



Common *Cents*

Winter 2017 Volume 21 Issue 1

Credit Checkup

With a new year upon us it is a great time to check your credit rating with one of Canada's credit reporting agencies, either Equifax or TransUnion.

Getting your credit report is free if you are a Canadian citizen and it is a great way to see where you stand with your creditors. Your credit report can reveal a lot about your current financial situation.

Credit reports don't show you your credit score, but rather a list of who you have had credit with over the last 7 years (including open and closed accounts). Each account is given a rating on a scale from 1-9 (there is no number 6, and a 0 means a new debt). The lower the number the better the rating.

Your credit report will also highlight any debts that you hold with someone else, like a joint line of credit or a co-signed student line of credit as well as the current balances of your debts.

If you have debts that have been placed in collections, this information often also shows up on your credit report to help you track down debts to pay back.

Looking at your credit report yearly will help you keep on top of your current debt obligations, clean up old credit accounts that you no longer use, and potentially help you spot fraudulent accounts that have been opened without your knowledge.

Lastly, getting a credit report done yearly can help you identify any potential errors. Errors in your credit report could potentially cause you to have a lower credit score than you deserve. An error could prevent you from securing a car loan, mortgage, or other type of loan or costing you thousands more than expected due to higher interest rates.

Access your free credit report at www.equifax.ca or www.transunion.ca and look for the link to a credit file disclosure or consumer disclosure.

Tech Tidbit

The internet is full of personal financial information from blogs to Twitter to Facebook. The hard part is knowing if what you are reading is good information.

One thing to be on the look out for when reading personal finance information online is to look and see if the article is sponsored content. Many times bloggers will be paid by companies to post about the benefits of their product (sometimes this could include using credit cards and other forms of debt). If the article is sponsored be wary about the content as it may be biased.

Another thing to consider is the qualifications of the person writing the information. Are they professionals? How do you know you can trust their information?

If you are looking for some good, trustworthy information to follow online consider some of the accounts below:

Twitter:

@CC_SSM (Credit Counselling SSM)

@Creditcanada (Credit Canada Debt Solutions)

@Creditcc (Credit Counselling Canada)

@FCACan (Financial Consumer Agency of Canada)

Blogs:

<https://creditcanada.com/blog>

<http://sudburycommunityservicecentre.ca/blog/>

<http://www.fcac-acfc.gc.ca/Eng/resources/blog/Pages/home-accueil.aspx>

Financial Resolutions

Each year we set resolutions, things we want to accomplish, and often times those resolutions surround money. "I want to spend less in 2017" or "I really want to save for this summer's trip." The problem with these resolutions is that they are not very specific and don't involve a plan.

If you want to set a financial resolution, be sure to make it as specific as possible. What is it that you want to achieve? For example, "I want to save \$600.00 for my trip in July" is a lot more specific than "I want to save money for my vacation". By being specific, you give your savings a purpose and by doing that, you are less likely going to "borrow" from your savings throughout the year.

However, you also need to have a plan to reach your goal. How will you reach your target? "I want to save \$600.00 for my trip in July by putting \$86.00 a month in my vacation savings fund." A goal with a plan is a lot more achievable than not having one. Make your goal visible, make it your phone background or put a reminder in your phone everyday so that you can't let it get away from you. A constant reminder can help to stay the course.

The Benefit of Credit Counselling

When in debt where do you turn? A TV debt guru, another loan, friends and family? Not-for-profit credit counselling offers a strong alternative to other options and has a track record of helping Canadians get out of debt and stay out of debt.

Research conducted by Equifax, looked at 1,600 Canadians who completed a debt management program through a credit counselling agency. The research shows that after DMP completion, a person's credit risk decreases from high risk to a more average risk within two years.

This decrease in credit risk shows that Canadians who pay off debt through a not-for-profit credit counselling agency are looked at two times more favourably than Canadians who do not use the services of a not-for-profit credit counselling agency to manage debts.

Why is this? Not-for-profit credit counselling places a large emphasis on identifying the underlying reasons for indebtedness, provides relevant referrals to other social agencies where appropriate, and helps to educate the consumer in setting up budgets and savings, how to set and achieve financial goals, and how to develop a money management system that will work for the individual or family.

Not-for-profit credit counselling is as much about helping someone get out of debt today as it is about helping the individual stay out of debt in the future. Not-for-profit credit counselling doesn't offer a Band-Aid solution but rather a proven long-term solution to your debt problems.



Credit Counselling Service of Sault Ste. Marie & District

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Email: info@creditcounsellingssm.ca

Website: www.creditcounsellingssm.ca

Since 1969, Credit Counselling Service of Sault Ste. Marie and District has been providing assistance to the people of Sault Ste. Marie who are experiencing the stress of financial difficulties. This non-profit, registered charity, and United Way Member Agency helps people from all walks of life. There are no fees for debt and money management counselling sessions. Professional counsellors work with clients in a relaxed and fully confidential manner. The Agency is an accredited member of Credit Counselling Canada.

While the information herein is believed to be accurate, Credit Counselling Service of Sault Ste. Marie & District assumes no responsibility for errors, omissions or actions based on this information.

Accredited member
Credit Counselling Canada
Conseil en crédit du Canada

