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Disputing Errors on Your Credit Report
One of the most important reasons for checking your credit report is to verify accuracy. It’s not uncommon for errors or misreporting to occur and they can directly affect your score.

Errors can be corrected via the dispute process. Disputes can be done online, by mail, or by phone. You communicate who you are, what you are disputing, and why it is in error. Supporting documentation is very helpful. The credit bureau will then “re-investigate” the item. They have 30 days to complete this process, if you relay additional information to them during that 30 days then they have an additional 15 days. They will likely contact the reporting creditor as well.

During the process, disputed item(s) will be marked ‘in dispute’ and will not be factored into your credit score. Should your dispute prove successful the item(s) will be removed or modified.
SAVINGS
Savings are a cornerstone of financial health and take many forms. Short and mid-term goal-oriented savings can include such goals as saving for a vacation, a new car, new furniture, remodeling, or a mortgage down payment. Long-term goals can include such things as retirement or your children’s education. When saving for long term goals, start early to take advantage of compounded returns on your investments.

Another recommended form of saving is an emergency fund. An emergency fund is a savings account that is there to handle any of life’s unexpected events that require funds that you wouldn’t typically just pay from your checking account. It’s usually recommended that you build an emergency fund equal to at least three months of your normal monthly income. If the task of saving regularly seems daunting, start small, increase the amount you save each month over time, and watch your savings grow!

Rebuilding Damaged Credit
If your credit is severely damaged, or you have no score at all, there are avenues available to build healthy credit.

Traditionally, secured credit cards have been a means of establishing or rebuilding credit. With a secured card you deposit money into an account, which acts as a security deposit of sorts. The card then acts as a regular credit card, with a credit limit equal to your deposit. Since your regular payments are reported to the credit bureaus this can help establish or rebuild your credit.

It’s usually best to do this with one of the larger lenders for two reasons. One, they often will convert your card to a regular unsecured card, refund the money in your account, and raise your credit limit. This is done after a period of time (6 to 18 months) with no late or missed payments. Two, they will report your activity to the credit bureaus, while some smaller lenders may not. If your activity isn’t reported it won’t help you build your credit.

There are also several lending products available online that, when managed wisely, can help establish or rebuild damaged credit. Sites like Bankrate.com will allow you to search and compare various products and their features.
PLP Spotlight Course

In the spirit of managing and rebuilding credit, in this issue we’re spotlighting the online course, *Reshaping Credit*. This course will offer strategies to help you address debt, reshape your credit, and effectively manage your credit going forward. The *Reshaping Credit* course contains 3 to 5 minute learning modules and related activities. Modules such as Reshaping Credit and Debt Repayment and the Rule of 72 can help you better understand compound annual interest and develop a debt reduction plan that works for you. Course activities like a creditor discussion log, creditor negotiation worksheet, and online calculators can help you work hands-on to manage your credit. To learn more about *Reshaping Credit* and complete the course visit your VSO partner link located in this newsletter.