



Choctaw Nation Next Step Initiative

HOUSEHOLD PACKET

**AGREEMENT & GUIDELINES
FINANCIAL WELLNESS PACKET**



Choctaw Nation Next Step Initiative

HOUSEHOLD AGREEMENT & GUIDELINES

INTRODUCTION

The Next Step Initiative's (NSI) mission is to assist Choctaw tribal member households reach the next step of self-sustainment through supplemental assistance and financial wellness. All eligible NSI households must abide by the Household Agreement and Guidelines. Any of the information in the packet is subject to change, but all households will be notified of any changes.

Households must abide by the rules and regulations outlined in this document.

SUPPLEMENTAL ASSISTANCE

Assistance Amount

The monthly assistance amount to be received on the VISA card is based on household size.

- Household Size 1 is \$80
- Household Size 2 is \$160
- Household Size 3 or more is \$240

Assistance Timeframe

Eligible households may receive up to 12 months of assistance depending on household situation and program policies. Elder households or Disabled households as defined by program policies may receive more than 12 months based on household situation and program policies.

Households are not required to receive their monthly assistance consecutively. However, any skipped month of assistance will require all new documentation to be submitted if a Monthly Status Report is not completed.

Once households have maxed out on services, they may not return for additional assistance until three years from the last month of assistance.

MONTHLY REQUIREMENT

The household must complete and turn in several pieces of information each month before assistance can be approved.

- Monthly Status Report in addition to other documentation as noted on the form
 - The form should not be submitted before the first of each month and no later than the end of business day on the last business day of the month. Use the Financial Wellness Plan to track submissions.
 - Any changes in the household must be reported on the Monthly Status Report. Assistance will be delayed if the form is not completed in full and/or all requested documentation is not included.
- All Next Step Initiative Card Transaction Receipts up to that point

CARD INFORMATION

It is the NSI household's responsibility to know and abide by all card guidelines.

General Card Information

- No cash back option, cash refunds or ATM withdrawal is allowed on card.
- NSI VISA card is not tax-free.
- Only NSI can load money to card.
- Vendors may only refund money to card when an exchange is not possible.

Roll-Overs & Expiration

Any balance left on the card at the end of the month will roll over to the next month. Money not used by the expiration date on the card will be lost. However, cards not used for 90 consecutive days or more may be canceled due to reoccurring fees, regardless of expiration date.

Replacement Card

Cards that must be replaced for any reason outside of NSI staff closing the card for administrative reasons will result in a \$15 replacement card fee that will be taken off the balance of the card. It is the responsibility of the household to retain the card until any of the following occurs:

- Expiration Date
- Not used for 90 days or more
- Completed assistance and used all funds

Checking Card Balance

Most vendors can only run the transaction for the balance or less of the card without it being declined; therefore, it is the responsibility of the participant to track available funds on the card. The balance can be checked via phone at (800) 486-0292 or online at <http://www.convenientcards.com/>. Both of these options are free; however, if at any point on the call the caller chooses to speak to a live person, the card will be charged \$1.

Participants may make payment in any legal form for the amount purchased in excess of the card balance; however, forced transactions for card overages are not acceptable.

Potential Holds or Cancellation

NSI staff can place a hold on the card or cancel the card for reasons including, but not limited to: if NSI staff is unable to contact participant, if violation(s) occurs resulting in sanctions, if the card is suspected to be compromised, or if the card is used at an unauthorized store.

CARD USAGE

The NSI card should be used for items that are designed to supplement household priority needs as identified in the Next Step Initiative Financial Wellness Packet and to assist with items that could contribute to the long-term success of the household.

Recommended Vendors/Purchases

The following are recommended vendor/purchase categories:

- Grocery Stores
- Automotive Service Stores
- Fuel Station
- Shelter/Home Improvement Vendors
- Health/Hygiene Related Stores
- Professional or School Related Vendors

Card Purchase Restrictions

Any item(s) purchased under the following categories are unacceptable and will receive sanction points for each item purchased.

- No purchase of alcohol, tobacco, cannabidiol or other related substances
- No purchase of firearms, explosives or other related substances
- No purchase of entertainment related items such as electronics, toys or other related items
- No purchase of lottery, scratch cards, or related items
- No purchase of gift cards, gift certificates or related items
- Any item(s) or services purchased in excess outside of the recommended vendors/purchase categories as determined by NSI management will require the household to provide justification of purchase*

**“In excess” is defined as being warned more than once of that purchase type being considered unacceptable. After one warning, if the item type is purchased again, the household must justify in writing why the purchase was made.*

VIOLATIONS

Sanction points can be assigned for each single occurrence of a violation. All points are cumulative and will be kept current for a period of three (3) years or for as long as one term of services is active.

Violations Subject to Sanction Point(s)

Offenses subject to sanction points include but are not limited to:

- Failure to turn-in receipt(s) from NSI card transaction(s) - 1 point
- Purchasing an item considered unacceptable based on card purchase restrictions - 10 points
- Overspending allocated amount on NSI card - 10 points**
- Receiving cash back, cash withdrawal or cash refunds – 5 points
- Dual participation in programs if NSI Elder or Disabled household - 15 points
- Falsifying any documentation, forging signatures, documentation or failing to update changes in household - 30 points

*** In addition to the sanction points, the overage spent will be taken out of the next reload.*

Sanction Action Schedule

Accumulated points of any combination will result in the following sanction action:

- 1-10 points: First Level Warning (Written)
- 11-20 points: Second Level Warning (Written) with Review of Agreement and Policies (Required Signature)
- 21-25 points: Third Level Warning (Written) with 1 Month Disqualification from Next Step Initiative
- 26+ points: Next Step Initiative Dismissal for Three (3) Years

FINANCIAL WELLNESS PLAN

All eligible households are encouraged and/or required to complete a 12-month Financial Wellness Plan. The Financial Wellness Plan outlines steps to complete the Financial Wellness Packet that all households will receive. This plan is designed to help households become more financially stable by learning to budget.

To ensure completion, Next Step Coordinators may ask to see completed worksheets. Only Elder and Disabled Households as defined by program policies will be excused from the Financial Wellness Plan.

Month 1: Date Issued: _____

- Receive initial card and begin Financial Wellness Plan for Month 2.

Month 2: Date Submitted: _____

- Read Financial Wellness Packet, pages 1-3.
- Complete Worksheet 1.1 as explained on page 3.

Month 3: Date Submitted: _____

- Complete another month on Worksheet 1.1 as explained on page 3.

Month 4: Date Submitted: _____

- Complete another month on Worksheet 1.1 as explained on page 3.

Month 5: Date Submitted: _____

- Read Financial Wellness Packet pages 4-8.
- Referencing Month 2, 3 & 4 Worksheets 1.1, complete Worksheets 1.2, 1.3, 1.4 and 1.5.

Month 6: Date Submitted: _____

- Read Financial Wellness Packet pages 9-11.
- Complete Worksheet 1.6.
- Referencing Month 5 and Worksheet 1.6, complete Budget Worksheet 1.7 as explained on page 10-11.

Month 7: Date Submitted: _____

- Read Financial Wellness Packet pages 12-13.
- Update Worksheet 1.7 with current month information.

Month 8: Date Submitted: _____

- Read Financial Wellness Packet pages 14-17.
- Update Worksheet 1.7 with current month information.

Month 9: Date Submitted: _____

- Update Worksheet 1.7 with current month information.
- Go to spendlifewisely.com and find 2-3 “Articles” that interests your household.

Month 10: Date Submitted: _____

- Update Worksheet 1.7 with current month information.
- Go to spendlifewisely.com and find 2-3 “Articles” that interests your household.

Month 11: Date Submitted: _____

- Update Worksheet 1.7 with current month information.
- Go to spendlifewisely.com and find 2-3 “Articles” that interests your household.

Month 12: Date Submitted: _____

- Update Worksheet 1.7 with current month information.
- Go to spendlifewisely.com and find 2-3 “Articles” that interests your household.



Choctaw Nation Next Step Initiative

FINANCIAL WELLNESS PACKET

INTRODUCTION

**Are you ready to take the next step to financial wellness?
Well, we're here to help!**

The following pages walk through some basic information regarding budgeting and debt management. We hope this leads you to search out ways you can become more confident about your finances. Choctaw Nation has a variety of services that can help you get on your feet and become more financially stable. For more information on services available, visit choctawnation.com.

Legal Disclaimer

Neither publisher nor author(s) are engaged in rendering financial, legal or other professional advice. This publication is provided for informational purposes only without warranty of any kind and should not be relied upon for professional advice (including but not limited to financial or legal advice). Neither publisher or author make any representation as to the completeness or accuracy of the contents of this publication.

All examples in this publication are fictional and do not represent an actual individual or their situation. The information presented herein may not be suitable for your situation. If financial advice or other expert assistance is required, the services of a competent professional should be sought. All warranties, express or implied, including but not limited to warranties of merchantability and fitness for particular purposes are specifically disclaimed. This publication is not for sale nor may anyone use it for profitable production.

BASIC MONEY MANAGEMENT

What can I do?

Living paycheck to paycheck or on very limited income is difficult, stressful and daunting. By learning some simple ways to prepare and manage the money you do have, you will find some peace in your daily money struggles or concerns.

What is basic money management?

Basic money management is knowing where your money is spent, how to make sure top priorities are met, planning for unexpected circumstances and creating a budget to help stay on track!

STEP 1 – Track Your Spending Habits

Where does my money go?

A good way to identify where all your money goes is to track your spending over a period of time. Track when, where, how much and whether it was a necessary purchase or not. A necessary purchase is considered a need not a want. These items will help identify your spending patterns and habits.

What do I do?

Over the next few months use the Spending Tracker Worksheet 1.1 to track all your purchases. It should include all cash, credit or debit card purchases.

Who all should use the spending tracker?

Everyone in your household who spends part of the household income should track their spending.

Spending Tracker Worksheet 1.1

Instructions:

For the rest of the current month, list out each individual purchase and bills paid by anyone in your household who spends part of the household income.

- Column 1 List the day of the purchase or day the bill was paid for.
 - Column 2 List the category of the purchase.
 - Column 3 List the place/company who was paid for the purchase.
 - Column 4 List the items or service bought in that purchase.
 - Column 5 List the amount spent on the purchase.
 - Column 6 Identify if the purchase was a “need” for the household or if the purchase was a “want” (something that could have been gone without).

STEP 2 – Identify Expenses

What is an expense?

An expense is anything that costs money. Any bills or purchases you make are expenses. Therefore, anything listed on Worksheet 1.1 is an expense. There are several different types of expenses, ways to budget and ways to track those expenses.

Fixed Expenses

Fixed expenses are the expenses that are the same every month. Examples include rent, car payment, etc.

Fixed Expenses Worksheet 1.2

Instructions:

Identify your monthly fixed expenses focusing on bills you pay using Worksheet 1.1 for past months spending.

- | | |
|----------|---|
| Column 1 | List your fixed expense. |
| Column 2 | List the day of the month the bill is due by. |
| Column 3 | List what the fixed amount is for your expense. |

Variable Expenses

Variable expenses are the expenses that change from month to month. Examples include utility bills, credit card balances and childcare.

Although these expense amounts change, you can find an estimated amount to budget each month by looking at the past patterns.

How do you budget for variable expense amount changes?

There are several ways to budget for variable expenses that change. An easy and accurate method is using the highest cost spent in the last 12 months.

Example:

In the past 12 months the bill has frequently changed, but the highest you've ever had to pay is \$145. It is reasonable to use \$145 as the amount you will not expect to exceed if that is the highest amount you've paid in the past 12 months. Keep in mind that this amount could change with price increases.

Variable Expenses Worksheet 1.3

Instructions:

Identify your monthly variable expenses focusing on bills you pay using Worksheet 1.1 for past months spending.

Column 1 List your variable expense.

Column 2 List the day of the month the bill is due by.

Column 3 Go back through the last 12 months and find the highest amount paid for the variable expense.

1. Expense	2. Due Date	3. Highest Amount Paid (aka Budget Amount)
Example: Electric Bill	1st of each month	\$210 (highest in July)

Priority Expenses

There are times you must prioritize your expenses in order to stay on track, especially living on a tight income. A few items you will want to prioritize first include food, shelter/utilities and transportation.

Food

Buy your groceries first. It is always better to over budget in the food category. After budgeting and tracking for a few months, you will have a better understanding of how much your family needs.

Remember, just because it falls in a priority expense doesn't mean that all food spending is a priority within your budget. The purpose of the budget for food is to make sure you have enough to meet the needs of your household. Your budget for food should be large enough to cover main meals and basic household food supplies; however, it should not be so large that you make unnecessary purchases just because its budgeted in.

IDEA

Avoid purchasing unnecessary items or too much food that might ruin before it can be used. Try using a meal planner and only buy the ingredients you need for the week. See Worksheet 1.4 for a generic meal planner!

Shelter/Utilities

Pay your house payment/rent and utilities. The shelter budget category should include everything needed to keep you and your family safe and warm inside your home, such as mortgage or rent, electric, water, etc. You cannot afford to lose your house or have the power disconnected.

If you have to choose to be behind on an expense, choose to be behind on things that do not matter as much such as luxury items: cable, internet, etc. If being behind is a continual pattern, eliminate those luxury items until you get caught up. Cable does not work if there is no electricity.

IDEA

Talk to your utility companies to see if there are different payment options available. Compare services to see if there are cheaper rates available.

Transportation

You need to keep your car running to get to work and make money. Car payments, gasoline expenses, car insurance, basic repairs and maintenance needed to keep the car running fall under this category. If transportation costs become too much, look at alternate transportation methods such as carpooling, bus systems, or transit services.

Weekly Meal Planner Worksheet 1.4

Instructions:

Plan your meals for the week that use similar ingredients to reduce spending and prevent spoiled foods.

Mark items on your list you have a coupon for as a reminder.

Consider purchasing store brand versus name brand to be more cost effective.

Identify your needs first.

Remember your budget!

Column 1 List your menu for the day. Don't forget all 3 meals and snacks!

Column 2 List the items you need to purchase to make that meal.

Column 3 Consider if you have items that can be removed because it's a want instead of a need. Example: ice cream

1. Menu	2. Shopping List	3. Wants?
Sunday		
Monday		
Tuesday		
Wednesday		
Thursday		
Friday		
Saturday		

Priority Expenses Worksheet 1.5

Instructions:

Use Worksheet 1.1 for the past month's spending, and identify expenses that caused you to be unable to pay a priority expense.

Column 1 List an item you purchased in the last 30 days you wanted but didn't need.

Column 2 List the cost of the item.

After totaling the amount of all wanted items purchased, would you have been able to devote more money to a priority expense if the wanted items weren't purchased?

DAILY DECISIONS MAKE A DIFFERENCE

EXPENSE	COST PER DAY	COST PER MONTH
Bottle water	\$2	\$60
Coffee	\$5	\$150
Weekday Lunches	\$8	\$160
Soda	\$2	\$60
Cigarettes	\$5	\$150

Unexpected Expenses

Unexpected, surprising, inconsistent or potential expenses can easily disrupt your budget and put you behind. Planning for these types of expenses is a proactive way to help stay on track.

How do I plan for unexpected expenses?

Look at Past Expenses

Make a list of unexpected, inconsistent and/or potential expenses you've encountered in the past by looking at last year's calendar, bank or credit card statements.

Examples may include yearly property taxes, quarterly car insurance premiums, Christmas gifts, birthday presents, car repairs, medical bills/ prescriptions and seasonal utility increases. Also, consider what you spent on children's activities, school fees and sports commitments.

If you do not know how much an expense was or what unexpected expenses you did incur in the past, keep a folder that will help you stay on top of it over the next year.

Save Up

It might be hard to include unexpected expenses in your budget; therefore, set aside a specific amount each month to start with. For example, start with \$25 each paycheck, and once you can consistently do this, increase it to \$50 and so on.

Another option is to set up an electronic transfer through online banking to an account you do not have routine access to. This will help make sure you do not forget to save and keeps your money safe from yourself. If you are unable to set up an electronic transfer, use a method of setting aside cash in a safe place.

IDEA

Be sure to add yearly expenses to your budget now before you forget!

STEP 3 – Income

What is the difference between Gross and Net Pay?

Gross Pay is the amount of money before taxes. This is not the total amount you will receive.

Net Pay is the amount that is left after taxes. This is the amount that you will receive. An estimated 25-33% of the gross pay is taken out in taxes, depending on if you are single, married, the number of dependents and what bracket your income level falls in.

How do I know what my income is?

Identify all household net income that is consistent and/or guaranteed such as wages, salary, social security, etc. Child support, assistance programs and alimony are not always guaranteed or released on a consistent frequency; therefore, be careful when setting a budget amount based on these incomes.

Income Worksheet 1.6

Instructions:

Identify your income.

- Column 1 List the type of income you receive such as wages, social security, etc.
Column 2 List how often you receive that income such as weekly, every 2 weeks, monthly, etc.
Column 3 List how much you receive (net pay) each time.
Column 4 List how many times you receive the amount in column 3.
Column 5 Get the total monthly amount received by multiplying the number in column 3 & column 4.

1. Type of Income	2. Frequency Paid	3. Amount Received	4. How many times am I paid in a month?	5. Monthly Amount Received
Example: Wages	Bi-Weekly	\$900	2	$\$900 \times 2 = \$1,800$

STEP 4 – Create a Budget

Now put it all together in your budget!

1. Take your total income from Income Worksheet 1.6 and put it on the income line of your Budget Worksheet 1.7.
2. Put your expenses in the Budget Worksheet 1.7.
 - Place expenses from column 1 of Fixed and Variable Expenses Worksheets 1.2 & 1.3 to column 1 of Budget Worksheet 1.7.
 - Place due dates from column 2 of Fixed and Variable Expenses Worksheets 1.2 & 1.3 to column 2 of Budget Worksheet 1.7 next to the matching expense.
 - Place budget amount from column 3 of Fixed and Variable Expenses Worksheets 1.2 & 1.3 to column 3 of Budget Worksheet 1.7 next to the matching expense.
 - Use the Spending Tracker Worksheet 1.1 to identify all remaining expenses you need to budget for. You can use an average cost over several months to determine how much you need to budget for.
 - Go back to the Unexpected Expenses section and identify if you have any other expenses that needs to be added to your budget.
3. Compare the sum of all the Budgeted Amount items from column 3 on Budget Worksheet 1.7 to the total income identified in step 1 above.
 - If your total income is less than your total budgeted amount for expenses, here are some ideas:
 - Look at your Priority Expenses Worksheet 1.5. Are there any changes that can be made to your spending to ensure your priority needs are met?
 - Jump ahead and look at Needs vs Wants to see how you can make adjustments to your spending patterns.
 - If your total income is greater than all your total budgeted amount for expenses, then put it in savings for a rainy day!

Budget Worksheet 1.7

Total Income:

STEP 5 – Manage Your Budget

How do I track my budget?

1. Use your Spending Tracker Worksheet 1.1 continuously to identify where your money is spent.
2. Put the amount spent in column 4 of the Budget Worksheet 1.7 that matches the expense.
 - Then, next month you can use column 5, then the following month column 6 and so on.
3. Subtract the amount spent from the budgeted amount to see how much you saved or went over.
4. Compare your total spent from column 4 (or 5 or 6 depending on what month you are comparing) and the total budget amount from column 3 on Budget Worksheet 1.7.
 - If you're spending more than your budgeted amount, here are some ideas:
 - Look at your Priority Expenses Worksheet 1.5. Are there any changes that can be made to your spending to ensure your priority needs are met?
 - Jump ahead and look at Needs vs Wants to see how you can make adjustments to your spending patterns.
 - If you're spending less than budgeted amount, then put it in savings for a rainy day!

How do I keep track of my bills on my budget?

Some bills you actively pay by check, mail or cash at the location. Some bills are automatically drafted out of your bank account. Tracking all methods are important to know the true balance of your budget.

1. Write in the bill due dates at the beginning of your budget time span.
2. Set reminders for yourself to pay them on time.
3. Write in the dates of auto drafts in the date due column.
4. When you pay a bill, write the date paid on the budget.

NEED VS WANT

Can you hear yourself saying, “I really need that pair of shoes or steak sure sounds good tonight, let’s grill!” Depending on your current situation, being able to determine whether something is a need versus a want can make a difference in your wallet. The answer to “Is this a need or a want?” is not always a black or white decision. This section will focus on things to ask yourself to help determine whether you really need it or want it.

The following are some questions you can ask yourself before making a big purchase decision.

- What is your goal for this purchase?
- Will this purchase accomplish a necessary purpose?
- Does this align with Priority Needs?
- Can I pay all bills that are due if I choose to buy it?

What are some examples of wants versus needs?

Home Internet

Classified as a want, not a need. If you work from home, where it can be considered a business expense, this can be considered a need. But, if you use it mostly to check Facebook, stream videos, music and play games, it is a want. The same can be said for cable, streaming video and music subscriptions. These are all wants, not needs.

Groceries

Should be looked at as a combination of both. Bread, milk, eggs, fruits and vegetables are all needs. Higher end cuts of meat, cookies and more expensive varieties of fruit juices are wants. Milk is a need, but organic is a want. Wholegrain bread is a need, but premium organic bread is a want. Can you see where this is going?

The family is coming over this weekend. It is great your family wants to come see you, but they should not expect you to provide a full meal. Set up a pot-luck dinner where everyone chips in and saves money by working together.

Clothing

Consider the purpose of the clothing before purchasing. For children, is it something they can wear to school or only at home? There is no reason to buy shirts that cannot be worn at school. You would be buying twice the clothing to put on your children. Buying jeans with holes the school doesn’t allow should not be considered either.

Name Brand Purchases

Purchasing a more expensive item just because of the brand name doesn’t dig you out of a hole. Instead of buying one pair of \$100 shoes, you can buy a \$50 pair. This extra \$50 you save can buy you another pair of shoes, be put towards another expense or be placed in savings.

DEBT MANAGEMENT

What is debt?

A simple question with a simple answer. Debt is anything you owe to someone or a company. It is important to remember debt includes money owed to family, friends, loan companies, past due utility bills and credit card balances.

How can I minimize and/or eliminate my debt?

Just like any other big task, it can be accomplished in small steps. For some households, the idea of being completely debt-free seems impossible. First, focus on minimizing your debt to a manageable number. Once you successfully minimize your debt, you can take the next step in becoming debt-free!

Preparing to minimize debt in 3 steps:

1. Review budget and make adjustments if needed
2. Analyze the household needs vs wants
3. Begin to pay off debt

Manage Risks

Once you have identified your budget and made adjustments to your spending habits, it is important to manage the risks when you come upon an unexpected need.

Same day cash advances, short term loans, low to zero interest financing, payday loans and other quick money options are slippery slopes to avoid. Many live paycheck to paycheck or live on loans. These quick money options, if not managed properly, can cause more injury to your money situation. The best way to avoid these quick money options that lead into further debt and potential bankruptcy is managing your expenses and income wisely as well as being prepared for the unexpected.

What are the risks?

Payday Loans/Cash Advances/Short Term Loans

As with most loans, you will incur fees and charges when it comes time to pay it back. What may have been a \$500 immediate need quickly doubles or triples, putting you even further into debt.

Alternative - Create an emergency savings for quick needs such as these. Understandably, finding ways to save when you live paycheck to paycheck can be difficult; however, are there items in your budget you could sacrifice for a few months or eliminate altogether to allow you to save a small amount to cover such unexpected needs?

Low to Zero Interest

This sounds appealing; however, always read the fine print. Most low to zero interest loans are only in effect for a short amount of time. After the initial promotional period is over the interest rate doubles or triples compared to a normal loan.

Alternative - Always read the fine print. Depending on what the purchase is, consider whether the interest is workable within your budget and whether or not it is something that can wait until you can purchase the item in full.

Credit Cards

Credit cards can be a good way to build your credit if managed wisely and responsibly. However, be careful of companies that charge high annual percentage rate or interest. There are also other fees that can occur for late payments and spending over the card's limit.

Alternative - Save and pay cash for large purchases that can wait. Limit the number of credit cards you have by trying to pay off the low balance cards first and canceling them.

Banking/Savings Account Fees

Most banks have free checking and savings accounts available. However, even with free accounts there could be fees. There are some accounts that have a minimum balance requirement. If the account balance falls below the minimum balance, then the bank will charge a fee, potentially making your account overdrawn even if the account is not being used.

Borrowing from Family or Friends

Although family and friends can be the easiest way to get money fast and limit debt, there are risks to borrowing money from friends and family repeatedly. The impacts include negative family dynamics, rising guilt, resentment and ruined friendships.

Alternative - Refrain from repeatedly borrowing money from your family and friends by adjusting your spending behavior to allow a small savings that will cover unexpected costs. Find an accountability partner. This should be someone honest and trustworthy who will help you stay on track financially.

Debt Payoff

How do I pay off my debt?

Paying off debt is difficult if you are using debt as a way to make ends meet. The key to minimizing your debt is keeping up with your household budget. By staying within your budget and learning how to get rid of your wants and focusing on your needs, you will be able to minimize your debt. These three simple steps will help you get started:

1. Avoid gaining additional debt.
 - No new loans
 - No new credit cards
 - Stop using your credit cards
2. Establish a budget that reflects your responsibility to pay your debts.
 - Your budget should reflect your debt payments.
 - Use any extra money to pay more on a debt payment.
3. Seek out a professional who can help you consolidate debt and find other solutions.
 - Find a professional or someone who has eliminated their debt in the past.
 - Find an accountability partner who will help you through the process.

UNDERSTANDING CREDIT SCORES

What is a credit score?

A credit score is a three-digit number calculated from your credit report. It is one factor used by lenders to determine your creditworthiness for a mortgage, loan or credit card.

Why is it important?

Your score can affect whether or not you are approved for a loan as well as what interest rate you are charged. Many companies may approve your loan with a low credit score. Your interest rate could be extremely high causing you to owe twice as much or more.

What effects my credit score negatively?

- Not paying your bills on time
- How late or frequently late you paid
- Debts gone to collections
- Foreclosures, bankruptcies, and/or judgements against you
- Amount of credit used
- Amount owed on specific accounts such as auto loans, mortgage, credit cards, etc.
- Multiple new accounts applied for recently
- Co-signing loans or credit if the other person does not pay

MANAGING CREDIT CARD DEBT

Pay More

Paying more than the minimum or paying in full can help you become debt free a lot faster and ultimately lessen the amount you owe. Paying the bare minimum makes your debt seem more manageable in the short term, but it'll take you longer to pay off the total amount. Also, paying less than the minimum could be reported as a missed payment and negatively affect your credit score.

Pay on Time

Being late with payments hurts your credit score. Plus, missing payments can lead to fees, penalties and even raise your interest rate. Regular payments help you work toward eliminating debt and shows you are responsible with credit.

Transfer Balance

Consider transferring your balance to a card with a lower APR (annual percentage rate) or interest. While a transfer will likely incur a fee, you could get a low rate to help you save on interest in the long term. Your rates may have increased, and your card may be costing you a lot more than it should. Keep in mind you will pay interest on any interest charges already occurred.

Watch your Wallet

Plan accordingly for big ticket items and stick to your budget for everyday items. Remember, if you don't need it, don't buy it! If you max out your credit card you may incur penalties and increase your interest rate. Keep your balances low and you can deny a raise to your credit limit.

Talk to Creditors

Depending on your financial situation, they may have suggestions or options available to help reduce your debt. Don't be afraid to seek professional help if you need it.

NEXT STEP INITIATIVE REGIONAL OFFICES

Antlers

200 SW "O" Street | Antlers, Oklahoma
580-642-2037

Broken Bow

109 Chahta Road | Broken Bow, Oklahoma
580-584-2842

Durant

1802 Chukka Hina | Durant, Oklahoma
580-642-8601

McAlester

3244 Afullota Hina | McAlester, Oklahoma
580-642-7683

Poteau

106 "B" Street | Poteau, Oklahoma
580-642-6442

Mailing Address

PO Box 1210 | Durant, Oklahoma 74702-1210