

Managing Your Debt Checklist

The sensible use of borrowing should be part of a sound financial strategy. Debt can enable you to enjoy things that are otherwise beyond your current financial reach. But, debt can also have an ugly side. Too much, too expensive or the wrong kinds of debt can make life miserable. Here are four common sense borrowing habits:

- Never borrow what you can't repay.
- Never borrow for a luxury if you can't afford the necessities.
- Prioritize your borrowing.
- Reserve some borrowing capacity for emergencies.

Date	Item	Actions needed
___/___/___	<p>Review you credit report.</p> <p>A solid and accurate credit record can make borrowing easier and cheaper.</p> <p>You can get a free report annually at www.annualcreditreport.com or you can order one. Equifax - 800/997-2493 Experian - 888/397-3742 TransUnion - 800/888-4213</p>	1. 2. 3.
___/___/___	<p>Examine your home mortgage.</p> <p>Would refinancing reduce your monthly payments because of lower rates?</p> <p>Consider paying down your mortgage faster than the regular amortization.</p> <p>Examine whether you have the right type of mortgage. A shorter term or adjustable rate mortgage may better match your plans and offer a lower rate.</p>	1. 2. 3.
___/___/___	<p>Consider a home equity loan.</p> <p>Using the proceeds of a home equity loan to pay off credit card debt will probably reduce your interest costs. Interest paid on a home equity loan may result in a tax deduction unlike other types of interest.</p>	1. 2. 3.
___/___/___	<p>Evaluate your credit cards.</p> <p>Are you using them wisely and paying off the balances monthly?</p> <p>Does the combination of fees, rates and "reward" benefits match how you use the card and provide the lowest total costs?</p>	1. 2. 3.
	<p>Auto loans.</p>	1.

<p>___/___</p>	<p>If borrowing for the purchase of a car, be sure to compare the loan rates from your financial institution with those offered by the auto dealer. A rebate from the dealer, instead of their "low" rates may be better.</p>	<p>2. 3.</p>
<p>___/___</p>	<p>Electronic payments.</p> <p>Using regularly scheduled electronic payments from your checking account to pay your mortgage, auto loan or credit card bill can simplify your monthly bill paying and ensure payments are received in time to avoid any late payment charges.</p>	<p>1. 2. 3.</p>
<p>___/___</p>	<p>Getting help.</p> <p>If your borrowing is causing you anguish, take steps to control your borrowing.</p> <p>Quit using credit cards, substitute a debit card for your credit card, develop a plan to pay off your debt and definitely pay more than the monthly minimum on your credit card balances.</p>	<p>1. 2. 3.</p>