Personal Finance Questions, Realities & Myths

The webinar will start at 12:00 p.m. EST

Extension Service

- Nationwide educational network
- Each state and territory
  - Land-grant university and a network of local and regional offices.
- Reaching out
  - Extends the education and research from the university into the local community
  - Solve public needs with university resources through non-formal programs

University of Florida Extension

- Partnership between University of Florida & County Governments
  - All 67 counties in Florida have an Extension presence
  - Most have a Family & Consumer Sciences Agent
  - Main website: www.SolutionsForYourLife.com

Webinar Team

- Dr. Michael Gutter, University of Florida
  - Interim FCS Program Leader, Associate Professor, Family Financial Management
- Lisa Leslie, Hillsborough County Extension Agent
- Julie England, Lake County Extension Agent
- Celia Hill, Lee County Extension Agent

For More Information, Contact:
Lisa Leslie - LeslieL@hillsboroughcounty.org
Julie England - julieeng@ufl.edu
Celia Hill - CHill@leegov.com
Webinar Follow-Up

• Short Evaluation
• Short & easy questions
• Please complete

Special Guest Speaker

Sharon Bonnem
Certified Financial Planner
Member of the Financial Planning Association of Tampa Bay

Sorting the Myths from the Facts

Financial Planning Association®
Pro Bono Program

I saw it on the internet!

• Consider the source of the information. If it is a paid advertisement be especially skeptical of the claims and promises being made.
• Be aware some websites and companies select names to intentionally mislead.
• This goes for radio and TV ads too!

Myth: No sense in looking into health insurance - I can’t afford it.

• Healthcare.gov
• For assistance, getcoveredamerica.org. Punch in your zip code, make an apt. to discuss your options.

Facts about the Affordable Care Act

• “Premium tax credit” = “Health care subsidy”.
• The Dept of Health and Human Services reports that 85% of people who bought policies via the marketplace qualified for the subsidy.

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Facts about the Affordable Care Act

- You can even arrange to have the subsidy applied to your monthly premium, rather than get the money back when you file your taxes.

Myth: I can hire a company to “repair” my credit.

Fact: Only time and improving your debt repayment history will improve your credit report and credit score.

When you first see that you are not able to make payments as agreed, you may want to contact the lender to see if they’ll work with you to arrange a more affordable repayment schedule.

Myth: I can hire a company to “repair” my credit and erase negative information.

- Signs of a scam company:
  - insists you pay them before they do any work on your behalf
  - tells you not to contact the credit reporting companies directly

Should you work out a Debt Management Plan with a Credit Counseling Agency?

- First, do your homework to be sure the organization is “legit”.
- Working out a debt management plan, and making regular payments, may convince lenders to waive certain fees or reduce interest rates.

www.clearpointcreditcounselingsolutions.org

Myth: I need to hire a company to monitor my credit report and score.

Fact:
www.annualcreditreport.com
www.creditkarma.com

Credit Freeze

- Consumers can bar the three credit reporting agencies from releasing information on their credit.
- The individual must notify each of the three agencies.
- May cost $10 to complete.

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Credit Freeze
- You will get a PIN that you must use to authorize a temporary lifting.
- Differs from a fraud alert.

Myth: You can plan on borrowing money for college and not having to repay it under “President Obama’s student loan forgiveness plan”.

Fact: The program is restricted to federally-funded student loans, and certain conditions must be met...

Student loans
Pay As You Earn
- Monthly payments not to exceed 10% of discretionary income. The forgiveness is for the remaining debt after 20 years of payments.

Student loans
Public Service Loan Forgiveness Program
- In addition, borrowers working in public service (government or qualifying nonprofit organization) may have loan forgiveness after making just 10 years worth of on-time payments.

Public Service Loan Forgiveness Program
- All 120 payments need to be paid as agreed while working as a government or non-profit employee.
- Currently, only payments after October 1, 2007 qualify towards this payment record.

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**Myth:** I can’t understand the explanation my [fill in the blank] gives, because I’m not as smart as they are. Asking questions will just make me feel dumb!

**Fact:** It is part of a financial professional’s job to make sure clients understand what they are agreeing to do. If they cannot do that, do not move forward.

**Myth:** The first step for every savvy investor was having a good hunch about a stock.

**Fact:** Before investing, our savvy investor probably did the following...

1. Paid off debts, especially high interest debt.
2. Established an emergency fund
3. Started participating in their employer’s retirement plan (especially if there is an employer match)
4. Learned about investing
5. Then began investing in a mutual fund or exchange traded fund, rather than an individual stock.

**Webinar Follow-Up**

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- Please complete
- Spring webinar schedule coming soon!

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