

# RECONNECT CORNER

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## CONTACT US

[Clearpoint.org/Reconnect](http://Clearpoint.org/Reconnect)

[PLP@ClearpointCCS.org](mailto:PLP@ClearpointCCS.org)



## Your Credit Report - Inquiries

We've all heard this at one time or another: "Don't have your credit report pulled, it will damage your score." And this is a valid concern, but not necessarily true. There are basically two ways of pulling your credit - hard pulls and soft pulls. A hard pull occurs when you apply for a loan or credit. This can be a credit card, a car loan, a mortgage loan, etc. These pulls generate an inquiry on your credit report. Soft pulls occur when your credit is being pulled for other reasons and while you may see them listed on your credit report they do not generate inquiries. Some examples of soft pulls could be when a perspective employer pulls your credit, when insurance companies pull your credit, when you pull your own credit, and when a credit counseling agency pulls your credit. The impact of a hard



## Paying Down Secured Loans

What is a secured loan? A secured loan is simply a loan that is secured by property. The two most common examples are car loans and mortgages. Since a secured loan is less risky for the lender they typically carry much lower interest rates than unsecured loans, but there is still interest nonetheless.

With secured installment loans, most consumers simply make their monthly payments until the loan has been fully repaid. But just as with credit card accounts, you can save interest on the loan by paying it down faster than the agreed upon term.

If you have the financial flexibility, paying down your debts quicker is simple. Just make two separate payments each month. The first payment is your regular required payment. The second payment can be for whatever amount you wish that month (above and beyond your standard payment), but you want to be sure to state that the additional payment is “for principal only.” Many online payment options will let you mark the additional payment as “principal only;” if not, pay by check and add the appropriate note in the memo section. This will ensure that the money is properly applied to your principal, not interest or other costs.

pull varies from instance to instance, but a good rule of thumb is to expect a temporary drop in your score of approximately three points. An inquiry will remain on your credit report for two years. A soft pull has no effect on your score.



## Identity Theft – Hard Copy

One of the many ways that identity thieves obtain our personal data is through our mail. Most of us receive letters through the US Postal Service every day that contain personal data. We need to be careful how we dispose of this mail.

I remember years ago, before I gave identity theft much thought, I would place unwanted mail in my recycling bin. Then once or twice a week I would place the open bin at the top of my driveway for pickup, then get in my car and drive to work. So identity thieves could simply walk or drive down my street and pull out anything they wanted. This was obviously not the best way to handle this potential gold mine for identity thieves.

Unneeded mail should be destroyed, either by shredding or burning. Even placing it in a trash bin can be risky. To an identity thief your personal data could be converted into cash, so they are often willing to go through your trash to obtain it. Also be very careful with your social security card. Your social security number is a holy grail for an identity thief. Do not carry your card on your person unless there is an actual need for it that day.

**FOR MORE INFORMATION**

Clearpoint.org/Reconnect  
888.808.7285

**MSSCN**

Clearpointu.org/MSSCN  
888.299.1978

**IAVA**

Clearpointu.org/IAVA  
888.304.8372

**TAPS**

Clearpointu.org/TAPS  
888.344.3255

**OPERATION HOMEFRONT**

Clearpointu.org/HOTH  
Clearpointu.org/EAP  
855.868.9628

The articles in this newsletter are provided for informational purposes only and are not intended as credit repair.

**Data Breaches - What You Can Do**

Recently Equifax, one of three major credit reporting agencies, announced a data breach affecting approximately 143 million US consumers. Anytime a data breach occurs personal information can be compromised, possibly opening the door to instances of fraud or identity theft. While this can sound quite scary, don't panic! There are steps you can take to protect your personal information.

First, in addition to checking bank statements, make a habit of regularly reviewing your credit report for accuracy; visit [AnnualCreditReport.com](http://AnnualCreditReport.com) to request a free copy. Next, be safe online. Use secure websites, choose passwords that are difficult to guess, update passwords regularly, and use different passwords for each account. Finally, consider either enrolling in a credit monitoring service, which will alert you of suspicious activity, or 'freezing' your credit with each of the reporting agencies, which prevents lenders from accessing your reports, greatly reducing the chance of someone opening a new credit account in your name.

To learn more about the recent Equifax breach and to check your status, visit [EquifaxSecurity2017.com](http://EquifaxSecurity2017.com) or call 866.447.7559.