards, they were drowning in debt. They are now debt free and able to pay extra on their mortgage payments and will soon be totally debt free, living the American Dream of paying cash for every purchase and actually owning their own home. Congratulations!!!!

Poster Contest Local Winners 1st Place

Deminya Randall High Sch. Div.
 Azi Leggett-Jones Middle Sch. Div.
 Sienna Gomez Elementary Sch. Div.

Shred Your Debt Day

Kick off event at our Wilmington Branch Office on April 30: In conjunction with NFCC, Equifax, Cintas Document Management, CCCS will shred your documents and provided valuable financial information in our parking lot from 10am to 1pm. Contact 888.252.1629 for more information.

The CCCS Calendar

Payment Received By (Mondays)*	Weekly Disbursement On (Thursdays)*		
April 2011			
April	April	06	"Managing Your Credit", Kinston, NC, Greenlamp, 2pm - 4pm
4	7	07	"Credit & Debt Mgt.", FTAC, Pope Air Force Base, NC, 9am - 11am
11	14	09	"Credit & Money Mgt.", Mt. Calvary Bapt. Church, 10am - 12pm
18	21	11	"Info. Of Services", FTCC, 6pm - 9pm
25	28	12	"Tips to Avoid Senior Scams", Seabrook Rec. Ctr., 10am - 12pm
		14	"Money Mgt.", North Regional Library, 6pm - 8:30pm
		18	"Newcomers Meeting", CCCS of Fay., 5:30pm - 7pm
		19	"Money Mentoring Workshop", CCCS of Fay., 9am - 12pm
		26	"Creating Spending Plans", Westover Rec. Ctr., 10am - 12pm
		28	"Identity Theft", FMHA Robbin Meadows, 6pm - 7:30pm
May 2011			
May	May	05	"Credit & Debt Mgt.", FTAC, Pope Air Force Base, 9am - 11am
2	5	10	"Credit & Debt Mgt.", Seymour Johnson Air Force Base, Goldsboro, NC, 7:30am - 10:30am
9	12	12	"Money Mgt.", Seabrook Rec. Ctr., 10am - 12pm
16	19	16-17	"Money Mentoring Workshop", CCCS of Fay., 9am - 12pm
23	26	16	"Newcomers Meeting", CCCS of Fay., 9am - 12pm
		17	"Credit & Debt Mgt.", Westover Rec. Ctr., 10am - 12pm
		19	"Identity Theft", West Regional Library, 6pm - 8:30pm
		24	"Credit & Debt Mgt.", Seymour Johnson Air Force Base, Goldsboro, NC, 7:30am - 10:30am
		26	"Senior Scams", Gilmore Rec. Ctr., 10am - 12pm
June 2011			
June	June	02	"Credit & Debt Mgt.", FTAC, Pope Air Force Base, NC, 9am - 11am
May 31	2	03	"Protect Your Identity", Seabrook Rec. Ctr., 10am - 12pm
6	9	07	"Credit & Debt Mgt.", Seymour Johnson Air Force Base, Goldsboro, NC, 7:30am - 10:30am
13	16	07	"Reading & Understanding Your Credit Report", Seabrook Rec. Ctr., 10am - 12pm
20	23	10	"Predatory Lending", Gilmore Rec. Ctr., 10am - 12pm
27	30	13	"Rebuilding Good Credit", Seabrook Rec. Ctr., 10am - 12pm
		20-21	"Money Mentoring Workshop", CCCS of Fay., 9am - 12pm
		20	"Newcomers Meeting", CCCS of Fay., 9am - 12pm
		21	"Credit & Debt Mgt.", Seymour Johnson Air Force Base, Goldsboro, NC, 7:30am - 10:30am
		30	"Credit & Debt Mgt.", FTAC, Pope Air Force Base, 9am - 11am

* Exceptions may apply due to holidays, inclement weather and other unforeseen circumstances.

Neighborhood Financial Care Centers

- Fayetteville, Green St.** (910) 323-3192
(888) 381-3720
- Fayetteville, PFCU** (910) 487-0056
(888) 381-3720
- Goldsboro** (919) 751-3868
(888) 464-1060
- Lumberton** (910) 671-4502
(877) 671-4502
- Smithfield** (919) 464-2492
(888) 464-1060
- Sanford** (919) 776-2101
(877) 686-2101
- Coastal Carolina** (252) 638-6133
(877) 261-8619
- Jacksonville** (888) 381-3720
- Southern Pines** (910) 246-3288
(877) 868-3288
- Kinston** (252) 522-8004
(866) 522-6792
- Wilmington** (910) 332-8957
(888) 252-1629



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People Who Care