

# The Webinar Will Begin Shortly

- Today's webinar will begin at 1:00 p.m. EDT.
- All lines are muted and you will not hear any sound coming through your computer until the webinar begins.
- If you are having difficulty logging in, please contact Shajira Brown at [sbrown@ndi-inc.org](mailto:sbrown@ndi-inc.org).



Building Financial Security for  
People and Families with Disabilities



Consumer  
Affairs



# Build and Improve Your Credit History: The Importance of Good Credit for People with Disabilities Seeking Employment



Building Financial Security for  
People and Families with Disabilities



Consumer  
Affairs



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**1-855-241-8681**

**Event number:**

**665-814-514**

You do not need to  
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**For Q&A:** Please use the **Chat** box or **Q&A** box to send any questions you have during the webinar, and we will direct them accordingly during the Q&A portion.

If you are listening by phone and not logged in to the webinar, you may also ask questions by emailing them to [sbrown@ndi-inc.org](mailto:sbrown@ndi-inc.org).

**Please note:** This webinar is being recorded and the materials will be placed on this webpage:

<https://www.realeconomicimpact.org/our-work/financial-counseling>.

# Technical Assistance

If you experience any technical difficulties during the webinar, please use the **Chat** box to send a message to Shajira Brown, Project Coordinator, or email her at [sbrown@ndi-inc.org](mailto:sbrown@ndi-inc.org).

# Introduction



**Nancy Boutot**

National Disability Institute

Manager, Financial Empowerment

[nboutot@ndi-inc.org](mailto:nboutot@ndi-inc.org)

# EmpoweredNYC

**EmpoweredNYC** will create, test and promote new strategies to enable New Yorkers with disabilities to improve their financial stability.

This initiative will advance financial capability by ...

- Offering tailored one-on-one financial counseling for people with disabilities enhanced with new expertise, outreach and tools; and
- Providing this monthly webinar training series for service providers like you.

Look out for a survey tomorrow regarding the last nine webinars.

# Strategic Partners

City of New York, led by:

- NYC Department of Consumer Affairs Office of Financial Empowerment
- NYC Mayor's Office for People with Disabilities
- National Disability Institute
- Citi Community Development
- Poses Family Foundation
- Advisory Board of municipal offices, disability service providers and financial empowerment service providers



Building Financial Security for  
People and Families with Disabilities



Consumer  
Affairs



# Empowered NYC

## Refer your clients to one of our financial counselors:

- They specialize in one-on-one financial counseling.
- Counseling services are free and confidential.
- Counselors can help the person access their credit report.
- Counselors have a deeper knowledge of disability benefits.
- Sessions will be available in all five boroughs of NYC.

To make an appointment with a financial counselor, go to [nyc.gov/EmpoweredNYC](https://nyc.gov/EmpoweredNYC).

# Myths About Credit

## Individuals with disabilities:

- Do not need good credit
- Do not use credit
- Cannot build good credit



# Fact: Good Credit is Important

People who have disabilities live in the community, and ...

- Have active and complex economic and financial lives;
- Work in competitive, integrated employment;
- Rent apartments;
- Purchase homes, furnish their homes, maintain their homes, need access to utilities, cell phone and internet plans;
- Purchase assistive technology;
- Access insurance to protect their assets.

Having good credit impacts the cost and the amount required as a deposit on these items.

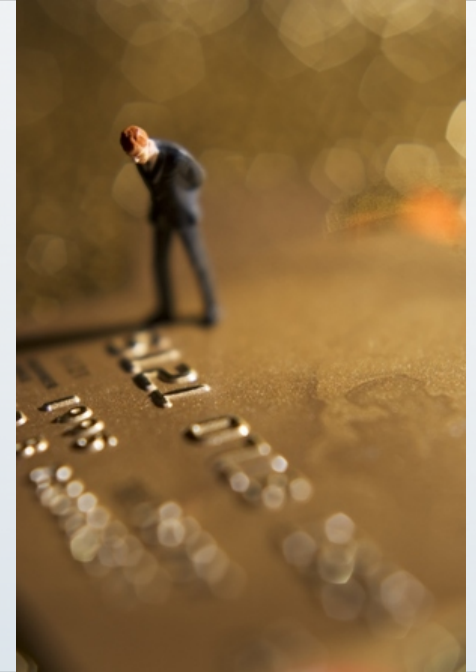
# Presenter



**Heather C. Aiello M.S., N.C.C., L.M.H.C**  
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# Build and Improve Your Credit History: The Importance of Good Credit for People with Disabilities Seeking Employment



THE FINANCIAL COUNSELING  
NETWORK



CERTIFYING  
BODY



PROFESSIONAL  
ORGANIZATION

Heather C. Aiello M.S., N.C.C., L.M.H.C

haiello@naccc.us.

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# Objectives

**This presentation is designed so you will understand:**



- **Credit reports and credit scores: What they are and why they are important**
- **Decipher and understand the credit score**
- **Dispute errors**
- **Improve credit scores**
- **Understand the role credit checks play in obtaining and securing employment**

- What three digit number is so important to financial health?

C R E D I T  
S C O R E

# Why good credit is so important

(1 of 5)

## 1. A bad score will cost you money

Rebecca		Monique
Average balance \$8000	→	Average balance \$8000
Car loans \$20,000	→	Car loans \$20,000
1 <sup>st</sup> mortgage \$350,000	→	1 <sup>st</sup> mortgage \$350,000
Never turned down for loan	→	Never turned down for loan

# Why good credit is so important

(2 of 5)

## 1. A bad score will cost you money.

Rebecca	Monique
Paid bills on time	Did not always pay bills timely
Paid more than minimum	Only paid minimum
Spread balance across cards	High balances on few cards
Average interest rate = 9.9%	Average interest rate = 19.9%

# Why good credit is so important

(3 of 5)

## 1. A bad score will cost you money

**Rebecca**

**CREDIT SCORE = 750**



**Monique**

**CREDIT SCORE = 650**

**\$40,000 more on credit cards**

**\$13,487 more on auto**

**\$68,261 more on 1<sup>st</sup> mortgage**

**\$121,748 more interest over  
lifetime**



# Why good credit is so important

## (4 of 5)

### A bad score will cost you money

- Mediocre credit is expensive
- It also has an effect on one's plans, dreams and peace of mind
  - More of Monique's money went to
    - Lenders
    - NOT to vacations, retirement, or personal goals



# Why good credit is so important

(5 of 5)

## **A bad score will diminish your opportunities**

- High Score = lenders compete for your business
  - You will qualify for better:
    - mortgage rates and terms
    - auto financing
    - business loans
    - credit card annual percentage rates (APR)
    - Qualify for security clearance
- Low Score = little negotiating power
  - Pay more in interest
  - Barrier to employment
  - High Deposits/ higher insurance premiums

# Employment and the Credit Check

- Hewlett Packard
- Sharon's Story
- According to SHRM

Research: 6 out of 10 Private employers check the credit histories of job applicants

Security Clearance

Top Security Clearance

Military and private employers need good credit to obtain and to secure employment

Reason for dismissal

Difference between report and score



# Why good credit is so important

## **A bad score goes beyond credit situations**

- Many non-credit uses of credit scores
  - Landlords
  - Employers
- Insurance effects
  - 90% of homeowners and auto insurers use credit scoring to make policy decisions and premium determinations

# How Credit Scoring Works

**Your credit score is in a constant state of change.**

- New information is added and old information is deleted

**You have more than just one score.**

- There are more than 100 credit scoring models used today
  - FICO is the best known model
  - Vantage introduced in 2006
  - Financial institutions have also developed their own models to evaluate applicant



# How Credit Scoring Works (continued)

**Your score is designed to do all of the following:**

- Forecast whether a consumer will default on certain types of accounts such as auto loans, mortgages, cellular phone accounts, and utility bills
- Estimate the amount a consumer is likely to pay toward a delinquent account
- Predict which consumers might close a credit card account or pay the balance down to zero
- Predict the probability that a consumer will respond to a direct-mail credit card solicitation



# The Five Factors That Go Into Your FICO Credit Score

## 1. Your Payment History.

- Roughly 35% of your score
- Describes your bill-paying habits

## 2. How Much You Owe.

- Roughly 30% of your score
- Total amount owed on all accounts
- According to Fair Isaac, average consumer uses 32% of available credit limits



# **The Five Factors That Go Into Your FICO Credit Score**

**(continued)**

## **3. How Long You've Had Credit.**

- Roughly 15% of your score
- Typically, it is better to have long histories with credit
- Average consumer's oldest account = 14 yrs

## **4. Your Last Application for Credit.**

- Roughly 10% of your score





# The Five Factors That Go Into Your FICO Credit Score (cont.)

## 5. The Types of Credit You Use

- Roughly 10% of your score
- A “healthy mix” of credit
- Have both revolving accounts (e.g., credit cards) and installment accounts (e.g., car loan, mortgage)
- Bankcards are better for score than department store cards
- Subtle differences with Vantage scores

# Good News Regarding Medical Bills

- New rule beginning in 2017 requires the three credit reporting agencies wait 180 days before putting an unpaid medical bill onto your credit report.



Unpaid medical bills that later get paid by your insurance must be removed from your report rather than lingering, and continuing to damage your score

# Credit Access and Inclusion Act

- The “Credit Access and Inclusion Act” is currently before Congress. If passed, this bill would allow non-loan accounts to be included on credit reports.
- Assist the millions without credit scores by including
  - Rental payments
  - Utility accounts



# Removal of Tax Liens and Judgments

As of July of 2017, TransUnion, Experian and Equifax will no longer include information about tax liens and civil judgments on a consumer's record if the data doesn't include the person's name, address, Social Security number and date of birth

This does not make them non-existent –they are still public record and liable for wage garnishment etc.



# Getting Your Credit Report



- **Credit scores are calculated based on data compiled at credit bureaus**
  - Also called credit-reporting agencies
  - Private, profit-making companies that sell information about past credit use to creditors
- **Where do credit bureaus get this information?**
  - Mostly from creditors that “subscribe” to one or more of the bureaus
  - Data found in public records (e.g., lawsuits, bankruptcies)
- **Bureaus receive data from creditors who buy it back in the form of a detailed report that helps them make lending decisions**

# Getting Your Credit Report (continued)

You are entitled to a free credit report every 12 months from each of the three major consumer reporting companies:

- Equifax
- Experian and
- TransUnion

Request and review your free copy at:  
[www.AnnualCreditReport.com](http://www.AnnualCreditReport.com)

# Getting Your Credit Report (cont.)



## Points to keep in mind



### Request reports from all three agencies

- FICO scoring formula used at each agency varies slightly
- Each agency will collect different information on consumers depending on which lenders subscribe to them
- Because each report contains different information, they may also contain different errors you should report
- You can request all three reports at once or you can order one report at a time.

<http://www.AnnualCreditReport.com>

Ensure it is the official site

# Here's What You'll Find Inside

## Four main categories of information



### ■ Identifying information

- Name, address, SSN, DOB, employment, etc.

### ■ Trade lines

- Type of account, date opened, limit, loan amount, balance, payment history, etc.

### ■ Inquiries

- Number of times consumer requests credit or loans
- Report includes inquiries within last two years

### ■ Public records and collection items

- Bankruptcies and foreclosures



# Disputing Errors On Your Report

- Check for credit report errors at least once a year
- Compare reports from all three agencies

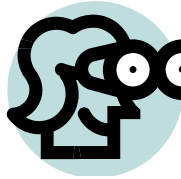


- Look out for the following errors:

# Disputing Errors On Your Report

(continued)

## Identifying information



→ Watch for

- Names that are not yours
- Social Security numbers that are not yours
- An incorrect date of birth
- Unfamiliar addresses
- Any bankruptcy older than 10 years
- Any derogatory items that are not yours

# Disputing Errors On Your Report

## (cont.)

**If you find an error on your credit report, here is what to do:**

**Step 1:** Dispute the information with the credit reporting company

- Complete form to dispute errors provided with credit report
- Bureaus are required to investigate errors within 30 days
- Lender reporting information in question must provide support
- Information is deleted from report if lender cannot support its accuracy or does not respond
- Can also dispute credit report errors online

**Step 2:** Dispute the information with the company who provided the information (also known as the furnisher, i.e. bank, credit card company, landlord, etc.)

# Contacting the Federal Trade Commission

Write to: Federal Trade Commission  
Consumer Response Center  
Room 130  
600 Pennsylvania Ave., N.W.  
Washington, D.C. 20580

Call: 1-877-FTC-HELP

Online: [www.ftc.gov/credit](http://www.ftc.gov/credit)

Great Website for  
sample letters and how  
to exercise your rights  
for all consumer  
protection legislation

# Contacting the Consumer Financial Protection Bureau

<https://www.consumerfinance.gov/complaint/>

The screenshot shows a web browser with three tabs: 'bcfp\_find-free-access-to-credit-s', 'How do I dispute an error on my', and 'Submit a complaint | Consumer F'. The address bar shows the URL 'https://www.consumerfinance.gov/complaint/'. The CFPB logo is in the top left, and a search bar and 'Submit a Complaint' button are in the top right. A navigation menu includes 'Consumer Tools', 'Practitioner Resources', 'Data & Research', 'Policy & Compliance', and 'About Us'. The main content area has a green header with the text 'Having a problem with a financial product or service?' and 'Tell us about your issue—we'll forward it to the company and work to get you a response, generally within 15 days.' To the right is an illustration of three speech bubbles with exclamation marks. Below this are two columns: 'Submit a complaint' and 'About us'. The 'Submit a complaint' section states that over 1 million complaints have been handled and that every complaint provides insights into consumer problems. The 'About us' section identifies the CFPB as a U.S. government agency ensuring fair treatment by financial companies. The Windows taskbar at the bottom shows various application icons and the system clock at 8:06 PM on 1/31/2019.

bcfp\_find-free-access-to-credit-s x How do I dispute an error on my x Submit a complaint | Consumer F x +

← → ↻ 🔒 https://www.consumerfinance.gov/complaint/ ☆ ✓ ⚙ 👤 ⋮


**cfpb** Consumer Financial Protection Bureau

Q Search Submit a Complaint

Consumer Tools Practitioner Resources Data & Research Policy & Compliance About Us

## Having a problem with a financial product or service?

Tell us about your issue—we'll forward it to the company and work to get you a response, generally within 15 days.



### Submit a complaint

We've handled over 1 million complaints, helping consumers connect with financial companies to get direct responses about problems with mortgages, student loans, payday loans, debt collection, credit reports, and other financial products and services.

Every complaint we receive gives us insights into problems that people are experiencing in

### About us

We're the Consumer Financial Protection Bureau (CFPB), a U.S. government agency that makes sure banks, lenders, and other financial companies treat you fairly.

Windows taskbar: 8:06 PM 1/31/2019

# Improving Your Score

## ■ Pay down your debt

- The lower your account balances compared to your credit limits, the better
- Credit score factor looks at the progress you have made in paying off installment loans such as mortgages and auto loans.
- TIPS:
  - Stop moving balances around from one card to another.
  - Apply payments to the accounts with balances closest to their limits
  - Do not consolidate your debts
  - Do not max out your credit cards
  - 30 to 35% rule

# Improving Your Score (continued)

## ■ Do not close out accounts

- It reduces the total amount of credit available to you
- The money you owe will then represent a higher percentage of your total credit limit
- Closing your oldest account will also shorten your credit history
- It's not a good idea to let a credit card remain inactive

# Improving Your Score (cont.)

- **Do not apply for credit you do not need**
  - There comes a “point” when each time you submit a credit application, your score will decrease
  - This “point” is one of Fair Isaac’s secrets





# The Bottom Line

- **Getting and reviewing your credit report and your credit scores is now easier than ever thanks to the Internet**
  - You can request credit reports and dispute errors online
  - You have more options for accessing your credit scores
- **Disputing errors can still be difficult**
  - Consumers need to be persistent with credit bureaus and creditors who may or may not respond promptly to your requests.
  - Also, when threatening legal action, there's still nothing like a certified letter in the mail.

# Find NACCC online



Search for “**National Association of Certified Credit Counselors**” on **Facebook** and **LinkedIn** or find us directly at:

- [facebook.com/NationalAssociationofCertifiedCreditCounselors](https://facebook.com/NationalAssociationofCertifiedCreditCounselors)
- @NACCC\_office on **Twitter** ([twitter.com/NACCC\\_office](https://twitter.com/NACCC_office))
- [linkedin.com/company/NationalAssociationofCertifiedCreditCounselors](https://linkedin.com/company/NationalAssociationofCertifiedCreditCounselors)
- Visit our website <http://www.fcnonline.org>
- Email us at [office@naccc.us](mailto:office@naccc.us)

# Good Credit for People with Disabilities Seeking Employment



**Laurie Schaller, BA**  
Manager Financial Empowerment  
National Disability Institute

# It's Never Too Early To Start

- Every interaction with your client or beneficiary can become a good opportunity to talk about their credit history and share tips for how they can improve their credit standing:
  - Have you checked your credit report recently? Did you know that you can get your credit report for free?
  - Do you know your credit score?
- Parents, educators, employers, case managers, representative payees, guardians, financial educators and financial counselors can all play a role in supporting people with disabilities as they take steps towards managing their own money and developing good credit.

# Establishing Good Credit Can Be Free

- Try reducing expenses and setting money aside monthly. You can then use this money to pay back the amount you borrowed on a credit card. Timely payments can help you develop credit and improve your score.
- People can ask their landlord or subsidized housing counselor to report their timely rent payments to credit reporting agencies. (Be aware that you might be charged for this service.)
- Alternative Financing Programs offer credit building loans for the purchase of assistive technology.
- Many banks and credit unions offer secured credit cards for credit building opportunities. (APR on some of these cards may be very high.)

# Federal Bonding

- Department of Labor and ACCES-VR provide Federal Bonding for job applicants who have credit concerns or other potential barriers to employment.
- The bonding covers the first six months of employment.
- This is free for the employee and the employer.
- Great for individuals facing barriers to employment.
- Supports both full-time and part-time employees.
- Win-Win for employers and candidates.
- This is an insurance policy that helps to open doors to employment: <http://bonds4jobs.com/>.

# More ways to access your credit scores:

- **Check your credit card or other loan statement.** Many major credit card companies and financial institutions have begun to provide some of their customers free access to one of their credit scores. Check your online account portal or mobile app to see if you already receive free access.
- **Talk to a non-profit counselor.** Non-profit financial and credit counselors and HUD-approved [housing counselors](https://www.consumerfinance.gov/find-a-housing-counselor/) (<https://www.consumerfinance.gov/find-a-housing-counselor/>) can often provide you with a free credit report and score and help you review them.
- **Companies that offer free credit scores to the general public:** Credit Karma, Chase Credit Journey, Discover Credit Scorecard.
  - Although these companies may offer this service at no cost, they may require you to register and enter personal information. Afterward, they may also market products to you.

*Source: CFPB*

## Action Items

**Encourage individuals to request their free credit report.**

- **Online:** Visit [AnnualCreditReport.com](https://AnnualCreditReport.com).
- **By Phone:** Call [1-877-322-8228](tel:1-877-322-8228). Deaf and hard of hearing consumers can access the TTY service by calling 711 and referring the Relay Operator to [1-800-821-7232](tel:1-800-821-7232).

**Share information regarding how to access one of their credit scores:**

<https://www.consumerfinance.gov/about-us/blog/new-list-identifies-more-ways-access-credit-scores-free/>.

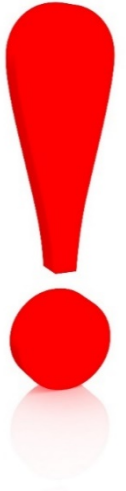




## Action Items (continued)

### Refer your clients to one of our financial counselors.

- Counselors can help the person access their credit report.
- They can also share with them what their credit score is.
- Counseling services are free and confidential.
- To make an appointment with a financial counselor, use the following link: [nyc.gov/EmpoweredNYC](https://nyc.gov/EmpoweredNYC).



# Contacts

## **Nancy Boutot**

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## **Abby Mayerhoff**

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# Questions?

# Join Us For Our Next Training

## Integrating Financial Capability Strategies Into Your Disability Programs

**Date:** March 12, 2019

**Time:** 1:00 p.m.-2:00 p.m.

### **Registration:**

<https://ndiwebinars.webex.com/ndiwebinars/onstage/g.php?MTID=eb139136bdbef3cc94df8ad93402f0090>

**Please take our survey. Your feedback will help us develop a training series to meet the needs of NYC providers.**

# NYC Department of Consumer Affairs (DCA) Office of Financial Empowerment (OFE)

- **DCA** protects and enhances the daily economic lives of New Yorkers to create thriving communities.
- Within DCA, **OFE** is the first local government initiative in the country with the mission to educate, empower and protect New Yorkers and their neighborhoods so they can improve their financial health and build assets.

Learn more:

<https://www1.nyc.gov/site/dca/partners/financial-empowerment.page>



# NYC Free Tax Prep Campaign

OFE coordinates a tax coalition that operates 200+ free tax preparation sites across NYC, helping New Yorkers with low-incomes file their taxes for free and access valuable income boosting tax credits, such as the Earned Income Tax Credit (EITC).



[nyc.gov/taxprep](https://nyc.gov/taxprep)

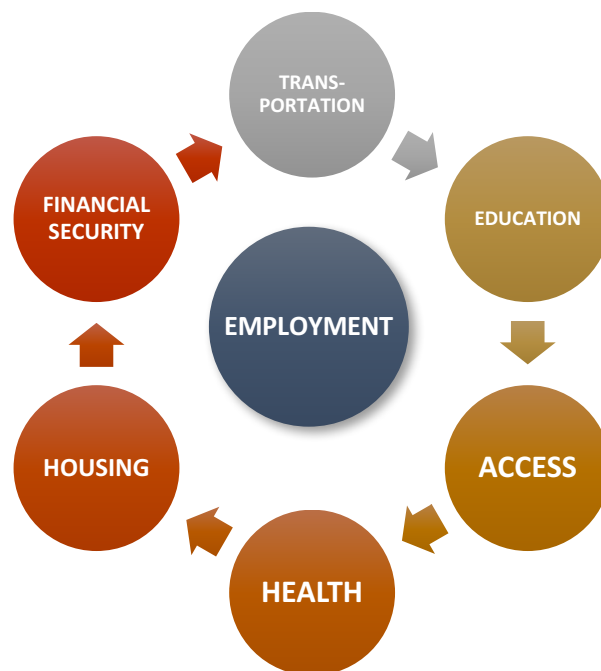
# NYC Mayor's Office for People with Disabilities (MOPD)



- **MOPD** works to ensure that New Yorkers with disabilities can lead happy, healthy and productive lives.
- **NYC: ATWORK** connects people with disabilities to meaningful, living wage jobs across the five boroughs.
- **MOPD** improves services and programs for the over 920,000 New Yorkers who self-identify as people who are living with a disability.



# NYC Mayor's Office for People with Disabilities



**AccessibleNYC Pillars**





## THE FIRST PUBLIC-PRIVATE PARTNERSHIP FOR EMPLOYMENT FOR NEW YORKERS WITH DISABILITIES

- Innovative, cross-systems approach to building a sustainable pipeline of qualified talent to meet the needs of businesses in high-growth industry jobs across NYC
- Business-led, business-driven initiative
- **NYC: ATWORK** is a collaboration among providers, businesses in high growth sectors, vocational rehabilitation, schools and colleges, and NYC government

### AccessibleNYC Pillars

# Citi Community Development

- Citi Community Development leads Citi's commitment to financial inclusion and economic empowerment for underserved individuals, families and communities across the U.S.
- Through innovative collaborations with municipalities, community groups and leading nonprofit organizations, Citi's expertise, products and services are harnessed to help expand opportunity for all.



[CitiCommunityDevelopment.com](http://CitiCommunityDevelopment.com)

# National Disability Institute (NDI)

- **NDI** is a national nonprofit organization dedicated to building a better economic future for people with disabilities.
- The first national organization committed exclusively to championing economic empowerment, financial education, asset development and financial stability for all persons with disabilities. NDI affects change through public education, policy development, training, technical assistance and innovative initiatives.

