



Spouses and Finance Poll – 25 Percent Say “I Don’t”

The National Foundation for Credit Counseling’s recent online poll revealed that 24 percent of more than 1,400 respondents would not tell their spouse that they were experiencing financial difficulties.

Reasons given for withholding the information included the fear that it would worry the spouse (nine percent); that the spouse is unaware of the debt (eight percent); and that it would damage the relationship (seven percent).

“Even if well-intentioned, withholding financial information from a spouse is not a sign of a healthy relationship, either emotional or financial,” said Gail Cunningham, spokesperson for the NFCC. “It is encouraging that the majority, 76 percent, would share the information with their spouse so that they could work together to resolve the situation.”

Even though having a discussion around money can be difficult, particularly if it is long overdue, it is a topic that ideally should be addressed early in a relationship, preferably before tying the knot.

“People bring financial baggage into a relationship that they often don’t deal with until there is a problem, making it challenging to have a constructive conversation,” Cunningham said.

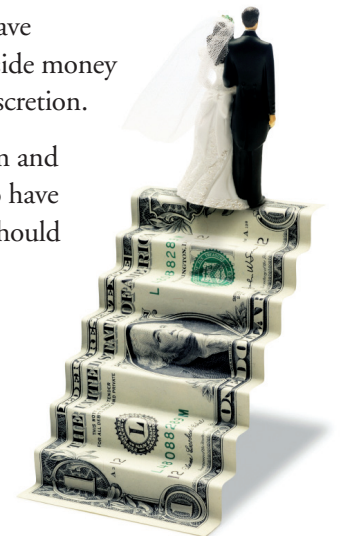
To help facilitate a positive conversation about financial issues, the NFCC recommends the following do’s and don’ts of a successful discussion:

- Don’t approach the subject in the heat of battle. Instead, set aside a time that is convenient and nonthreatening for both parties.
- Do make it a casual conversation about a serious subject, respecting the fact that each person has valid opinions and concerns.
- Do be honest about your current financial situation. If things have gone south, continuing the same lifestyle that was possible before the change in income is simply unrealistic.

- Do be open to adjusting your lifestyle. If spending cutbacks or second jobs are necessary, resist whining. It’s likely that your situation will be temporary and you could end up regretting the pity party you hosted.
- Don’t hide income or debt. This is known as financial infidelity. Instead, bring financial documents, including a recent credit report, pay stubs, financial statements, insurance policies, debts and investments to the table.
- Don’t point the finger of blame. That’s a real conversation stopper.

Once everything is out in the open, it is time to make decisions about how to handle your finances in the future:

- Do make a plan to deal with any skeletons that came out of the financial closet. Such surprises can greatly compromise your ability to obtain future credit opportunities. Now is the time to deal with them.
- Do construct a new joint budget that includes savings. Emergency situations drop into your life at the most inopportune times. Without a rainy day fund, the financial hole becomes even deeper.
- Do decide which person will be responsible for paying the monthly bills. It is likely that one person will be a good fit for this task, while the other finds it burdensome.
- Do allow each person to have independence by setting aside money to be spent at his or her discretion.
- Do decide upon short-term and long-term goals. It’s OK to have individual goals, but you should have family goals, too.



New Government Housing Program Aims to Help Homeowners Who Are Current on Their Mortgage

Recently, the US government announced the new Home Affordable Refinancing Program (HARP 2.0), for loans guaranteed by Fannie Mae and Freddie Mac. "If the current mortgage is either Fannie Mae or Freddie Mac guaranteed, you can contact the company to which you make your mortgage payments now, to ask about refinancing under HARP guidelines," said Setina Briggs-Kelly, Accel housing manager. Though the guidelines were released November 15, 2011, Briggs-Kelly warned that it may take some time for lenders to actually initiate the changes. It may be helpful for you to meet with a counselor from a HUD approved counseling agency first, to review your situation and to help you determine if you meet the basic requirements to be able to refinance through HARP. To speak with a counselor from Accel, free of charge, call **(877) 33ACCEL**.



Homeowner HARP 2.0 Highlights

- To determine if your mortgage is guaranteed by Fannie Mae or Freddie Mac, log onto: – www.fanniemaecom/loanlookup – www.freddiemac.com
- Homeowners do NOT need to use third-party companies that advertise themselves as "mortgage experts" or "foreclosure specialists" to apply for a HARP loan. Homeowners can contact their current lender or any other lender who offers HARP refinancing, or better still, a housing counselor from a HUD approved, non-profit housing counseling agency.
- HARP is unique in that it is the only refinance program that enables borrowers who owe more than their home is worth to take advantage of low interest rates and other refinancing benefits.
- Mortgages on condos are eligible. Second homes and investment properties are eligible for HARP, but may be restricted to refinancing through the existing lender.

Money Milestones for Kids & Teens

In an effort to increase personal financial literacy, commentator and journalist Beth Kobliner created a list of 20 simple money milestones which she submitted to President Obama and his top financial advisors in November. Kobliner was appointed by President Obama to the President's Advisory Council on Financial Capability, a bipartisan committee created to deal with the problem of financial literacy in our country.

Though the final document has yet to be finalized and should be published within the next year or so, *Time.com* has listed how the milestones break down:

- **Ages 3-5** A child should come to understand that you need money to buy things; you earn money by working; you may have to wait before you can buy what you want; there's a difference between what you want and what you need.
- **Ages 6-10** A child should come to understand that you must make choices about how to spend your money; you should shop around for the best deal; it is dangerous and costly to share too much information online.
- **Ages 11-13** A child should come to understand that it is smart to save 10% of what you earn; entering credit card or Social Security numbers online puts you at risk of identity theft; the earlier you save the more you'll have in the long run; a credit card is a loan.
- **Ages 14-18** A teen should come to understand that college is expensive and you should choose a school and student loans based in part on your career expectations; you pay taxes on your income and should budget for take-home pay, not gross pay; a great place to save and invest is a Roth IRA.
- **Ages 18 and up** A young adult should understand that you should use a credit card only if you can pay off the balance every month; you should never be without health insurance; you should always diversify your investments.

For the latest draft, please visit the U.S. Treasury at www.treasury.gov and click on Resource Center.

As a member of United Financial Credit Union, you can take advantage of the *Accel* program, a **free** financial education and counseling program. To use this service, simply call 1-877-33ACCEL (332-2235) or visit them on the web at www.accelservices.org.

