Course Objectives

- Increase your knowledge about financial planning
- Improve your ability to make informed decisions
Managing Credit
Presenters

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• Understand the importance of managing your credit
• Have a SMART financial goal
• Know the steps you can take to fix your credit
Importance of Keeping Good Credit

- Purchasing a home
- When applying for a loan
- Obtaining car insurance
- Obtaining a cellular phone
- Renting an apartment
- Applying for some jobs
Loan Terms & Conditions

- Prepayment penalties
- Credit insurance
- Fees for obtaining credit
- Terms and conditions may change if payments are not made on time (increase in rate, fees, etc...)

Take Charge of Your Money
Credit reports contain your name, social security number, address/previous addresses, telephone number(s), date of birth and employment information.

**Reporting Agencies**

- Experian
- TransUnion
- Equifax

Free Annual Credit Report

[http://annualcreditreport.com](http://annualcreditreport.com)
Create **SMART** financial goals

- **S**pecific
- **M**easurable
- **A**ttainable
- **R**ealistic
- **T**ime Bound
Managing Financial Hardship

- Notify and work with creditors on your current financial situation
- Most creditors are willing to work with consumers on payments
- Continue to provide updates to your lender about your current financial situation
- Seek the assistance of a credit counseling service
Loan Consolidation & Refinancing

- Lower interest rates will lead to overall savings
- Consider what outstanding Loan/Line balances to pay off and what rate/payoff period would make sense to save money
- Maximizing cash flow will help during the day to day expenditures
Where to Go for Help

Consumer Credit Counseling Services of Hawai'i

• www.cccsofhawaii.org
• 1-800-801-5999
• info@cccsofhawaii.org
Do Credit Repair Agencies Work?

- There is no quick fix for creditworthiness
- You can improve your credit report legitimately but it takes time, a conscious effort, and sticking to a personal debt repayment plan
Bankruptcy is the last resort when you cannot possibly pay what you owe and informal arrangements with creditors have failed.
Three Types of Bankruptcy

- **Chapter 7** (Straight Bankruptcy): to give up your property to the court, which will divide it among your creditors and ask the court to erase your debt; income must be less than $100 a month

- **Chapter 13**: for income over $100 a month

- **Chapter 11**: for businesses designed to keep them going; it allows the debtor to retain income earned after bankruptcy filing while using only assets he had at the time of filing to pay past debts
Summary

- Managing your credit is key to having a successful financial life
- Most lenders are willing to work with the borrower when a financial hardship occurs
- Having a budget and being able to make timely payments are key to having great credit
Take Charge of Your Money

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We would like to thank the following groups for their support:

- University of Hawai'i
  - College of Tropical Agriculture & Human Resources, Cooperative Extension Service, Department of Family & Consumer Sciences
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- Hawai'i Bankers Association
- Bank of Hawai'i