General Self Help Resource Guide

Tools for Financial Independence

Produced by the Florida Alliance for Assistive Services and Technology, Inc.
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Allow me to introduce myself. My name is Melanie Quinton and I am the Director of the FAAST New Horizon Loan Program (NHLP). I come to FAAST with fourteen years of banking experience, including a background in lending and a degree from the University of Tennessee at Martin in economics with a concentration in finance and banking. With my experience, I wanted to create a financial resource guide to help those who are confronted with the need to establish credit to qualify for low interest loans of all types. In addition, I wanted to create a way to provide quality self-help resource information and assistance to all those who may benefit from information and resources to promote good practices that can help lead to increased financial independence. To this end, we offer these FAAST NHLP financial resources.

We know there are many challenging financial decisions to be made to balance a budget, not to mention increasing costs of living expenses, difficulties in securing employment, as well as insurance coverage concerns with decreasing federal and state resources. Because of this, we believe that becoming as financially literate as possible is one of the best investments you can make for yourself, your family, and your future. To begin, you can take charge to improve your own financial well-being by studying credible financial experts’ recommendations, learning to budget within your resources, and by developing sound financial practices that work for you. We hope by reviewing the self-help resource information within this guide, you do just that. Learning how to take the right financial steps to make sound financial decisions throughout your life can help you improve your own financial well-being and future.

The self-help resource information within this guide is intended to provide you with basic tools you will need to find sound financial resource information. For your convenient reference, the financial resources within this guide have been hyperlinked to provide easy access to informative websites, frequently asked questions (FAQs), factsheets, articles, tutorials, and other relevant financial resources. To find a financial resource that may be of assistance to you, please refer to the Table of Contents that includes a detailed list of financially relevant topics and subjects, along with page numbers.

As with many other FAAST self-help resource guides, this guide contains hyperlinks to an array of helpful reference materials and is available on the NHLP website at www.newhorizonloanprogram.org and on the FAAST website at http://www.faast.org/resources/library

This General Self-Help Resource Guide, Tools for Financial Independence, was researched and produced by Ms. Melanie C. Quinton, New Horizon Loan Program Director
The New Horizon Loan Program (NHLP) originates through the U.S. Department of Education, Rehabilitation Services Administration and is a program within the Florida Alliance for Assistive Services and Technology, Inc., a not-for-profit 501 (c)3 organization.

The NHLP is an alternative assistive technology finance program under the Assistive Technology Act of 2004, Section 4 (e)(2)(A) designed to assist individuals with disabilities to borrow money at reasonable interest rates for the purchase of assistive technologies.

Also, our New Horizon Business Loan Program is a similar program that can assist qualified persons with disabilities who are seeking employment through self-employment opportunities. Both are low interest rate loan programs that may offer below market interest rates that can help keep a loan payment low along with no prepayment penalty features.

The NHLP offers a user-friendly loan application, which will require a qualifying credit and debt to income criteria review before we can then proceed to a loan closing for the assistive technology that you need. In addition, the NHLP staff offers unique consumer responsive services not often found through more traditional lenders.

For example, NHLP tries to provide:

- Assistance to identify other potential funding sources for assistive technology acquisition
- Guidance/recommendations for selection of assistive technology devices
- Assistance with identifying and locating assistive technology vendors
- Guidance to help resolve credit report errors
- Guidance to credit repair resources
- And the program may be able to assist with additional options to avoid loan defaults

What is Assistive Technology?

An Assistive Technology (AT) device can be any item, piece of equipment, or product system, whether acquired commercially, modified, or customized, that is used to increase, maintain, or improve functional capabilities of individuals with disabilities, including but not limited to communication, self-care, education, employment, mobility, and recreation.

Just a few examples of AT can include:

- Hearing Aids
- Low Vision Aids
- Home Modifications/Environmental Controls
- Communication Devices
- Durable Medical Equipment
- Adapted Computers
- Modified/Accessible Vehicles
- Recreational Equipment

Feel free to call us toll-free or visit our website for more information or to access a loan application online.

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The How To’s of Budgeting

Why do we all need to budget?

Have you ever made a $20 withdrawal from an ATM only to wonder at the end of the day why you had nothing to show for it? It is critical you understand where your money goes. Knowing what your income and expenses are every month will help you take control of your finances.

Taking control of your finances can help you reduce the anxiety of not knowing whether you have enough money to pay your bills when they are due and gives you a sense of control over money, rather than letting money have control over you.

Budgeting can also help you build assets. Building assets can improve the quality of life for you and your family.

A good place to start taking control of your financial circumstances is to develop a spending and savings plan, or a budget.

A budget is a step-by-step plan for meeting expenses in a given period of time. One way to understand where your money goes is to keep a daily spending diary to record everything you spend. This way you can use this information to track your spending over a period of time.

Too many of us do not have a good grasp on where our financial resources are allocated each month and where the money goes.

Our ability to manage money is critical and particularly important during hard times or when the economy is bad.

Learning how to create a manageable budget provides you with insight to where your money goes and how to most effectively manage your money.

Budgeting Analysis

http://www.financial-inspiration.com/budgeting-analysis.html advises:

In today’s ever-changing and dynamic financial world where there are many sources of income, expenditures, and investments, it can become difficult to keep track of cash flows. This is why it is imperative for us to adopt a budget. It is here that budgeting analysis helps individuals and organizations get answers to complex financial questions.

What is budgeting analysis?

Once a budget is ready, there is a lot that can be learned from it other than doing totals and learning about the total monthly expenditure. In fact, analyzing a budget is perhaps as important as maintaining the budget itself.

We analyze a budget so that we can do it better and faster the next time. You might have seen that when any government presents its budget, it is immediately followed up by a lot of scrutinizing and checking. This is nothing but analysis and it provides some deep insights into the budget.
Learning from budgeting

Once you have collected substantial data, you are ready for the next step - budgeting analysis. In fact, one might even say that simply maintaining a budget is not of much help, and in many ways, it is true.

Here’s what analyzing a budget can tell you:

- **Spending patterns** - You will learn about how you spend your money. It is a good idea to group all the expenses under a broad heading, like 'Food', 'Travel', etc. This will help spot cases where you are spending too much on some indulgence, such as 'Entertainment', and very little on some necessities, such as 'Food'.

- **Spending frequency** - Another interesting thing an analysis reveals is the frequency with which you are spending, if you are recording the dates of your transactions. Certain people tend to spend considerably at a particular time of the month, and learning to spot these crucial psychological patterns can be of great help. In fact, curtailing such vagaries will help your finances greatly.

- **Reality check** - A good analysis reveals flaws not only in your spending, but also in the utility of your budget. Perhaps the goal of regular savings you decided for yourself is not sufficient after all, in which case you’d need to reschedule everything. These insufficiencies can be spotted by a good analysis of every aspect of your budget.

- **Budgeting analysis plays a very crucial role in your budgeting activities.** You would do well to invest in any good budgeting software to ease up the task a bit.

How to analyze a budget?

If you are good with numbers and calculations, you can perhaps analyze a budget manually. However, if you do not have that much confidence in your numerical ability, then you should consider a good budgeting analysis software. A good software makes it very easy for you not only to maintain the budget, but also see various spending trends graphically, as well as predictions for the future.

Easy to follow tips when budgeting

**Budgeting Tools**

To successfully use any budgeting tool, you must keep accurate records. Some tips to improve your record keeping include:

- Keep records in a safe place in your home or in a safe deposit box.
- Organize your files so it is easier for you to find information about your earnings, spending, and to update important financial information.
- Keep your tax records for at least 3 years.
- Send in your bill payments 7-10 days before they are due to save money by avoiding late fees.
Expense Envelope System

This tool is useful if you pay your bills with cash each month.

- Make an envelope for each expense category (rent, utilities, food, etc.).
- Label the envelope with the purpose, amount, and date due.
- When you receive income, divide it into amounts to cover the expenses listed on the envelopes.
- Pay bills right away so you will not be tempted to spend the money for something else.

Budget Box System

The budget box is a small box with dividers for each day of the month, similar to a filing system. When you receive a bill, check the due date and place it behind the card that represents the due date. As you receive income, pay all the bills that are due.

Computer System

If you have access to personal computers, you can create your own spreadsheet. You may also want to purchase a personal finance program.

Some are free and some are available for less than $75. Using a computer to manage your finances is relatively easy. Once you set up the system, updating information can be quick and easy. It is important to enter transactions frequently to truly understand and analyze your financial position.

Ace Budget: Ace Budget is an easy to use personal finance application to help you track your spending and keep to a budget. You can create daily, weekly, monthly, semimonthly, quarterly, and yearly budgets for an unlimited number of categories. You can also schedule recurring transactions, set reminders, view graphs, compare historical data, and much more. Every feature of Ace Budget is designed to be quick, clean, intuitive, and easy to use.

Mr. Clark Howard, a well-known and respected financial expert and consumer advocate, offers help regarding personal finances, budgets, and savings.

Howard is a popular U.S. talk radio host of the nationally syndicated consumer advocate program The Clark Howard Show. His show covers consumer and financial news, with advice on how to spend less, save more, and avoid rip-offs.

Howard’s website, ClarkHoward.com has a resource of transcripts from his radio show with information on numerous consumer-related topics.

Howard offers the Consumer Action Center, a free advice call center for consumer questions.

Mr. Dave Ramsey is an American financial author, radio host, television personality and motivational speaker. Dave offers shows and writings strongly focused on encouraging people to get out of debt, in addition to learning how to save and budget effectively. Ramsey’s free budgeting forms and access to online budgeting tools can be found at http://www.daveramsey.com/tools/budget-forms/. 
In addition, here are just a few examples of money management and budgeting sites, including iPhone applications. Many of these are free services and provide good tools to assist you in managing your personal finances.

**MyMoney.gov** is the U.S. government's website dedicated to teaching all Americans the basics about financial education, including budgeting information and plans.

**Mint.com**: Mint pulls all your financial accounts into one place, sets a budget, tracks monetary goals and does all this for free.

**MySpendingPlan.com** sets up categories, depicted by envelope icons, to keep track of expenses. Graphs and charts show how much you've spent in each category. "Auto-assign budget" technology recommends budgets for you based on your spending habits.

**Quicken**: Quicken makes it easy to manage spending, stay on top of day-to-day finances, and stick to a budget.

**The top five budgeting and personal finance apps for the iPhone**

**MoneySavingExpert.com** offers the budget planner, a free advanced tool and guide to managing your money.

**www.ehow.com** offers tips for setting up a budget for personal finances, including how to use Quicken, and when to use cash, credit and debit cards in these free online video tutorials.

Free Financial Advice offers a Free Excel Household Budget Template with budgeting tips.

**Health Savings Accounts**

**Health Savings Accounts (HSAs)** were created in 2003 so that individuals covered by high-deductible health plans could receive tax-preferred treatment of money saved for medical expenses. Generally, an adult who is covered by a high-deductible health plan (and has no other first-dollar coverage) may establish an HSA. Having an HAS will help when budgeting for monthly medical expenses.

**Coupons**

**Extreme couponing** is an activity that combines shopping skills with the use of coupons in an attempt to save as much money as possible while accumulating the most groceries. The concept of "extreme couponers" was first mentioned by *The Wall Street Journal* on March 8, 2010 in an article entitled "Hard Times Turn Coupon Clipping Into the Newest Extreme Sport." Of course, you should not take couponing to the extreme, but taking part in couponing may be helpful in budgeting. Here are just a few sites to help you find coupons.

[www.howtoshopforfree.net](http://www.howtoshopforfree.net) | [www.coupons.com](http://www.coupons.com) | [www.coolsavings.com](http://www.coolsavings.com) | [www.vitacost.com](http://www.vitacost.com)
Choosing a Financial Institution

Choosing the right financial institution for you and your financial situation, such as a bank, credit union, or savings and loan, is a good way to begin a financially healthy future. It is best to start by thoroughly researching which financial institution fits your needs best. Although banks and credit unions both provide similar services, each offers different types of benefits for account holders and borrowers. To learn more about the differences between a bank and a credit union, click here to view information that compares the two.

When choosing a bank or credit union, you also want to make sure that you know if the institution is in good standing by checking out how they are rated. Bauer Financial is a good site to use when analyzing banks and credit unions. http://www.bauerfinancial.com/home.html

Florida Office of Financial Regulations (FLOFR)

If you have a question or complaint regarding a state chartered bank, credit union, or other financial institution you may contact FLOFR, Division of Financial Institutions at 850-487-9687. http://www.itsyourmoneyflorida.com/.

Why should we establish a checking account or savings account?

Understanding the advantages of checking accounts and savings accounts is important to help you with money management. A checking account is a transactional deposit account held at a financial institution that allows for withdrawals and deposits. Money held in a checking account is very liquid, and can be withdrawn using checks, automated cash machines and electronic debits, among other methods. Depending on your bank or credit union policies, checking accounts may or may not generate interest (money the bank pays an individual in exchange for keeping money in their account). A minimum balance may be required and some banks charge monthly fees with their checking and other accounts. However, there are many benefits in having a checking account that include not having to use money orders to pay bills or carrying around large sums of cash. Checking accounts can be a safe way to manage personal funds.

Click here to read how to balance a checkbook, a necessity in keeping good financial records. In addition, click here for a YouTube video on keeping a balanced check register.

What is the purpose of FDIC?

The Federal Deposit Insurance Corporation (FDIC) is a United States government corporation created by the Glass-Steagall Act of 1933 (The Banking Act of 1933). The vast number of bank failures during the Great Depression spurred the United States Congress to create an institution which would guarantee deposits held by commercial banks, inspired by the Commonwealth of Massachusetts and its Deposit Insurance Fund (DIF). The FDIC provides deposit insurance which currently guarantees checking and savings deposits in member banks. The Federal Deposit Insurance Corporation (FDIC) is a body that underwrites most private bank deposits. FDIC provides a Bank Data Guide, which is a summary of various financial and analytical tools that are available on the FDIC’s web site. http://www.fdic.gov/bank/statistical/guide/index.html.
A savings account is a deposit account held at a bank or other financial institution that provides principal security and a modest interest rate.

Depending on the specific type of savings account, the account holder may not be able to write checks from the account (without incurring extra fees or expenses) and the account is likely to have a limited number of free transfers/transactions. Savings account funds are considered one of the most liquid investments outside of demand accounts and cash.

A debit card is an electronic card issued by a bank which allows bank clients access to their account to withdraw cash or pay for goods and services. This removes the need for bank clients to go to the bank to remove cash from their account as they can now just go to an ATM or pay electronically at merchant locations. This type of card, as a form of payment, also removes the need for checks as the debit card immediately transfers money from the client’s account to the business account.

What are some of the differences between debit cards and credit cards?

What are the pros and cons of debit cards?

USA Today offers some debit card pros and cons to consider.

- Make sure the funds are there. A $6 sandwich can end up costing $46 if you do not realize your checking account is flat-lining. Most merchants no longer reject a card if you have an inadequate balance; instead, you incur a hefty overdraft fee.
  - For example, Bank of America charges $35 for each overdraft above $5. Spokeswoman Anne Pace says fees will be capped after a consumer makes 10 overdrafts in a single day; overdrafts totaling less than $5 carry a smaller fee of $10. Wachovia charges $22 for the first overdraft in a 12-month period, then $35 for each subsequent one, says spokeswoman Richele Messick.
  - Messick suggests debit customers can avoid fees if they keep track of expenditures and link checking accounts to savings accounts, credit cards or lines of credit.

- A security breach could mean trouble. "I do think there are a lot of advantages to using debit cards as far as restraining spending, but there are a lot of risks of having debit card information stolen," says Ronald Mann, a Columbia University law professor who wrote Charging Ahead: The Growth and Regulation of Payment Card Markets.
  - "If there’s a problem with a credit card, I simply put that card aside and use a different card until things get worked out. With debit, it's a much more serious event," Mann says.

- Federal regulations limit liability for most consumers who are defrauded, but your debit account could be inaccessible for up to 10 business days after you report the fraud, says Gail Hillebrand, senior attorney for the non-profit Consumers Union’s West Coast office.
• If your credit card is lost or stolen, you typically will not be on the hook for more than $50. If an unauthorized user gets your card number but not your card, in most cases you will not be liable. Both Visa and MasterCard promise “zero liability” and a quick resolution for any fraud committed over their transaction networks, including debit transactions. Some merchants use other networks.

• Usage fees. Some banks and merchants charge fees of $0.50 cents or a $1 for debit card use at certain stores.

• Account blocks. Some merchants place blocks on debit accounts for purchases that are not completed immediately: hotels, vehicle rentals and gasoline purchases, for example. That could keep you from using the debit card for other purchases.

• Prepaid debit and gift cards. Look out for fees — activation fees, non-use fees, ATM withdrawal fees, retail fees and reload fees. Also, many of these cards are not covered by federal regulations.

• Debit cards operate like cash or a check. When making a purchase using a debit card, the bank or credit union withdraws money from the checking or savings account linked to the card. Since money is taken directly from an account, the money must be in the account to cover the cost. Keep in mind, if good records are not kept, overdraft fees may occur.

A credit card is issued by a financial company giving the holder an option to borrow funds, usually at point of sale. Credit cards charge interest and are primarily used for short-term financing. Interest usually begins one month after a purchase is made and borrowing limits are pre-set according to the individual's credit rating. Credit cards have higher interest rates (around 19% per year) than most consumer loans or lines of credit. Almost every store allows for payment of goods and services through credit cards. Because of their wide spread acceptance, credit cards are one of the most popular forms of payment for consumer goods and services in the U.S.

What about credit cards?

USA Today offers some credit card pros and cons to consider.

• The major difference between credit and debit cards — when the money actually leaves your bank — accounts for the positives and negatives. Some considerations:

• They offer free short-term borrowing. If you pay the balance in full on time, you get an interest-free loan.

• Delayed payment raises the price paid. The $6 burger that ballooned to $46 with the debit card overdraft? It could do the same — or worse — over time on a credit card if you do not pay the balance at month’s end. High interest rates and late-payment penalties can add up.

• Charges can be denied. If you use your card to purchase something that did not turn out the way you had hoped, you can dispute the charge. Some credit cards even carry insurance on purchased items.

• They tempt you to buy more than you can afford. "You have the best consumer protections on the payment method that creates the most risk to your household budget," Gail Hillebrand says. "The biggest danger with credit is going into debt — and that's a danger that's highly overlooked."
Be careful with rewards. Some credit card companies offer rewards programs to keep customers charging — although some issuers recently instituted fees for delinquent card holders who wished to remain eligible for rewards. Hillebrand advises consumers to rethink rewards.

"The basic problem with rewards programs is that they are designed to get us to use our credit cards more than we really should," she says. "If you're at any risk of not being able to pay it off at the end of the month, the rewards are not worth it. And, in this economy, we're all at risk."

Credit cards allow purchases to be made now and paid later. It is important to realize that a credit card works like a loan. The credit company or bank is agreeing to allow a predetermined amount to be borrowed that will be paid back at a later date. Keep in mind that credit card fees may charge fees to do this. More about credit card fees will be discussed below under credit establishment.

Credit Has a Cost

Mr. Dave Ramsey, a graduate of the College of Business Administration at University of Tennessee, Knoxville is an award winning author and popular radio and TV personality. Ramsey's syndicated radio program The Dave Ramsey Show is heard on more than 500 radio stations throughout the United States and Canada, as well as in podcast format and on XM and Sirius satellite radio. Dave Ramsey offers an article about the truth about credit card debt. Credit cards should not to be used like cash because debt can accumulate quickly. Credit has a cost and it can be expensive. Use credit wisely or the debt will continue to grow and negatively affect a healthy financial future. Bankrate.com offers credit card calculators demonstrating how long it would take a credit card balance to be paid off with a certain minimum payment.

Explore the option and always be cautious and careful when using credit.

Save for the Future and Establish an Emergency Fund

It can happen; a costly, unexpected event will occur at some point. It’s possible the family car will break down or the refrigerator will stop working. To help you better deal with a serious financial problem, establishing a savings account/emergency fund is a necessity. Establishing a savings account and saving for emergencies may seem difficult, but if you set a savings goal and begin saving you will help yourself by being prepared when an emergency strikes. For more about emergency funds click here.

Smartaboutmoney.org offers advice on why saving money is not easy, but is essential to achieving financial well-being and securing your future. One of the best and easiest ways to save money and start a strong retirement income planning program is to pay yourself first. Every time you receive a paycheck, save a certain percentage of your income before spending money on anything else. You may choose to have your bank automatically deduct a certain amount of money from your account each month. This way, the money never hits your pocket, so you will not miss it.

Other ways to make saving money easier include putting away raises, bonuses, and refunds. You also may want to review Know Where You Money Goes and Shop Smarter for money-saving tips.

About.com offers seven important reasons to save money.
The How To’s of Credit Establishment

More so than ever, society relies on good credit character for approving the use of credit when making purchases and important decisions that can affect your financial health and your life. Today, the value of good credit is used for much more than just getting a credit card or a loan. Businesses and employers are even reviewing credit to determine the type of good credit character you possess, that is determined by your credit rating.

For example, landlords may review credit history and use it as a deciding factor for your request to rent. Employers may use credit as a pre-employment screening regardless of your resume and credentials. Insurance companies, utility companies, and cell phone providers may also review your credit rating.

Establishing credit, maintaining good credit, and repairing poor credit is imperative in today’s environment.

Open a Bank Account Evidence of a well maintained bank account will not report on a credit report, but evidence of an existing bank account could be requested on credit applications. Bank accounts also help create good spending habits, which is an absolute necessity when establishing good credit. Make sure to research the bank that’s right for you.

Become an Authorized User on a Credit Card Becoming an authorized user on a current credit card is a perfect way to establish credit. Taking advantage of a user’s good spending and payment habits will be a great benefit. To read more about the benefits of becoming an authorized user and how to do so, click here. Be cautious of the credit card user, making sure respectable credit and good spending habits are present. If not, the benefits will not present themselves in the credit establishment process.

Apply for Easily Accessible Credit Cards To avoid being denied credit, attempt to apply for a card with requirements that are likely to be met. Start with your financial institution. Young adult or college student credit cards are offered and have a more flexible approval process and take limited or no credit history into consideration. An approval process will still apply and your debt to income ratio will be analyzed. If the financial institution’s criteria, though limited for these cards, is met, an approval might be made. The FDIC’s website offers tips for becoming a credit savvy student.

In addition, department store or gas credit cards can be easy to obtain. Always review the terms the card offers. Interest rates on these cards can be high and some have an annual fee. Read and familiarize yourself with credit terms before applying. Some department store cards are not Visa or MasterCard. This is not detrimental to establishing credit but a financial institution will offer these cards which will be accepted more widely than an individualized department store card.

Most importantly, be cautious of cards that do not report to the three major credit reporting agencies, Equifax, Experian, and Transunion. The goal is to establish credit.

Make Payments on Time and Create a Spending Plan Making credit card payments on time is a critical part in establishing good credit. Missing a payment will cause negative effects in your credit score. In addition, paying the full
credit card balance will avoid the **accrual of interest**. Therefore, creation of a spending plan and budget is necessary. A credit card limit is not additional and available funds to spend unless you have the means to repay the debt you just incurred. Before the card is used, make sure the balance will be paid off when the bill is due. Do this by creating a *budget and spending plans*, as we discussed in the budgeting section of this guide. Avoid paying interest, if at all possible, and know the effects of growing a credit card balance beyond feasible repayment means. The **statistics regarding credit card debt** are astonishing. Beware of the danger credit cards present by becoming a credit card holder.

**Credit Card Usage** By using the credit card once a month for a small purchase and paying the balance in full each month, credit establishment will be off to a great start and paying the interest will be avoided. In addition, if the credit card company approved the application at a higher than expected **credit limit**, request a small limit. Use the card responsibly.

**Secured Credit Cards** If establishing unsecured credit/debt is not possible, opt to apply for a secured card. A **secured credit card** is an alternative for individuals who cannot get approved for a regular credit card. The card’s limit is credit based on a required deposit and can be used just as an unsecured credit card. Always review the card’s terms and take note of any **annual fees**.

**If Denied Credit, Ask Why** If ever denied for credit, make sure reasons for the denial are given. Reasons may include income, employment or credit history. If denied, a request for a free credit report copy can be granted.

The How Tos’ of Maintaining Good Credit

**Credit Reporting Agencies and Annual Credit Check** There are three **credit bureaus**. In the U.S., credit bureaus/credit reporting agencies collect and aggregate personal information and financial data on individuals from a variety of sources called data furnishers with which the bureaus have a relationship. Data furnishers are typically creditors, lenders, debt collection agencies and the courts that a consumer has had a relationship or experience with. The three credit reporting agencies are **Equifax**, **Experian** and **Transunion**. Annually, a free credit report check is allowed, which is strongly advised. In order to maintain good credit, make sure an annual review is done. To do so, visit [www.annualcreditreport.com](http://www.annualcreditreport.com).

**Current Payments, Credit Utilization, and Credit Limits** Never missing a payment is just as important in maintaining good credit as it is in establishing credit. In addition, monitoring **credit utilization** is important. Credit utilization is the ratio of the credit card balances to credit limits. For example, if a card balance is $300 and the credit limit is $1,000, the credit utilization is 30%. Keep the credit utilization below 50%, but strive to keep it as low as 30%. Again, the goal is to pay the card balance in full each statement cycle to avoid paying interest, but if this is not feasible, keep the...
credit utilization percentage low. In addition, never come close to your credit card limit. Investopedia defines a credit limit as “the maximum amount a credit card company will allow someone to borrow on a single card.”

**DEFAULTS** Never default on a loan. Defaults can cause unnecessary headaches in the future and should always be avoided. If behind, stay in contact with the creditor. Most creditors may offer repayment programs or loan restructures. If this is an option, review the terms of the program and see if it would be beneficial. Most times, a restructure or repayment plan will be beneficial even if it means the loan term is extended a few months. Most importantly, make sure a negotiation is agreed upon or the trade line is made current before the debt is sent to a collection agency. If the debt is sold to a collection agency, the payoff amount could possibly be significantly larger and harder to pay off. Stay current and live within your means.

**KEEPING CREDIT CARD ACCOUNTS ACTIVE** Closing out old credit cards can shorten credit history. Lenders tend to view borrowers with short credit histories as riskier than borrowers with longer histories. One credit card account is plenty and make sure to keep the account active and current to assist in growing your credit history.

**CREDIT INQUIRIES** A credit inquiry is “a notation on your credit report that someone has requested your credit file,” according to Bankrate.com. Inquiries on your credit report do not weigh as heavily in the scoring process as payment history and credit utilization, but they do have an effect. One inquiry can drop an individual’s score anywhere from one to five to ten points. The reason an inquiry appears on a credit report is because it might appear the individual is taking on additional financial obligations that creditors need to know about. However, when rate shopping, if a majority of the inquiries are in the same category, such as purchasing a car and shopping for the best rate, the actual impact of the inquiry can have less affect because the inquiries have something to do with the same category. It is still important to keep inquiries to a minimum. To read more about what helps and hurts your credit, click here to see how Forbes magazine advises maintaining that good credit score.

### The How To’s of Credit Repair

One of the most important decisions an individual can make to assist in a sound financial future is to repair outstanding, poor credit. Read below to find suggestions on how to do just that.

**PULL A FREE, ANNUAL CREDIT REPORT** To begin the credit repair process, it helps knowing where to start. A credit report is necessary and a must to begin the process. Again, visit www.annualcreditreport.com to obtain a free, annual report.

**Contacts and Resources**

**CREATE A CREDIT REPAIR PLAN** It can be very revealing to review a credit report and understand poor credit patterns from the past and this understanding is a necessary part of the credit repair process. The credit report can show previously paid off accounts that need to be disputed or other accounts that are not recognizable. Once the true debts are determined, an action plan can be made.

**ESTABLISH A GOOD CREDIT LINE, IF NO GOOD CREDIT LINE EXISTS** Take advantage of a secured credit card. As we mentioned in the previous Credit
Establishment section, **secured credit card** is an alternative for individuals who cannot get approved for a regular credit card. They act just like regular credit cards and are a great way for someone to establish and/or reestablish credit. For example, if ten delinquent accounts are reported on a credit report, once those ten accounts are paid in full, there is not a good credit line to prove to a new creditor that the debt will be repaid. Even if all the bad debt is paid, reestablishment of credit needs to take place before an institution is willing to offer additional lending opportunities. For example, if calculated that it will take two years to pay off all bad debts, by opening that secured credit account first before the credit repair process begins, two years of a good, current credit line will exist once all the old debts are satisfied. To learn more about the benefits of secured cards and reputable institutions to check with, [click here](#).

**START A DEBT SNOWBALL** There is so much advice on where to begin a credit repair journey. [Dave Ramsey’s Debt Snowball](#) is a fitting way to begin the process. It’s a very simplistic approach to an extremely difficult process. It takes dedication, motivation, time and reallocation of resources to repair credit, and [Dave Ramsey](#) has an excellent plan that works! He focuses on becoming debt free, which is one part of credit repair, but his plan can also be used for repairing delinquencies, charge offs, etc. Basically, the plan begins with depositing a $1000 emergency fund into a savings account and not drawing from it unless an extreme emergency occurs.

Next on the snowball plan, list the debts in order of smallest debt payoff to largest. Be sure to start with charged off accounts or accounts closed by creditors. The most pressing need is to eliminate these accounts first while paying at least the minimum on ongoing, current debts. Use every extra penny first pay on the bad debts. Keep in mind, if delinquencies and charge offs are not present and the goal is to repair credit by paying down balances and getting the **credit utilization ratio** below 30%, there is no need to be concerned with high interest rates or **credit terms** unless two of the debts have similar payoffs. In that case, go with paying the higher rate off first. Next, create a [budget and spending plans](#) to see what amount can be afforded and put towards the credit repair process. Be sure to add up all minimum payments on each of the current debts and make sure those are always paid, but remembering to put all the extra money towards the smallest debt first instead of spreading the allocation of assets too thinly on all outstanding debts. For example, if a budget plan allows for $500 that can be afforded to put towards repairing debt and lowering credit utilization ratio, after paying each minimum payment on the current credit lines, take every extra penny and pay on the smallest charged off debt. Do this until the smallest debt is paid in full, and once that debt is paid and off your plate, start putting that extra money to the next smallest debt.

Once all those charge off and delinquent accounts are paid, the focus can then be on the current credit lines and making them smaller and paid in full. The idea behind this plan is to provide motivation with each small debt paid off, encouraging the process to continue while seeing the hard work paying off. Soon, the debt snowball gets larger with all the small debts paid off and the end result of being debt free. To read more about [Dave’s Debt Snowball Plan](#), [click here](#)!
As you continue your credit repair journey and then begin the process of maintaining your good credit click here and see below for additional resources.

Additional Get out of Debt Plans:

Debt Relief from Oprah’s Debt Diet

Clark Howard’s advice: “Getting out of debt first requires figuring out how you got there. You have to sit down and put everything on paper. Then, grade those expenses like a school report card. Absolute essentials like mortgages, and car payments, get an “A”. Non-essentials like eating out, magazines, give a “C.” Truly frivolous things ... give an “F”. Anything rated “C” or below, needs to go.”

Forbes Do it Yourself Debt Repair

CREDIT REPAIR INFORMATION

Fair Credit Reporting Act (FCRA)
Fair Debt Collections Practices Act (FDCPA)
Collection Appeal Rights
Real Estate Settlement Procedures Act (RESPA)
Fair and Accurate Credit Transactions Act (FACTA)
Health Insurance Portability and Accountability Act (HIPAA)

WHAT NOT to do when repairing your CREDIT: As anyone can see, credit repair is not easy. It takes time, reallocation of resources, and dedication. Therefore, keep in mind, there are no easy ways out of repairing credit. Federal Trade Commission http://ftc.gov/bcp/edu/pubs/consumer/credit/cre13.shtm offers great advice on how to recognize a scam. Credit scammers provide advertisements in newspapers, on TV, and on the Internet. They are even on the radio and on flyers in the mail. They all make the same claims:

“Credit problems? No problem!”

“We can remove bankruptcies, judgments, liens, and bad loans from your credit file forever!”

“We can erase your bad credit — 100% guaranteed.”

“Create a new credit identity — legally.”

The Federal Trade Commission (FTC) says “do yourself a favor and save some money, too. Do not believe these claims: they are very likely signs of a scam. Indeed, attorneys at the nation’s consumer protection agency say they have never seen a legitimate credit repair operation making those claims. The fact is there is no quick fix for creditworthiness. You can improve your credit report legitimately, but it takes time, a conscious effort, and sticking to a personal debt repayment plan.”

AVOID CREDIT REPAIR COMPANIES: Experian, one of the three major credit reporting agencies, says it perfectly, “There is nothing any credit repair clinic can legally do for you — including removing inaccurate credit information — which you cannot do for yourself for free. Their fees can be substantial, ranging from hundreds to thousands of dollars.” It’s more beneficial to begin a get out of debt plan on an individual basis rather than consult in a company for assistance. One major reason has to do with debt settling. Debt settling is an approach to debt reduction on which the creditor and debtor agrees on a reduced balance. However, it is possible that this settled debt will negatively affect your credit rating. Yes, a debt is being satisfied, but not for the original amount borrowed. In addition, future creditors will take note of previously settled debts and not have as much confidence in lending additional funds, especially at reasonable
rates. The rates could be higher and not beneficial to a debt repair process.

Most importantly, settling a debt with a debt settlement company can cost you a lot of money. In addition, some of the promises debt settlement companies make might not ever be granted. Read this article by CBS about how debt settlements can hurt more than help.

**Stay in touch with creditors and negotiate terms:** If a debt is charged off, it may be too late to negotiate any terms, and again, the company will be very quick to offer a debt settlement, which is advisable to avoid. However, if negotiating with a creditor is the only option, consider discussing with the creditor. First, stay in touch with creditors before the debt is sold to a collection agency. Once the debt is transferred, more fees could be added making the debt even larger. Once contact is made with a creditor, if a payment plan is offered, have in mind a feasible and affordable monthly payment. If the payment is agreed upon, make sure the payment plan is sent in writing and never provide bank account information for debit of the negotiated amount. Send a money order to fulfill the monthly payment. This is because creditors may debit more than the negotiated monthly payment, which would have to be disputed. This link will give more information and ten valuable tips for successfully negotiating with creditors.

**Know your credit repair rights and avoid other credit scams:** As mentioned above in regards to the credit repair companies, know that there is no company that can legally remove accurate and timely negative information from a credit report. Know your rights and know a scam when you see one. Read the Federal Trade Commission’s advice for knowing your rights, recognizing a scam, and legally disputing items on your credit report! If you have been a victim and/or need a sample disputer letter, this site will help. In addition, click here for more valuable information from the FBI in regards to fraudulent credit scams.

**Do not give up:** Credit repair is a long, difficult process with life changing results. Never give up! The end results are rewarding and will benefit future financial decisions by being given the ability to qualify for lower interest rates on major life purchases.

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**Payday Loans and Title Companies**

A *payday Loan* is a short, unsecured, pay day advanced loan that relies on the consumer having previous payroll and employment records. Despite jurisdiction limiting the annual percentage rate, the rates on payday loans are extremely high. **Finance charges**, a fee representing the cost of credit, can range from 15%-30%. When comparing the finance charges of such a high rate over the course of just a few weeks to getting a loan with an annual percentage, the rate compares to an exorbitant rate of nearly 800%, in some cases. Read this article about the dangers of associating with them.

Click here to read the pros and cons of payday loans.

In addition, *car title loans*, a short-term loan carrying a higher interest rate where the borrower provides their car title as collateral for a loan, are to be avoided. This article by CNN explains the dangers of these companies. Creating a budget and sticking to a plan can assist in avoiding these high interest rate loans.

Click here to read the pros and cons of title company loans.
How to Resolve or Dispute Invalid Medical Claims

The following provides you with some useful self-help information on the how to’s of disputing invalid medical claims.

How to File Health Insurance Complaints

What DFS can do for you.

Recommended by the Constitutional Revision Commission, and passed into law by voters in 1998, the Florida Legislature carried out an amendment to the state's constitution by merging the Department of Insurance, Treasury, State Fire Marshal and the Department of Banking and Finance into the Department of Financial Services effective January 2003.

The Department is made up of 14 divisions, several specialized offices and 2,000 employees providing the most efficient and effective help for you. Click here to get detailed information and links to each Division's web page. Consumers can contact a specialist directly by telephone between the hours of 8 a.m. to 5 p.m. at the statewide, toll-free number 1-877-MY-FL-CFO (693-5236).

Consumers can also visit www.MyFloridaCFO.com for 24-hour access to our online Insurance Library, consumer guides, a calendar of free consumer workshops offered around the state, or to ask a question of an insurance specialist.

If you or someone you know has been the victim of insurance fraud please visit www.MyFloridaCFO.com or call their Fraud Hotline at 1-800-378-0445.

Florida Office of Insurance Regulation

The Office serves Floridians through its responsibilities for regulation, compliance and enforcement of statutes related to the business of insurance. The Office is also entrusted with the duty of carefully monitoring statewide industry markets. A toll-free helpline (1-800-342-2762) is available for consumers. For more information, go to: http://www.floir.com/.

The Consumer Services Division is the investigative arm of the Florida Office of Insurance Regulation and attempts to ensure fair and equitable dealings between insurers, agents, and policyholders regarding all insurance transactions. This division receives all complaints against agents or insurers.

Request Insurance Assistance — This is where you can submit a request and have one of their insurance specialists answer your insurance questions, and, if necessary, contact your company or agent on your behalf.

Mediation Assistance Information — This will allow you to submit your mediation request form and their mediation specialists are prepared to receive and handle your request to expedite mediation with your insurance company.

Insurance Library — Their Online Library of Insurance terms will help answer all of your insurance questions. Looking for an answer to a specific insurance question? Select the first letter of the subject you are searching. When the page displays, click a subject to view its detailed information.

Help - View a Tutorial about the Consumer Helpline Online and where to access all of their consumer information.

Click here for insurance consumer resources.
A growing number of people now get their health care through some form of managed care plan – a health maintenance organization, preferred provider organization, or point-of-service option. To review a Consumer Guide to Handling Disputes with Your Private or Employer Health Plan, go to: http://www.kff.org/insurance/upload/Consumer-Guide-PDF.pdf.

To review a Washington Post article published October 24, 2011, go to Consumer Reports: Haggling with health-care providers may reduce medical bills.

To view a Business Week article and video produced by CBS News on why there are medical bills you may not owe, go to: http://www.businessweek.com/stories/2008-08-27/medical-bills-you-shouldnt-pay.

If you are one of the millions of people who are struggling to pay medical bills, you should be aware of the steps you can take to reduce or manage your debt. To review a Consumer’s Guide to Coping with Medical Debt, go to: http://www.familiesusa.org/resources/resources-for-consumers/coping-with-medical-debt.html.

Click here for six tips for successfully paying medical bills.

Overview of the Patient Protection and Affordable Care Act

The Patient Protection and Affordable Care Act (PPACA) will ensure that all Americans have access to quality, affordable health care and will create the transformation within the health care system necessary to contain costs. The Congressional Budget Office (CBO) has determined that the Patient Protection and Affordable Care Act is fully paid for, ensures that more than 94 percent of Americans have health insurance, bends the health care cost curve, and reduces the deficit by $118 billion over the next ten years and even more in the following decade.

Patient Protection and Affordable Care Act Resource Information

The U.S. Department of Labor, Employee Benefits Security Administration offers resource information found at http://www.dol.gov/ebsa/healthreform/.

Local Insurance Counseling

Locate a State Health Insurance Assistance Program by State
How to Dispute a Hospital Bill

Ehow.com offers some practicable information and advice.

A visit to the hospital involves a great deal of paperwork before admittance. Unfortunately, there is much more after the visit is over. You will receive an Explanation of Benefits and bills from radiologists, doctors and hospitals. Mistakes in amounts of supplies used, the type of room that you occupied, or the number of days in the hospital, can cause hospital costs to rise even higher. If you find mistakes on your bill, you can dispute them. For more information, go to: http://www.ehow.com/how_2062708_dispute-hospital-bill.html.

How Does the Florida Legislature Help with Medical Bill Issues?

The Florida Legislature passed a statute you should be familiar with known as Chapter 395 – Hospital Licensing and Regulation. It can be helpful to know that patients have a right to an itemized bill within §395.301

(1) A licensed facility not operated by the state shall notify each patient during admission and at discharge of his or her right to receive an itemized bill upon request.

Within 7 days following the patient’s discharge or release from a licensed facility not operated by the state, the licensed facility providing the service shall, upon request, submit to the patient, or to the patient’s survivor or legal guardian as may be appropriate, an itemized statement detailing in language comprehensible to an ordinary layperson the specific nature of charges or expenses incurred by the patient, which in the initial billing shall contain a statement of specific services received and expenses incurred for such items of service, enumerating in detail the constituent components of the services received within each department of the licensed facility and including unit price data on rates charged by the licensed facility, as prescribed by the agency.

Department of Health, Division of Medical Quality Assurance

Effective July 1, 2002, the Department of Health, Division of Medical Quality Assurance (MQA) assumed responsibility of analysis of complaints and reports involving potential misconduct of a licensee and initiates investigations when appropriate. Previously this was performed by the Agency for Health Care Administration. The boards and councils within MQA determine probable cause and disciplinary action in cases involving the misconduct of their licensees.

How do I file a complaint?

You may print the Complaint Form with the Authorization for Release of Patient Records form from the list below or call 1-888 419-3456 or (850) 245-4339 to request one by mail.

To avoid delays in the process, please complete all sections of the form and attach the requested information.

All complaints must be legibly written or typed, and signed. Forms are provided in PDF format and require Adobe Reader to view (free at: www.Adobe.com).
General Health Care Professions Complaint form (pdf - 158kb)

Dental Professions Complaint form (pdf - 255kb)

Psychiatric/Psychology Complaint form (pdf - 162kb)

Unlicensed Person Complaint form (pdf - 168kb)

To file a complaint on a non-medical related business or profession, please visit the Department of Business and Professional Regulation. For more information, go to: http://www.doh.state.fl.us/mqa/enforcement/enforce_howto.htm. Click here to review a Consumer Guide to the 20 Most Common Ways Hospitals Overcharge Patients.

To review the Florida Patient's Bill of Rights and Responsibilities, go to: http://www.doh.state.fl.us/mqa/profiling/billofrights.htm.

Worker's Comp Medical Disputes

The Florida Department of Financial Services, Office of Medical Services can investigate to determine healthcare provider utilization patterns, billing practices or violations of law or rules that may require penalties, pursuant to Section 440.13(8), (11) or (13), Florida Statutes. For more information, go to: http://www.myfloridacfo.com/wc/provider/oms-contact.html.

How to file a Medicaid Complaint

This system can be accessed by calling the number below between the hours of 8:00 A.M. and 6:00 P.M. Eastern Time Monday through Friday. Complaints about health care facilities are taken during regular business hours, 8:00 A.M. to 5:00 P.M., Eastern Standard Time (EST). (888) 419-3456

How to Report Medicaid Fraud

Fraud Reporting Number: 1-888-419-3456


Medicaid Fraud Control Unit (MFCU) Reporting Number: 1-866-966-7226 MFCU website where suspected fraud can be reported.

How to file a Medicare Complaint

There is a Medicare booklet produced in 2012 that provides basic information about what Medicare is, who is covered and some of the options you have for choosing Medicare coverage. For the latest information about Medicare, visit the website or call the toll-free number 1-800-MEDICARE (1-800-633-4227) to get help. TTY users should call 1-877-486-2048. A representative can direct your inquiry to the Medicare Ombudsman as needed.

How the Medicare Beneficiary Ombudsman Works for you

The Office of the Medicare Ombudsman (OMO) helps you with complaints, grievances, and information requests.

Choose your coverage or type of complaint:

Original Medicare Plan (Part A & Part B)
1-800 Medicare Billing Questions Fact Sheet
Frequently Asked Questions

Medicare Advantage Plans (Part C) and Prescription Drug Coverage (Part D)
Tell Medicare about Your Complaint
Locate Your Plan to File a Complaint
Frequently Asked Questions

Quality of Care (Quality Improvement Organization (QIO))
QIO Quality of Care Fact Sheet
Locate a QIO by State
Frequently Asked Questions

Quality of Care (State Survey Agencies)
Quality of Care Complaint Process Fact Sheet
Locate a State Survey Agency by State
Frequently Asked Questions

Fraud & Abuse
To Report Fraud & Abuse
Fraud & Abuse Fact Sheet for Part D

You are now able to submit feedback about your Medicare health plan or prescription drug plan directly to Medicare using this form. The Centers for Medicare & Medicaid Services values your feedback and will use it to continue to improve the quality of the Medicare program. If you have any other feedback or concerns, or if this is an urgent matter, please call 1-800-MEDICARE (1-800-633-4227). TTY/TTD users can call 1-877-486-2048.

For more information, go to: https://www.medicare.gov/medicarecomplaintform/home.aspx

To file a Medicare Part D Complaint, go to: http://www.q1medicare.com/PartD-HowToFileAMedicarePartDComplaint.php

Medicare Advantage Plans and Medicare Cost Plans: How to File a Complaint (Grievance or Appeal)

Medicare Advantage Plans (like an HMO or PPO) and Medicare Cost Plans are health plan options that are approved by Medicare and run by private companies.

When you join a Medicare Advantage Plan or Medicare Cost Plan, you are still in the Medicare Program. These plans often have networks, which mean you may have to see doctors who belong to the plan or go to certain hospitals to get covered services. Some of these plans require referrals to see specialists.

For more information, go to: http://www.allianceforpatientaccess.org/resource/medicare_advantage_plans.pdf

Medicare Appeals and Grievances

What is an Appeal?

An appeal is the action you can take if you disagree with a coverage or payment decision made by Medicare or your Medicare plan. You have the right to appeal any decision about your Medicare services. You can appeal if Medicare or your plan denies:

- A request for a health care service, supply, or prescription that you think you should be able to get
A request for payment for health care services or supplies or a prescription drug you already got that was denied

A request to change the amount you must pay for a prescription drug

You can also appeal if Medicare or your plan stops providing or paying for all or part of an item or service you think you still need. If you decide to file an appeal, ask your doctor or other health care provider or supplier for any information that may help your case.

Filing a Medicare Appeal


How you file an appeal depends on the type of Medicare coverage you have.

If you have Original Medicare:

If you want to file an appeal, get the Medicare Summary Notice (MSN) that shows the item or service you’re appealing. You must file the appeal within 120 days of the date you get the MSN.

You can file your appeal in one of two ways:

1. Follow the instructions on the back of the MSN.

2. Fill out the Redetermination Request Form, and send it to the Medicare contractor at the address listed on the MSN.

You will generally get a decision from the Medicare contractor (either in a letter or a Medicare Summary Notice) within 60 days after they get your request.

If you have a Medicare Prescription Drug Plan, you have the right to do all of the following (even before you buy a certain drug):

- Get a written explanation (called a “coverage determination”) from your Medicare drug plan.

- A coverage determination is the first decision made by your Medicare drug plan (not the pharmacy) about your benefits, including whether a certain drug is covered, whether you’ve met the requirements to get a requested drug, how much you pay for a drug, and whether to make an exception to a plan rule when you request it.

- Ask for an exception if you or your prescriber (your doctor or other health care provider who is legally allowed to write prescriptions) believes you need a drug that is not on your plan’s formulary.

- Ask for an exception if you or your prescriber believes that a coverage rule (such as prior authorization) should be waived.

- Ask for an exception if you think you should pay less for a higher tier (more expensive) drug because you or your prescriber believes you cannot take any of the lower tier (less expensive) drugs for the same condition.

You or your prescriber must contact your plan to ask for a coverage determination or an exception. If your network pharmacy cannot fill a prescription, the pharmacist will show you a notice that explains how to contact your Medicare drug plan so you can make your request.

If the pharmacist does not show you this notice, ask to see it. You or your prescriber may make a standard request by phone or in writing, if you’re asking for prescription drug benefits you have not received yet. If you are asking to get paid back for prescription drugs you already bought, you or your prescriber must make the standard request in writing.
You or your prescriber can call or write your plan for an expedited (fast) request.

Your request will be expedited if you have not received the prescription and your plan determines, or your prescriber tells your plan, that your life or health may be at risk by waiting.

If you’re requesting an exception, your prescriber must provide a statement explaining the medical reason why the exception should be approved.

**What if I think My Services are Ending Too Soon?**

If you’re getting Medicare services from a hospital, skilled nursing facility, home health agency, comprehensive outpatient rehabilitation facility, or hospice, and you think your Medicare-covered services are ending too soon, you have the right to a fast appeal.

Your provider will give you a written notice before your services end that tells you how to ask for a fast appeal. If you’re not given this notice, ask for it!

**Can Someone Help Me File an Appeal?**

Contact your State Health Insurance Assistance Program (SHIP) if you need help filing an appeal. If you want Medicare to give your personal health information to someone other than you, you need to let Medicare know in writing by filling out the Authorization to Disclose Personal Health Information form. In general, claim disputes can be caused from the vendor not correctly submitting a claim for reimbursement by Medicare. See link on same: (How to dispute Medicare collections) https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/SE0728.pdf.

**Medicare Prescription Drug Coverage: How to File a Complaint, Coverage Determination, or Appeal**

**Keep It With You: Personal Medical Information Form**

Designed for people who need care during disasters, the tool helps individuals maintain concise personal medical records by listing medications, medical conditions, and other health related information.
General Overview of Medicaid

For a general overview including the history of Medicaid, as indicated at [https://www.cms.gov/History/](https://www.cms.gov/History/). Medicaid is a program that pays for medical assistance for certain individuals and families with low incomes and resources. This program became law in 1965 and is jointly funded by the Federal and State governments (including the District of Columbia and the Territories) to assist States in providing medical long-term care assistance to people who meet certain eligibility criteria. Medicaid is the largest source of funding for medical and health-related services for people with limited income.

The Medicaid program is authorized through Title XIX of the Social Security Act and through Title 42, Code of Federal Regulations. The Florida Medicaid program is authorized under Chapter 409, Florida Statutes (F.S.) and through Chapter 59G, Florida Administrative Code (F.A.C.).

“Title XIX of the Social Security Act and accompanying regulations require that in their state Medicaid programs, states cover medical care and services and fulfill administrative requirements necessary to operate the Medicaid program efficiently.”

The federal Medicaid statute is Title XIX of the Social Security Act of 1965.

Use the following link to access the provisions of Title XIX. Once you select a section to review, you can use your computer's "find" feature to search for specific provisions.


Florida's Medicaid State Plan (the Plan) is a comprehensive document describing the scope and nature of the Medicaid program. The Plan outlines current Medicaid eligibility standards, policies and reimbursement methodologies to help ensure that the state Medicaid Program is eligible to receive matching federal funds under Title XIX of the Social Security Act. For more information and to review the state plan, go to: [http://ahca.myflorida.com/Medicaid/stateplan.shtml](http://ahca.myflorida.com/Medicaid/stateplan.shtml)

Florida Medicaid State Plan Part I [15.54MB PDF] 10/12/2011 (Due to the larger file size, this document may take more time to download.) Updated October 12, 2011

Florida Medicaid State Plan Part II [18.24MB PDF] 10/12/2011 (Due to the larger file size, this document may take more time to download.) Updated October 12, 2011

Frequently Asked Questions:

Verifying Medicaid Recipient Eligibility Training, go to: [http://www.fdhc.state.fl.us/medicaid/e-library/docs/FAQs_111311.pdf](http://www.fdhc.state.fl.us/medicaid/e-library/docs/FAQs_111311.pdf)

MediPass information: [http://www.fdhc.state.fl.us/medicaid/medipass/index.shtml](http://www.fdhc.state.fl.us/medicaid/medipass/index.shtml)
General Overview of Medicare

Title XVIII of the Social Security Act, entitled “Health Insurance for the Aged and Disabled,” is commonly known as “Medicare.” As part of the Social Security Amendments of 1965, the Medicare legislation established a health insurance program for aged persons to complement the retirement, survivors and disability insurance benefits under other titles of the Social Security Act.

When first implemented in 1966, Medicare covered most persons age 65 and over. Since then, legislation has added other groups: (1) persons who are entitled to disability benefits for 24 months or more (1972); (2) persons with end-stage renal disease (ESRD) requiring dialysis or kidney transplant (1972); and (3) certain otherwise non-covered persons who elect to buy into the Medicare program (1973).

Medicare consists of two parts: hospital insurance (HI), also known as Part A; and supplementary medical insurance (SMI), also known as Part B. When Medicare began on July 1, 1966, there were 19.1 million persons enrolled in the program. By the end of 1966, 3.7 million persons had received at least some health care services covered by Medicare. In 1994, about 36.9 million persons were enrolled in one or both parts of the Medicare program. About 83 percent (84 percent of the aged) of all Medicare “enrollees” used some HI and/or SMI service in FY 1994, and thus are the 1994 Medicare “beneficiaries”. For more information, go to: Medicare.
Another important part of financial independence and knowledge comes when college is around the corner either for you or a child. Below, review resources regarding student loans and grant information about upcoming or current educational expenses.

The Smart Student Guide to Financial Aid  
An education loan is a form of financial aid that must be repaid, with interest. (Scholarships, on the other hand, do not have to be repaid.)

Education loans come in three major categories: student loans (e.g., Stafford and Perkins loans), parent loans (e.g., PLUS loans) and private student loans (also called alternative student loans). A fourth type of education loan, the consolidation loan, allows the borrower to lump all of their loans into one loan for simplified payment. A recent innovation is peer-to-peer education loans. More than $100 billion in federal education loans and $10 billion in private student loans are originated each year. For more information, go to: http://www.finaid.org/loans/.

Federal Student Aid  
Federal Student Aid provides information to make it easier to get money for higher education. For more information, go to: http://studentaid.ed.gov/

Federal Student Loans  
The term federal student loan applies to three different types of loans, which are available through the federal government. The government has several ways to help students pay for tuition, and loans are only one of those ways. The following links discuss and focus on three loan types: Federal Stafford Loans, Federal PLUS Loans, and Perkins Loans. For more information, go to: http://www.money-zine.com/Financial-Planning/College-Loan/Federal-Student-Loans/

Pell Grant  
A Federal Pell Grant, unlike a loan, does not have to be repaid. Federal Pell Grants usually are awarded only to undergraduate students who have not earned a bachelor's or a professional degree. (In some cases, however, a student enrolled in a post baccalaureate teacher certification program might receive a Federal Pell Grant.) For more information, go to: http://www2.ed.gov/programs/fpg/index.htm!.

FAFSA Online - Get Financial Aid Application Help!  
Free Application for Federal Student Aid: The Federal Financial Aid Application is the most important financial aid form you can complete to pay for college, but many people either avoid it or make costly mistakes when filling it out. A free, comprehensive Help Guide, Frequently Asked Questions, and Tips and Secrets will help you maximize your financial aid and qualify for scholarships, grants, and student loans. For more information go to: http://www.fafsaonline.com/

In addition, the U.S. Department of Education released a new interactive loan counseling tool to provide students with financial management basics, like information about their current loan debt and estimates for student loan debt levels after graduation.
Education Department Launches New Online Tool To Help Students Manage Loan Debt

Smartphone App regarding student loan information through Nelnet

Nelnet’s Loan Assist app makes it easy to stay up-to-date with payments and information about your student loans. You can use the Loan Assist app to make your student loan payment from wherever you are! Additional app functions, including loan payment calculators, status checks on submitted deferment or forbearance requests, a detailed account summary, and others, help you manage your account.

Apple link

Android link

First time Homebuyers and Rental Resource Information

One of the keys to making the home-buying process easier and more understandable is planning. In doing so, you’ll be able to anticipate requests from lenders, lawyers, and a host of other professionals. Furthermore, planning will help you discover valuable shortcuts in the home-buying process.

Common Questions from First-time Homebuyers

Hud.gov offers a wealth of resource information and funding opportunities for first-time homebuyers. For more information, go to: http://www.hud.gov/buying/comq.cfm.

Buying a Home

Thinking about buying a home? HUD has information that can help! Got questions? Talk to one of their housing counselors!

Home buying information/benefits for Veterans

Click here for information regarding veterans.

Loan Guaranty Service, Home Loan Program

First-Time Homebuyer Credit

You may be able to take the first-time homebuyer credit if you were an eligible buyer who purchased a home as your primary residence in 2008, 2009 or 2010. Eligibility varies depending upon the year of your purchase. And there are specific benefits that certain members of the military and certain other federal employees have, such as an additional year to buy a home in the United States, if they otherwise qualified for the credit.

Click here for more information on home buying grants, mortgages, government grants, first time home buyer grants and down payment assistance programs for buying a home. Most states offer various government grants, down payment assistance, first time home buyer grants and loans, home buying grants and mortgage loan programs for buying a home with no money down.
www.buying-a-home-info.com has compiled a list of the hundreds of these types of available programs. Each listed program has the contact information, phone numbers, addresses, and web site addresses, if available. For more information, go to: http://www.buying-a-home-info.com/grants_for_buying_a_home.htm.

Special Programs for Homebuyers

Many federal, state and local agencies administer programs to assist people who need help buying a home. Some of these are loan programs; others provide assistance with down payments or with building a home. For more information, click here.

How First Time Home Buyer Loans Work

Click here to learn more about the advantages and disadvantages of first time home buyer loans.

Additional Links related to home buying and mortgages

Mortgage101.com Commercial mortgage information site includeing amortization tables, etc.

Florida Down Payment Assistance Florida Down Payment Assistance Grants page for first time home buyers.

The American Dream Down Payment Act is a down payment assistance initiative that allows grants to be given to participating jurisdictions to assist low-to-mid-income families and uniformed employees such as, policemen, firemen, sanitation, maintenance workers, and teachers who are employees of the participating state to achieve homeownership. Grants made available under this initiative may be used only for down payment assistance toward the purchase of single family housing by eligible families.

State Housing Initiatives Partnership (SHIP) Program Florida Housing administers the State Housing Initiatives Partnership program (SHIP), which provides funds to local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing.

Habitat for Humanity Site to locate the Nearest Affiliate.

Rent vs. Own Calculator This rent vs. buy calculator lets you calculate the difference between renting a property and buying a home.


FAAST, Inc. Housing Resource Information

We have compiled a myriad of up to date state and federal housing resources on:

- Mainstream Vouchers
- Florida Housing Assistance
- Community Development Programs
- Low Income Weatherization Assistance Program (WAP)
- Foreclosure Prevention

FAAST, Inc. also offers a General Housing Resources and Self-Help Guide, which can also be found at www.faast.org/resources/library along with 12 other self-help resource guides.
First Time Home Buyer Apps

- Click here for 5 apps for home buyers.
- Download a free Apple app, Ann Langston by SimpleNexus by clicking here. This mortgage calculator has been designed to be the simplest, yet smartest calculator in the market. It calculates FHA, VA, USDA, and conventional mortgages. PMI is calculated accurately as well.
- Apple offers a First Time Home Buyer app. This app covers everything you need to know about buying a home for the first time - from attending "open houses", to dealing with agents, etc. - right down to obtaining a bank mortgage and what to expect during the closing.
- Android offers a First Time Home Buying Guide app at a low cost.

Planning for Your Future Through Investments

Introduction to Investments

Investments are a good way to plan for the future. Whether retirement planning or just saving for a rainy day, investments help achieve future goals you set for yourself. Here we are going to examine some of the common forms of investing.

Stock Market

The stock market is for the trading of company equity shares. These shares represent ownership rights in the companies they represent. Generally speaking, individual investors make money when the price of the shares they own rises and from dividends the companies pay on each share. For more information, click here.

Pros and Cons of Investing in the Stock Market

eHow.com offers the pros and cons of investing in the stock market.

To view a video on this subject, please click the link below:

Stock Market - A Beginners Guide (Part 1) - YouTube

Mutual Funds

A Mutual Fund pools money together from thousands of small investors and then its manager buys stocks, bonds or other securities with it, as defined by CNN Money. When you contribute money to a fund, you get a stake in all its investments. That's a big deal: Since most funds allow you to begin investing with as little as a couple thousand dollars, you can attain a diversified portfolio for much less than you could buying individual stocks and bonds. Plus, you don't have to worry about keeping track of dozens of holdings - that's the fund manager's job. The price for a share of a open-end fund is determined by the net asset value, or NAV, which is the total value of the securities the fund owns divided by the number of fund shares outstanding.

If a mutual fund has a portfolio of stocks and bonds worth $10 million and there are a million fund shares, the NAV would be $10. A fund’s NAV changes every day, after the market close, and reflects the price fluctuations of the fund's holdings. The NAV is the price at which you can buy and sell shares, as long as you don’t have to pay a sales commission, or "load." You have to pay a load fee when you buy from a broker, financial planner, insurance agent or other adviser. There are load and no-load funds.
Pros and Cons of Mutual Funds

When you own shares of a mutual fund, the benefit is that you have a convenient, well-diversified package of many individual investments that would be complicated for the typical investor to manage on their own. Mutual funds are professionally managed and give you the ability to invest small or large amounts of money, even if you do not have much financial or investing experience.

The pros sound great, but there are some important cons of investing in mutual funds to keep in mind:

- **Most charge fees.** Mutual funds can be expensive to operate. That’s why investors get hit with annual fees and sales commissions regardless of a fund’s performance. However, there are some no-load funds that can minimize management fees.
- **Share prices are calculated just once a day.** This is different from a stock where you can monitor price changes minute by minute, if you like, by checking Web sites like etrade.com or scottrade.com. Since a mutual fund is made up of multiple securities, its price depends on the fund’s net asset value or NAV which is calculated at the end of the trading day. When you put in an order to buy or sell mutual funds, the price is unknown until the financial markets close.
- **Capital gains of the fund get passed along to shareholders.** U.S. tax law requires mutual funds to distribute capital gains to their shareholders. These distributions are taxed at the long-term capital gain rate, no matter how long you’ve owned the shares.

For more information, go to: pros and cons of mutual funds.

To view a video on this subject, please click the link below:

Citi: Mutual Funds Explained - YouTube
401(k) Plans

A 401(k) plan is a qualified plan established by employers to which eligible employees may make salary deferral (salary reduction) contributions on a post-tax and/or pretax basis. Employers offering a 401(k) plan may make matching or non-elective contributions to the plan on behalf of eligible employees and may also add a profit-sharing feature to the plan. Earnings accrue on a tax-deferred basis. 401(k) plans represent a way to save while reducing your taxable income since contributions come out of your paycheck before federal taxes are withheld.

Some employers offer a matching contribution to 401(k) plans and the money you save benefits from tax-deferred growth. This can result in compound interest in your tax deferred savings in a 401(k) plan.

As of 2012, the maximum amount a person can contribute to their 401(k) is $17,000, $22,500 if you are over 50. For all its tax advantages, the 401(k) is not a penalty-free ride.

If you take out money from your account before age 59-1/2, and with few exceptions, you will owe income taxes on the amount withdrawn plus an additional 10% penalty. If you absolutely must draw from your 401(k) before 59-1/2, and emergencies do crop up, there are a few ways it can be done.

Pros and Cons of 401(k) plans

The Wall Street Journal offers pros and cons of 401(k) plans.

403(b) Plans

A 403(b) plan is a retirement plan for certain employees of public schools, tax-exempt organizations and certain ministers. Generally, retirement income accounts can invest in either annuities or mutual funds. Also known as a "tax-sheltered annuity (TSA) plan".

The features of a 403(b) plan are very similar to those of a 401(k) plan. Employees may make salary deferral contributions that are usually limited by regulatory caps. Individual accounts in a 403(b) plan can be any of the following types:

- An annuity contract, which is provided through an insurance company.
- A custodial account, which is invested in mutual funds.
- A retirement income account set up for church employees.

Pros and Cons of 403(b) plans

FinancialWeb.com offers pros and cons of 403(b) plans.

Individual Retirement Accounts (IRAs)

An IRA is an investing tool used by individuals to earn and earmark funds for retirement savings.
There are several types of IRAs: Traditional IRAs, Roth IRAs, SIMPLE IRAs and SEP IRAs.

Traditional and Roth IRAs are established by individual taxpayers, who are allowed to contribute 100% of compensation (self-employment income for sole proprietors and partners) up to a set maximum dollar amount.

Contributions to the Traditional IRA may be tax deductible depending on the taxpayer's income, tax filing status and coverage by an employer-sponsored retirement plan. Roth IRA contributions are not tax-deductible. SEPs and SIMPLEs are retirement plans established by employers. Individual participant contributions are made to SEP IRAs and SIMPLE IRAs.

**Pros and Cons of IRAs**

FinancialPlanningAdvises.com offers [pros and cons of IRAs](#).

**Roth IRA**

A Roth IRA is an individual retirement plan that bears many similarities to the traditional IRA, but contributions are not tax deductible and qualified distributions are tax free. Similar to other retirement plan accounts, non-qualified distributions from a Roth IRA may be subject to a penalty upon withdrawal.

A qualified distribution is one that is taken at least five years after the taxpayer establishes his or her first Roth IRA and when he or she is age 59.5, disabled, using the withdrawal to purchase a first home (limit $10,000), or deceased (in which case the beneficiary collects). Since qualified distributions from a Roth IRA are always tax free, some argue that a Roth IRA may be more advantageous than a Traditional IRA.

**Pros and Cons of Roth IRAs**

FinancialWeb.com offers [pros and cons of Roth IRAs](#).

**Roth IRA Resources:**

Details about Roth IRAs are contained in [Publication 590](#), Individual Retirement Arrangements (IRAs) and include:

- Setting up your Roth IRA;
- Contributions to your Roth IRA; and
- Distributions (withdrawals) from your Roth IRA.

**Differences Between Roth IRAs and Designated Roth Accounts**

To view a video on the Roth IRA, please click the link below:

[What can a Roth IRA do for you? - Vanguard - YouTube](#)

**College Savings Plans**

[College savings plans](#) are a tax-advantaged method of saving for future college expenses that is authorized by [Section 529](#) of the Internal Revenue Code. The plan allows an account holder to establish a college savings account for a beneficiary and use the money to pay for tuition, room and board, mandatory fees and required books and computers.
The money contributed to the account can be invested in stock or bond mutual funds or in money market funds, and the earnings are not subject to federal tax (or state tax, in most cases) as long as the money is used only for qualified college expenses. The plans are open to both adults and children.

**Pros and Cons of college savings plans**

Yahoo Finance! offers pros and cons of 529 plans. To see a video on this subject, please click the link below:

ABC News - 529 Savings Plans - Everything You Need To Know To Set Up Yours and Save For College - YouTube

**What is a “Reverse Mortgage”?**

Reverse Mortgages have been around since the 1960s but have been on the increase in recent years, possibly due to the economy and strenuous advertising. In the Federal fiscal year ending September 30, 2011, Reverse Mortgages increased 77% over the previous Federal fiscal year to over 76,000; still less than 1% of the total mortgages for the year.

A reverse mortgage, also known as a Home Equity Conversion Mortgage (HECM), is a special type of home loan that converts a portion of the equity in your home into cash payments. The equity that you built up over years of making mortgage payments can be paid to you.

However, unlike a traditional home equity loan or second mortgage, HECM borrowers repay the HECM loan after the borrowers no longer use the home as their principal residence or fail to meet the obligations of a HECM.

You can also use a HECM to purchase a primary residence if you have sufficient additional funds on hand to pay the difference between the HECM proceeds and the sale price plus closing costs for another property you are purchasing.

**Are Reverse Mortgages Risky?**

When you’ve used up the money you borrowed through a reverse mortgage, what’s next?

Can these "safe" loans lead you straight to foreclosure in your later years? For more information, go to: http://www.aarp.org/money/estate-planning/info-03-2012/risks-of-taking-reverse-mortgage-early.html.

**AARP Sues HUD Over Shift in Reverse Mortgage Policies**

AARP sues the Department of Housing and Urban Development, which regulates the mortgage products alleging older homeowners forced into foreclosure, suit says. For more information, click here.

**Pitfalls of Reverse Mortgages**

Go to http://www.reversemortgagedisadvantage.com/ for information to help seniors learn the truth about the disadvantages of reverse mortgages. There are some pitfalls to the process that everyone should consider.

For more information, go to: Reverse Mortgage Pitfalls.
Myths and Misconceptions

Like any other great product, reverse mortgages have their share of myths and misconceptions. While most of the myths and misconceptions are untrue, reverse mortgages are not for everyone. Seniors considering this product should talk to a knowledgeable friend, specialist or counselor to get information about how they truly work without the false myths and misconceptions.

Pros vs. Cons, Advantages vs. Disadvantages, Benefits vs. Pitfalls

There are both pros and cons, benefits and disadvantages to reverse mortgages.

Pros or benefits are that they do not need to be repaid during the lifetime of the borrower. Further, the FHA’s (Federal Housing Authority) HUD (Housing and Urban Development) division insures reverse mortgages under their HECM program (Home Equity Conversion Mortgages).

Seniors get to live in their home until they pass away. Let's also not forget about the handy HECM monthly payment checks that the seniors receive.

Seniors often use a reverse mortgage calculator to estimate how much money they can get. Disadvantages or pitfalls include the limits set by the FHA that prevent reverse mortgage lenders from giving you the full value of the house.

There are also interest rates applicable and the closing costs are higher than that of regular mortgages but more lenders are starting to waive some of their fees. Additionally like all other programs, it eats up the equity of the home which leaves less inheritance. Further reverse mortgage information can be obtained from a counseling specialist.

What is the Federal Government’s role in a Reverse Mortgage?

The Home Equity Conversion Mortgage (HECM) is FHA's reverse mortgage program, which enables you to withdraw some of the equity in your home.

The HECM is a safe plan that can give older Americans greater financial security. Many seniors use it to supplement Social Security, meet unexpected medical expenses, make home improvements and more.

You can receive additional free information about reverse mortgages in general by contacting the National Council on Aging at (800) 510-0301 or downloading their free booklet, "Use Your Home to Stay at Home," a guide for older homeowners who need help now.

It is smart to know more about reverse mortgages, and decide if one is right for you! For more information, go to: Frequently Asked Questions about HUD’s Reverse Mortgages.

Reverse Mortgages are programs designed to enable senior homeowners 62 years and older to convert part of their home equity into cash. They can do this without having to sell their home or give up the title. Seniors do not have to take on any new mortgage payments either. Instead of making monthly payments to a lender, the reverse mortgage lender makes payments to the senior homeowner.
The Federal Housing Administration (FHA) is behind today’s loans. The FHA does not make loans directly but insures lenders against any losses on loans called HECMs.

The U.S. Government through the FHA HUD insures the loans. Upon the sale of the property, in the event the proceeds do not cover the entire amount of the mortgage plus associated fees and interest, the FHA bridges the gap for the lender.

It should be noted, though, that when it comes to a home appreciating in value, there is virtually no difference between conventional and reverse mortgages. The lender only recovers what they are actually owed. When the sale of a home under a reverse mortgage or HECM takes place, first the reverse mortgage costs, fees and interest must be repaid before any remaining funds are paid to the homeowner or their heirs.

Are there different types of Reverse Mortgages?

Beginning October 4, 2010, homeowners seeking to obtain a FHA Home Equity Conversion Mortgage (HECM) will have the option of reducing their closing costs by selecting HECM Saver as their initial mortgage insurance premium.

For more information, you should review the Consumer Fact Sheet – HECM Saver. The HECM Saver differs from the traditional HECM Standard Program in that eligible borrowers 62 and older will be charged significantly lower upfront fees.

However, the lower upfront fees do result in less money being made available to the borrower than is available under HECM Standard.

How does a reverse mortgage affect Medicaid and Social Security benefits?

There are certain circumstances in which Medicaid benefits might be affected by a reverse mortgage. For more information, click here.

Payments made to a homeowner under a reverse mortgage are treated as income. For more information, click here.

A reverse mortgage does not affect “non-means-tested” government benefits programs such as Social Security.

However, Supplemental Security Income (SSI) is a federal income supplement program that aids elders, individuals with disabilities, and others with little or no income. Consequently, eligibility for SSI can be affected by a reverse mortgage. For more information, click here.

A reverse mortgage does not affect regular Social Security or Medicare benefits. However, if you are on Medicaid or SSI, any reverse mortgage proceeds that you receive must be used immediately. Funds that you retain would count as an asset and could impact eligibility.

To view a video on this subject, please click the link below:

Pros, Cons of Reverse Mortgages - YouTube
Insuring Yourself

It's important to know the different types of insurance you should have and the ones that you might not need. Additionally, it's important to learn and understand the different types of plans and your responsibilities with each.

Auto and Home Insurance Coverages: [AutoHome_Insurance.htm](http://moneyfor20s.about.com/od/autohomeinsurance/AutoHome_Insurance.htm)

Health Insurance Coverages: [Health_Insurance.htm](http://moneyfor20s.about.com/od/healthinsurance/Health_Insurance.htm)

Life Insurances and more: [Other_Insurance.htm](http://moneyfor20s.about.com/od/otherinsurance/Other_Insurance.htm)

Amount of Life Insurance Coverages: [How Much Life Insurance Do You Need?](How_Much_Life_Insurance_Do_You_Need?)

Disability Insurance: [How Much Disability Insurance Do You Need?](How_Much_Disability_Insurance_Do_You_Need?)

On the death of the insured, term life insurance pays the face amount of the policy to the named beneficiary. You can buy terms for periods of one year to 30 years. Whole life insurance, on the other hand, combines a term policy with an investment component. The investment could be in bonds and money-market instruments or stocks.

The policy builds cash value that you can borrow against. The three most common types of whole life insurance are traditional whole life policies, universal and variable. With both whole life and term, you can lock in the same monthly payment over the life of the policy. (Read more on how to buy a life insurance policy or determine how much life insurance you will need.) Visit [insure.com](http://insure.com) to get ratings online from Standard & Poor's as well comprehensive reports on individual insurers. In addition, [AM Best](http://AM_Best) has a large database where you can access ratings free of charge. To see a video on this subject, please click on the link below:

Suze Orman on Life Insurance: Term Life Insurance vs. Whole Life - [YouTube](http://Suze_Orman_on_Life_Insurance:_Term_Life_Insurance_vs._Whole_Life_-_YouTube)

Florida KidCare

Through [Florida KidCare](http://Florida_KidCare), the state of Florida offers health insurance for children from birth through age 18, even if one or both parents are working. It includes four different parts. When you apply for the insurance, Florida KidCare will check which part your child may qualify for based on age and family income.

Smartphone Apps for insurance coverage, filing claims, etc.

[Insurance Apps for your Smartphone](http://Insurance_Apps_for_your_Smartphone) Apps to assist in having your insurance company with you wherever you go to check out your account and your insurance policy for auto, home, life, business coverage as well as to file a claim directly from your Android, iPhone or perhaps other mobile device.
Taxes and Your Responsibility

Taxes – an overview:

Taxes are a part of everyone’s life. Most items you purchase also come with a sales tax requirement.

There are gas taxes on every gallon of gasoline you pump. If you buy a piece of property, there are doc stamps to be paid.

Almost every financial transaction that takes place requires some form of taxation.

Here we will be focusing primarily upon income and property taxes.

Income Taxes:

Generally speaking, income taxes are a part of almost everyone’s life.

Even those making less than the amount required to file (see table below) may wish to file if they qualify for any of the numerous tax credits available.

<table>
<thead>
<tr>
<th>Filing Status</th>
<th>Gross Income Thresholds</th>
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| Single        | Under 65: $9,500  
65 or older: $10,950 |
| Married filing Jointly | Under 65 m(both spouses): $19,000  
65 or older (one spouse): $20,150  
65 or older (both spouses): $21,300 |
| Married filing separately | Any age: $3,700 |
| Head of household | Under 65: $12,200  
65 or older: $13,650 |
| Qualifying widow(er) with dependent child | Under 65: $15,300  
65 or older: $16,450 |

The IRS offers free tax return preparation by volunteers consisting of two programs: Volunteer Income Tax Assistance (VITA) and the Tax Counseling for the Elderly (TCE).

Get the most from your dollars

Even if you do not have to file, you will want to file in order to receive a refund of any Federal Income Tax withheld. You should also file if you are eligible for any of the following credits:

- Earned Income Credit
- Additional Child Tax Credit American
- Opportunity Credit First-time Homebuyer Credit
- Credit for Federal Tax on Fuels
- Adoption Credit
- Refundable Credit from Prior Year Minimum Tax
- Health Coverage Tax Credit
VITA: The VITA Program generally offers free tax help to people who make $50,000 or less and need assistance in preparing their own tax returns. IRS-certified volunteers provide free basic income tax return preparation to qualified individuals in local communities. They can inform taxpayers about special tax credits for which they may qualify such as Earned Income Tax Credit, Child Tax Credit, and Credit for the Elderly or the Disabled. VITA sites are generally located at community and neighborhood centers, libraries, schools, shopping malls, and other convenient locations. Most locations also offer free electronic filing.

Find a VITA site near you or call 1-800-906-9887.

TCE: The TCE Program offers free tax help for all with priority assistance to people who are 60 years of age and older, specializing in questions about pensions and retirement issues unique to seniors. IRS-certified volunteers who provide tax counseling are often retired individuals associated with non-profit organizations that receive grants from the IRS.

Find an AARP Tax-Aide, site near you or call 1-888-227-7669 for more information on the TCE Program.

Florida Taxes:

As of 2012, Florida does not have a personal or state income tax. Florida does have a corporate income tax. Due to Florida's nature as a tourist destination, the state relies primarily on sales taxes for revenue. Florida levies a six percent sales tax. Additionally, counties, cities and school districts can levy local optional sales taxes subject to ballot approval of the electorate.

Personal and real property taxes

Property, or "ad valorem," taxation provides local government funding in Florida. The Property Tax Administration Program, or PTA, administers the assessment and collection of taxes on all real, personal and centrally assessed property. Florida's Property Valuations and Tax Data book provides a comprehensive look at the latest available property tax numbers across the state.

If you purchase a home in Florida, the tax on it is based on the just or fair market value of the property. Ad valorem taxes are assessed and collected annually by the county property appraiser. Taxpayers with questions about the process should review the Florida Property Taxpayer's Bill of Rights.

A $50,000 homestead exemption is available to homeowners who meet certain requirements, primarily that the property is the taxpayer's primary residence. Additional exemptions are also available in several other taxpayer situations. Details on the various benefits can be found at the state's homestead exemption Web page.

Owners of tangible personal property must file an annual return. However, the first $25,000 in assessed value is exempt from taxes.

Questions about local taxes can be directed to your local county property tax appraiser.

Free Smartphone Apps to help with Taxes
The How To's of Establishing and Maintaining a Small Business

Today many people with disabilities are turning to the flexibility of self-employment and entrepreneurship to meet both their career aspirations and financial goals. Starting your own small business does not have to be difficult. The following information includes useful tips to help develop your small business.

Where Can I Find Information?

www.Disability.gov provides information related to starting a small business in the Employment section of their web site or go to: https://www.disability.gov/employment.

Visitors can find federal and state resources on financial assistance, tax incentives, business plans, technical support and training. State resources and additional information about self-employment and entrepreneurship in specific states can be accessed by clicking on the "Search State Resources Only" menu and choosing a particular state, such as: Florida.

What Small Business Programs, Services & Supports are Available in Your Community?

Many states and local communities offer programs and services that help individuals with disabilities and veterans start small businesses. The following resources answer frequently asked questions, provide counseling, and direct visitors to the Service Corps of Retired Executives (SCORE) and local job development centers.

SCORE "Counselors to America's Small Business" is a nonprofit organization that educates entrepreneurs about the development, growth and success of small businesses nationwide. Both working and retired executives and business owners donate time and expertise as business counselors. Visitors can attend online workshops, receive free face-to-face counseling and receive help on developing a small business plan essential to starting a small business.

You can also access a database of information and resources by going to: http://www.score.org. The Florida SCORE has map links to the SCORE Chapters closest to you, website sponsors and the SCORE National and Small Business Administration (SBA) websites can be located and you may access Chapter contact information by clicking on any Florida county.

The Small Business Administration's (SBA) Small Business Development Centers (SBDCs) offer local one-on-one counseling to prospective and current entrepreneurs in the areas of planning, financing, management, technology, government procurement and other business-related topics. For more information, go to: http://www.sba.gov/content/small-business-development-centers-sbdc/. This site directs visitors to local SBDC contact information. Go to: http://floridasbdc.org/main.php.

The Small Business Training Network offers a virtual campus housing free training courses, workshops and knowledge resources designed to assist entrepreneurs and other students of enterprise. For more information, go to: www.sba.gov/training.

The Small Business Administration's Small Business Planner helps business owners manage each stage of the business lifecycle from start to finish. For more information, go to: http://www.sba.gov/category/navigation-structure/starting-managing-business.
Most small businesses rely on lenders to provide the capital they need to either open a business or to finance capital improvements. Without loans, many small business owners would be unable to realize their dreams of opening a business or expanding their operations. For more information, go to: http://www.sba.gov/category/navigation-structure/loans-grants/.

Small business grants are closer than you think. In fact, the small business grant you need to start or expand your business may be available right in your own home state. For more information, go to: http://usgovinfo.about.com/od/smallbusiness/a/flbusiness.htm.

Fact Sheet: Tax Breaks for Small Businesses: America’s entrepreneurs and small business owners continue to grow their businesses and create jobs due to unprecedented tax cuts that have been signed into law over the past two years. This includes billions of dollars in tax relief from laws such as the Recovery Act, the Small Business Jobs Act, the HIRE Act, the Affordable Care Act, and the Tax Relief and Job Creation Act. For more information, go to: http://www.sba.gov/content/fact-sheet-tax-breaks-small-businesses/.

Top Tax Deductions for Your Small Business

Using these tax deductions for your small business can save you money.

A Dozen Deductions for Your Small Business

Here are a dozen deductions that even savvy small-business owners and entrepreneurs sometimes forget.

Enacted into law as part of the Small Business Jobs Act of 2010 (the Jobs Act), the Small Business Lending Fund (SBLF) is a dedicated investment fund that encourages lending to small businesses by providing capital to qualified community banks and community development loan funds (CDLFs). For more information, go to: http://www.treasury.gov/resource-center/sb-programs/pages/small-business-lending-fund.aspx.

Investigating financing options for a small business? We’ve got some in the trenches advice for you on finding the funding that’s just right for your startup venture. For more information, go to: http://www.startupnation.com/business-articles/890/1/AT_FindingFundingThatsRight.asp.

The Florida Alliance for Assistive Services and Technology, Inc. (FAAST) operates the New Horizon Loan Program that can assist borrowers with disabilities who are qualified debt to income with assistive technologies related to small businesses. For more information, go to: http://www.newhorizonloanprogram.org/ or call 1-888-788-9216, ext. 107.

What Resources are Available for Entrepreneurs?

Entrepreneurs are the essence of the true American dream. The following resources provide support and assistance for entrepreneurs with disabilities who want to establish or expand a small business:

The U.S. Department of Labor’s (DOL) Office of Disability Employment Policy (ODEP) encourages youth with disabilities to participate in entrepreneurship programs. The site offers resources that explain the benefits of owning a small business and entrepreneurship education. http://www.dol.gov/odep/pubs/fact/entrepreneurship.htm
**Start-Up USA** is a site that offers self-employment technical assistance, fact sheets, resources, case studies, small business resources, training, seminars covering financing a small business, provides answers to frequently asked questions about self-employment for individuals with disabilities, and much more.

For more information, go to:  [http://www.start-up-usa.biz/](http://www.start-up-usa.biz/)

**Accessing Vocational Rehabilitation (VR) Services**  This Q and A fact sheet is the first in a series on accessing resources to support self-employment outcomes.

Self-employment is recognized as an "employment outcome" under the Rehabilitation Act Amendments of 1998, which are contained in Title IV of the Workforce Investment Act (WIA).

There are two sections of the Act where self-employment, telecommuting, and establishing a small business are mentioned as employment outcomes.

**HOW TO FINANCE A BUSINESS: SELF-EMPLOYMENT COURSE:**  [http://www.start-up-usa.biz/training/online_seminars/f_scott/index.cfm/](http://www.start-up-usa.biz/training/online_seminars/f_scott/index.cfm/)

**WHAT IS A PLAN FOR ACHIEVING SELF-SUPPORT (PASS)?**  [http://www.start-up-usa.biz/training/online_seminars/sullivan_pass/index.cfm/](http://www.start-up-usa.biz/training/online_seminars/sullivan_pass/index.cfm/)

**Free Accounting and Bookkeeping Tutorials**  The Tutorial Selection recommends sites providing free tutorials and courses about various small business subjects.

Links are included to a tutorial site dedicated to bookkeeping and accounting tutorials and topics, to other sites providing accounting tutorials and bookkeeping and accounting information and topics as well as to recommended tutorials and topics about marketing, statistics, economics, project management, excel, and word.

For more information, go to:  [http://www.dwmbeancounter.com/](http://www.dwmbeancounter.com/)

**Free confidential consulting for small businesses in any stage**  Here you will find online tutorials covering a range of topics, with targeted content responding to several critical areas for small businesses.

For more information, go to:  [http://tutorials.pasbdc.org/index/resources/onlinelearning.asp](http://tutorials.pasbdc.org/index/resources/onlinelearning.asp)

**How To Guides**  Technology evolves so quickly, that at times it can feel impossible to keep up. That's why we offer how-to guides, tips and tutorials.

They'll help you to get the most out of your technology tools -- so you can get back to running your business. For more information, go to:  [http://www.smallbusinesscomputing.com/how-to-guides](http://www.smallbusinesscomputing.com/how-to-guides)

**How Do I Write a Business Plan?**

The core foundation of a successful business is a well-developed and feasible business plan. The following resources include sample plans, software and other forms of support to help entrepreneurs during the business plan development process:

START-UP USA directs individuals with disabilities to self-employment services. The site offers information on [developing a business plan.](http://www.start-up-usa.biz/resources/content.cfm?id=645)

The [Training and Technical Assistance for Providers (T-TAP)](http://www.t-tap.org) offers an online seminar that covers critical factors in considering business feasibility, developing financial resources, basic business plan development and the identification and access to community small business resources.

For more information, go to:  [http://www.t-tap.org/training/online_seminars/griffin/griffin.htm](http://www.t-tap.org/training/online_seminars/griffin/griffin.htm)
Business.USA.gov is a government resource that educates small business owners about a variety of issues. Information is available on writing a business plan, starting a green business, finding a business location and buying a franchise. For more information, go to: http://business.usa.gov/

What is a Small Business Incubator & How Do I Find One?

Starting a business of any kind is risky. Small business incubators are programs that protect and assist young firms during their initial development. The following resources link entrepreneurs to programs that aid the survival of their business:

The National Business Incubation Association (NBIA) provides support and resources that assist small businesses during the start-up period. The site addresses frequently asked questions about small business incubators: http://www.nbia.org/resource_library/faq/.

Association for Enterprise Opportunity (AEO) strives to increase capacity of the field to support underserved entrepreneurs in starting, stabilizing and establishing businesses and to foster greater understanding of the importance of strong and effective microbusiness initiatives to the U.S. economy.

For more information, go to: http://www.aeoworks.org.

What Resources are Available for Veterans?

Veterans are a growing force within the disability community. The following resources provide assistance and support for veterans and members of the military who want to establish or expand a small business:

The General Services Administration (GSA) connects disabled veteran business owners to federal business opportunities and provides assistance during the contracting process.

Resources are available on local Small Business Utilization offices, multiple award schedules and the VETS Governmentwide Acquisition Contract (GWAC). For more information, go to: http://www.gsa.gov.

The Small Business Administration’s (SBA) Office of Veterans Business Development (OVBD) offers entrepreneurial development services through Veterans Business Outreach Centers (VBOCs). The VBOCs provide business training, counseling and mentorship on topics such as international trade, franchising, Internet marketing and accounting.

For more information, go to: http://www.sba.gov/aboutsba/sbaprograms/ovbd/OVBD_VBOP.html The SBA’s Patriot Express Pilot Loan Initiative offers veterans low interest loans for most business purposes, including start-up, expansion, equipment purchases, working capital, inventory or business-occupied real-estate purchases.

For more information, go to: http://www.sba.gov/content/express-programs.

The Start-up USA’s Online Training Seminars address concerns related to launching a successful veteran-owned business. For more information, go to: http://www.start-up-usa.biz/training/online_seminars/u_miyares/index.cfm
Vocational Rehabilitation Services

The Florida Division of Vocational Rehabilitation (DVR) is a federal-state program that works with people who have physical or mental disabilities to prepare for, gain or retain employment. For more information, go to: www.rehabworks.org. DVR, under the Rehabilitation Act, can help qualified individuals with disabilities with small businesses.

Self-Employment

Self-Employment & Supported Self-Employment Handbook (RTF)

Self-Employment Considerations

Division of Blind Services - Vocational Rehabilitation and Business Enterprise

The goal of DBS - Vocational Rehabilitation is to assist an individual in achieving or maintaining an employment outcome that is consistent with his/her unique strengths, resources, priorities, concerns, abilities, capabilities, interests and informed choice.

For more information, go to: http://dbs.myflorida.com/vr-services/index.php. DBS, under the Rehabilitation Act, can help qualified individuals with disabilities with small businesses.

DBS also houses the Florida Bureau of Business Enterprise (BBE) administers one of the largest vending and food service programs operated by people who are blind or legally blind in the United States.

The Florida Bureau of Business Enterprise Program provides job opportunities in the food service sector for eligible blind persons under the Randolph-Sheppard Act.

Job opportunities include: snack bar, cafeteria, highway vending machines, or non-highway vending. Read about the Florida Bureau of Business Enterprise Program to see how you can begin an exciting career as a manager of a vending or food services facility.

Job Accommodation Network (JAN)

The Job Accommodation Network (JAN) provides a list of federal government offices and resources that support and assist entrepreneurs during the small business development process. For more information, go to: www.askjan.org.

http://askjan.org/entre/busplan.htm provides a list of business plan resources, including sample plans, software, webinars and weekly videos to assist business owners in establishing and running a business.

http://askjan.org/entre/ provides a number of resources to assist in developing your business.
Internal Revenue Service (IRS)

Small Business and Self-Employed Tax Center
This link provides business topics in the IRS’s A-Z Index for business listing. In addition, links to major business subjects, such as Business Expenses, which provides a gateway to all related information on that subject. For more information visit http://www.irs.gov/businesses/small/index.html.

Frequently Asked Questions Self-Employed Individuals Tax Center

Doing Business in Florida — What Taxes Are Required? If you are starting a business in Florida, you need to be aware of the taxes you may be required to collect and/or pay. For more information, go to: http://dor.myflorida.com/dor/businesses/.

Five things a budget can do for your small business

Grasshopper.com offers five things a budget can do for your small business.

1. A budget can communicate your overall business goals

Putting down your revenue and expense expectations on paper, in an Excel spreadsheet or using business budgeting software helps you know what you are envisioning for your small business.

2. A budget can help you track and show you the relationship between what’s going in and what’s going out

A budget is not just about seeing the numbers, it’s how the numbers relate to your bottom line. A budget can allow you to question “what if?” What if you can boost revenue by 10% / 15% / 20%?

How does that affect the bottom line? What if your primary raw material costs rise by 10% / 15% / 20%? How will that affect the bottom line?

3. A budget can help make you more money

A budget can help you decide how much you want to make for the year so you can make a plan in order to reach those goals. But your budget can also show you if those goals are realistic or not.

4. You may be able to adapt to change much better

Business is incredibly unpredictable! If you have a budget and you lose that key client, you can see how it will affect the rest of your business so you can make the changes necessary to get back on track.

5. You may be able to make adjustments and decisions more efficiently

Can you hire a new project manager? Can you redesign your website? Can you buy more inventory and supplies? If your budget is correctly adjusted, it can give you the answers.

Grasshopper.com also offers five common small business accounting mistakes.
15 Small Business Apps

1. To review a list of 50 powerful free applications and services to help run a small business with the power of the big guys, please see http://vitamincm.com/50-best-free-small-business-applications/.

2. Here are 15 Android apps that can help you streamline your business activities, save time, and generally make your life easier. The apps featured here have the added benefit of being either free, or extremely affordable.

3. To review desktop apps that can be downloaded for free, please see desktop apps.

4. 9 Free iPhone Apps for Small Businesses.

5. Information regarding free small business accounting software can be viewed at pc.com/article.

6. USA Today offers current information regarding small businesses and click here to view a video regarding efficient small business apps.

7. Intuit offers some business applications for free!

8. CDTek.com offers free small business web and mobile apps that can increase productivity that can increase productivity.


10. Mashable Tech offers free and low cost mobile apps to boost small business productivity.


12. SBA Gems App is a free useful application for small businesses and entrepreneurs to find federal and SBA programs and resources to jump start or grow business.

13. Mercantile Capital Corp. offers a free, easy-to-use-and-understand smartphone loan calculator app for small business owners who want to own their commercial property.

14. Business News Daily provides information regarding a new mobile app for your smartphone that can help you access Small Business Administration's resources and programs.

15. Forbes.com offers small business apps. As apps become more prevalent and more powerful, entrepreneurs and small business owners are relying on these savvy tools to help their businesses grow and run more smoothly. These top 10 mobile and web apps can get you organized, connected and visible – and they will likely contribute to your success.
Glossary

**Accrual of Interest:** In finance, accrued interest is the interest that has accumulated since the principal investment, or since the previous interest payment if there has been one already. For a financial instrument such as a bond, interest is calculated and paid in set intervals. Accrued income is an income which has been accumulated or accrued irrespective to actual Receipt, which means event occurred but cash not yet received.

**Annual Fee:** Any fee that is charged on an annual (yearly) basis. One of the most common occurrences of an annual fee is the fee that is charged by some credit card companies to their credit card holders, simply for having the credit card. This fee is charged regardless of anything else (the amount or value of purchases with the credit card, for example).

**Annual Percentage Rate:** (APR), also called nominal APR, describes the interest rate for a whole year (annualized), rather than just a monthly fee/rate, as applied on a loan, mortgage loan, credit card, etc. It is a finance charge expressed as an annual rate.

**Asset:** In financial accounting, assets are economic resources. Anything tangible or intangible that is capable of being owned or controlled to produce value and that is held to have positive economic value is considered an asset. Simply stated, assets represent value of ownership that can be converted into cash (although cash itself is also considered an asset).

**Bank:** A bank is a financial institution and a financial intermediary that accepts deposits and channels those deposits into lending activities, either directly or through capital markets. A bank connects customers that have capital deficits to customers with capital surpluses.

**Budget:** A budget is a financial plan and a list of all planned expenses and revenues. It is a plan for saving, borrowing and spending.

**Charge-Off:** A charge-off is the declaration by a creditor (usually a credit card account) that an amount of debt is unlikely to be collected. This occurs when a consumer becomes severely delinquent on a debt. Traditionally, creditors will make this declaration at the point of six months without payment. In the United States, Federal regulations require creditors to charge-off installment loans after 120 days of delinquency, while revolving credit accounts must be charged-off after 180 days.

**Checking Account:** A checking account (transactional account) is a deposit account held at a bank or other financial institution, for the purpose of securely and quickly providing frequent access to funds on demand, through a variety of different channels.

**Collateral:** In lending agreements, collateral is a borrower's pledge of specific property to a lender, to secure repayment of a loan. The collateral serves as protection for a lender against a borrower's default - that is, any borrower failing to pay the principal and interest under the terms of a loan obligation. If a borrower does default on a loan (due to insolvency or other event), that borrower forfeits (gives up) the property pledged as collateral - and the lender then becomes the owner of the collateral.

**Collective Investment Scheme:** A collective investment vehicle is a way of investing money alongside other investors in order to benefit from the inherent advantages of working as part of a group.

**Coupon:** In marketing, a coupon is a ticket or document that can be exchanged for a financial discount or rebate when purchasing a product.
Credit Bureau: A Consumer reporting agency is a company that collects information from various sources and provides consumer credit information on individual consumers for a variety of uses. It is an organization providing information on individuals’ borrowing and bill-paying habits. This helps lenders assess credit worthiness, the ability to pay back a loan, and can affect the interest rate and other terms of a loan.

Credit Card: A credit card is a payment card issued to users as a system of payment. It allows the cardholder to pay for goods and services based on the holder’s promise to pay for them. The issuer of the card creates a revolving account and grants a line of credit to the consumer (or the user) from which the user can borrow money for payment to a merchant or as a cash advance to the user.

Credit Card Limit: A credit limit is the maximum amount of credit that a financial institution or other lender will extend to a debtor for a particular line of credit (sometimes called a credit line, line of credit, or a tradeline). For example, it is the most that a credit card company will allow a card holder to take out at once on a card.

Credit Inquiry: A credit inquiry is an entry on a credit report that shows a business has requested a copy of the report. “Hard” credit inquiries happen when a business checks your credit report because you’ve made an application for credit. On the other hand, “soft” credit inquiries are made by businesses that you already have a relationship with, business who want to advertise products or services to you, and your own credit report inquiries.

Credit Score: A credit score is a numerical expression based on a statistical analysis of a person’s credit files, to represent the creditworthiness of that person. A credit score is primarily based on credit report information typically sourced from credit bureaus. Lenders, such as banks and credit card companies, use credit scores to evaluate the potential risk posed by lending money to consumers and to mitigate losses due to bad debt. Lenders use credit scores to determine who qualifies for a loan, at what interest rate, and what credit limits. Lenders also use credit scores to determine which customers are likely to bring in the most revenue.

Credit Terms: Credit terms are Standard or negotiated terms (offered by a seller to a buyer) that control (1) the monthly and total credit amount, (2) maximum time allowed for repayment, (3) discount for cash or early payment, and (4) the amount or rate of late payment penalty.

Credit Union: A credit union is a member-owned financial cooperative, democratically controlled by its members, and operated for the purpose of promoting thrift, providing credit at competitive rates, and providing other financial services to its members. Many credit unions also provide services intended to support community development or sustainable international development on a local level, and could be considered community development financial institutions.

Credit Utilization: Credit utilization refers to how much of your available credit you use on a monthly basis. Credit card utilization is the relationship between the balances on your credit cards and the credit limits on all of your open credit card accounts. It is expressed as a percentage and is calculated a number of ways.
Creditor: A creditor is a party (e.g. person, organization, company, or government) that has a claim to the services of a second party. It is a person or institution to whom money is owed. The first party, in general, has provided some property or service to the second party under the assumption (usually enforced by contract) that the second party will return an equivalent property or service. The second party is frequently called a debtor or borrower. The first party is the creditor, which is the lender of property, service or money.

Debit Card: A debit card (also known as a bank card or check card) is a plastic card that provides the cardholder electronic access to his or her bank account(s) at a financial institution. Some cards have a stored value with which a payment is made, while most relay a message to the cardholder's bank to withdraw funds from a designated account in favor of the payee's designated bank account. The card can be used as an alternative payment method to cash when making purchases. In some cases, the primary account number is assigned exclusively for use on the Internet and there is no physical card.

Debt to income ratio: A debt-to-income ratio (often abbreviated DTI) is the percentage of a consumer's monthly gross income that goes toward paying debts.

Default: In finance, default occurs when a debtor has not met his or her legal obligations according to the debt contract, e.g. has not made a scheduled payment, or has violated a loan covenant (condition) of the debt contract. A default is the failure to pay back a loan. Default may occur if the debtor is either unwilling or unable to pay his or her debt. This can occur with all debt obligations including bonds, mortgages, loans, and promissory notes.

Delinquencies: The state of being late for a payment on a loan or other liability. If a payment is due on the third of each month and one does not pay until the ninth, the account is said to be in delinquency until the payment is made. Some liabilities have grace periods to allow for late periods up to a certain point without causing delinquency. A late fee may or may not be assessed on a delinquent payment. Serious and prolonged delinquency can lead to default.

Emergency Fund: An account that is used to set aside funds to be used in an emergency, such as the loss of a job, an illness or a major expense. The purpose of the fund is to improve financial security by creating a safety net of funds that can be used to meet emergency expenses as well as reduce the need to use high interest debt, such as credit cards, as a last resort.

Equifax: Equifax Inc. is a consumer credit reporting agency in the United States, considered one of the three largest American credit agencies along with Experian and TransUnion. Founded in 1899, Equifax is the oldest of the three agencies and gathers and maintains information on over 400 million credit holders worldwide. Based in Atlanta, Georgia, Equifax is a global service provider with US $1.5 billion in annual revenue and 7,000+ employees in 14 countries. Equifax is listed on the NYSE.

Experian: Experian is the second largest credit bureau in the United States, which offers credit-related information to potential creditors. Like major competitors Equifax and Transunion, Experian markets credit reports directly to consumers.

Federal Trade Commission: The Federal Trade Commission (FTC) is an independent agency of the United States government, established in 1914 by the Federal Trade Commission Act. Its principal mission is the promotion of consumer protection and the elimination and prevention of anti-competitive business practices, such as coercive monopoly.
**Financial Institution:** In financial economics, a financial institution is an institution that provides financial services for its clients or members. Probably the most important financial service provided by financial institutions is acting as financial intermediaries. Most financial institutions are regulated by the government.

**Fees:** A fee is the price one pays as remuneration for services. Fees usually allow for overhead, wages, costs, and markup.

**Grace Period:** A grace period is a time past the deadline for an obligation during which a late penalty that would have been imposed is waived. Grace periods, which can range from a number of minutes to a number of days or longer, depending on the context, can apply in various situations, including arrival at a job, paying a bill, for meeting government or legal requirement, or in many other situations.

**Insurance:** Insurance is a form of risk management primarily used to hedge against the risk of a contingent, uncertain loss. Insurance is defined as the equitable transfer of the risk of a loss, from one entity to another, in exchange for payment. An insurer is a company selling the insurance; the insured, or policyholder, is the person or entity buying the insurance policy. The amount to be charged for a certain amount of insurance coverage is called the premium. Risk management, the practice of appraising and controlling risk, has evolved as a discrete field of study and practice.

**Interest:** Interest is a fee paid by a borrower of assets to the owner as a form of compensation for the use of the assets. It is most commonly the price paid for the use of borrowed money, or money earned by deposited funds.

**Interest Rate:** An interest rate is the rate at which interest is paid by a borrower for the use of money that they borrow from a lender. Specifically, the interest rate \( I/m \) is a percent of principal \( I \) paid at some rate \( m \). For example, a small company borrows capital from a bank to buy new assets for their business, and in return the lender receives interest at a predetermined interest rate for deferring the use of funds and instead lending it to the borrower. Interest rates are normally expressed as a percentage of the principal for a period of one year.

**Money Order:** A money order is a payment order for a pre-specified amount of money. Because it is required that the funds be prepaid for the amount shown on it, it is a more trusted method of payment than a check.

**Overdraft Fee:** An overdraft occurs when money is withdrawn from a bank account and the available balance goes below zero. In this situation the account is said to be "overdrawn". If there is a prior agreement with the account provider for an overdraft, and the amount overdrawn is within the authorized overdraft limit, then interest is normally charged at the agreed rate. If the negative balance exceeds the agreed terms, then additional fees may be charged and higher interest rates may apply.

**Payday Loan:** A payday loan (also called a payday advance) is a term used to describe small, short-term unsecured loans "regardless of whether repayment of loans is linked to a borrower's payday". The loans are also sometimes referred to as "cash advances", though that term can also refer to cash provided against a prearranged line of credit such as a credit card. Pay day advance loans rely on the consumer having previous payroll and employment records.
**Savings Account:** Savings accounts are accounts maintained by retail financial institutions that pay interest but cannot be used directly as money in the narrow sense of a medium of exchange (for example, by writing a check). These accounts let customers set aside a portion of their liquid assets while earning a monetary return. For the bank, money in a savings account may not be callable immediately and therefore often does not incur a reserve requirement freeing up cash from the bank's vault to be lent out with interest.

**Secured Credit Card:** A secured card requires a cash collateral deposit that becomes the credit line for that account. For example, if you put $500 in the account, you can charge up to $500. You may be able to add to the deposit to add more credit, or sometimes a bank will reward you for good payment and add to your credit line without requesting additional deposits.

**Securities:** A financial instrument that represents: an ownership position in a publicly-traded corporation (stock), a creditor relationship with governmental body or a corporation (bond), or rights to ownership as represented by an option.

**Settling a Debt:** Debt Settlement is a process to settle your debts with the creditors. With debt settlement, a third party or you yourself negotiate with your creditors to come up with a reduced debt that you agree to pay. The reduction is usually between 30-60% of the total original debt amount.

**Spending Plan:** A spending plan is a strategy for saving and spending money. It is meant as a guide to help you track how much money comes into your home or organization and how it needs to be divided to meet expenses, reduce debt and reach your savings goals more easily. A spending plan is the first step in taking control of your personal finances.

**Title Loan:** A car title loan, or simply title loan, is a loan where the borrower provides their car title as collateral for a loan. These loans are typically short-term, and tend to carry higher interest rates than other sources of credit. Lenders typically do not check the credit history of borrowers for these loans and only consider the value and condition of the vehicle that is being used to secure it. Despite the secured nature of the loan, lenders argue that the comparatively high rates of interest that they charge are necessary. As evidence for this, they point to the increased risk of default on a type of loan that is used almost exclusively by borrowers who are already experiencing financial difficulties.

**Transunion:** TransUnion is the third-largest credit bureau in the United States, which offers credit-related information to potential creditors. Like major competitors Equifax and Experian, TransUnion markets credit reports directly to consumers.

**Unsecured Debt:** In finance, unsecured debt refers to any type of debt or general obligation that is not collateralized by a lien on specific assets of the borrower in the case of a bankruptcy or liquidation or failure to meet the terms for repayment.

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