

# Credit Repair

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## Financial trouble check list from *Family Finance* by Douglas and Lewin

- I frequently end up paying bills after they are past due
- I am bouncing checks on a regular basis
- I am getting further in debt with each passing month
- I'm dipping into savings to pay my bills
- I've used cash advance on one credit card to pay the minimum bill on another
- I am only able to pay the minimum on credit cards
- At least one of my credit cards is over the limit
- I frequently receive calls from collections agencies
- I'm am putting off spending money on health care, repairs, etc.
- My utilities have been cut off from time to time
- If I or my spouse lost their job, we would be in financial trouble immediately
- My spending habits are affecting my marriage / relationship
- I feel depressed and hopeless when thinking about my financial situation

## History

In 1971 legislation was passed to eliminate the discrimination in lending practices. The Fair Credit and Reporting Act (FCRA) started a push for a more standardized system, but many lenders were failing to come up with accurate predictions because their equations were still factoring in things like age, gender and race.

Fair Issac Corporation (FICO) developed the FICO score in 1980's while working with Equifax and began comparing a person's use of credit and repayment history to better determine an unbiased, quick way to assess a person's credit worthiness

Score is a predictor of how likely you'll be able to make payments on lines of credit given to you over a 24 month period of time







## Options to pay off debt

Home equity loan

Home equity line of credit

Refinance

Loans from banks and credit union (secured and unsecured)

## Credit counseling options

Credit and Debt Counseling Agencies

- Will they send information about the program
- Minimum debt requirements
- What type of debt
- Fees
- Security level / Sell info to outside parties
- Credit report / score effects
- How often do they pay creditors
- Payment options
- Accreditation
- Counselor training
- Comfort level with staff

Beware of credit repair

Ncff.org

Credit union service

Bankruptcy

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## Resources

Federal Trade Commission site on improving Credit Score

<http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre03.shtm>

Department of Financial Institutions – educational resources from the KY State Public Protection Cabinet

<http://kfi.ky.gov/public/Pages/credit.aspx>

Fair Issac Corporation

[www.myfico.com](http://www.myfico.com)

Department of Justice – Approved Credit Counseling Agencies

[www.usdoj.gov/ust/eo/bapcpa/ccde/cc\\_approved.htm](http://www.usdoj.gov/ust/eo/bapcpa/ccde/cc_approved.htm)

National Foundation for Consumer Credit

[www.nfcc.org](http://www.nfcc.org)

Credit Reporting Agencies

Experian – (888) 397-3742

[www.experian.com](http://www.experian.com)

Equifax – (800) 685-1111

[www.equifax.com](http://www.equifax.com)

Trans Union Corporation – (800) 916-8800

[www.transunion.com](http://www.transunion.com)

Get three free credit reports

[www.annualcreditreport.com](http://www.annualcreditreport.com) – (877) 322-8228

TransUnion's Transrisk Account and Vantage Score

[www.creditkarma.com](http://www.creditkarma.com)

Credit score estimate

[www.quizzle.com](http://www.quizzle.com)



*The Kentucky Employee Assistance Program (KEAP) is dedicated to helping employees find solutions to the personal problems that may hinder their effectiveness at work.*

**Problems concerning marital, family, or emotional distress, alcoholism and drug abuse, financial or even medical issues can seriously diminish an individual's job performance. In addition, regardless of position or seniority, many employees encounter workplace difficulties that create excessive job stress which can affect their physical and emotional health. As a progressive employer the Commonwealth of Kentucky recognizes that there are positive, workable solutions to many of these problems that trouble employees.**

**State employees and their dependents are eligible for KEAP services. There is no cost for its information or referral services. All of your contact with KEAP is confidential as required by state and federal law. Employee involvement with KEAP is permitted on state time with the supervisor's prior approval. Supervisors may refer employees to KEAP when job performance deteriorates, however participation is voluntary.**

### **KEAP Services**

- **Assessment:** Each person seeking assistance will receive a confidential assessment with a trained EAP professional. The purpose of the assessment is to clearly identify the problem. The assessment may be conducted face-to-face or by telephone.
- **Referral:** Once a thorough assessment is conducted the EAP professional may make a referral to the most appropriate professional or resource and provide assistance in making contact with those resources.
- **Follow-up:** After making the referral, the EAP professional maintains intermittent contact with the employee to ensure that the process has gone smoothly and the needed services are being provided.
- **Crisis Intervention:** When critical incidents or workplace trauma occur, the EAP can provide crisis response. Crisis debriefings provide individuals with information about possible reactions that may follow a critical incident. A structured environment allows individuals to discuss their thoughts and reactions to the incident.
- **Grief Response:** When death affects a workgroup, KEAP is available to provide grief response groups.
- **Management Consultation:** Supervisors may consult with EAP professionals for guidance regarding employees and difficult workplace situations.
- **Education:** KEAP staff members are available for staff development training opportunities.

If you or your dependents could benefit from this assessment and referral service, call the KEAP office for more information. In Frankfort call 502-564-5788, or use the toll-free **1-800-445-KEAP** number from anywhere in the state. Kentucky State Police also have an Employee Assistance Program. They can be reached at 502-573-1719.

# Credit Repair Resources at the State Library

## Two options for finding materials at the State Library:

1. KDLA Catalog → KDLA WorldCat Discovery: <http://kdla.on.worldcat.org/discovery>
  2. Kentucky Libraries Unbound (KLU):  
<http://kdla.ky.gov/employees/downloadingmedia/Pages/default.aspx>
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## To search for materials in KDLA WorldCat Discovery:

- Go to our homepage: <http://kdla.ky.gov>
  - Click on “KDLA Catalog”
  - *Remember to reset your password the first time you use the new catalog*
  - In the Search box, enter the topic that interests you (or author, title, etc.)
  - Click the magnifying glass
  - You can filter your results using the options on left-hand side
  - From your list of results, click on the title of the item that interests you
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## To request an item from KDLA WorldCat Discovery:

- Click on the “Place hold” button
- Sign In using your KDLA library account number and password
- Choose your Pickup location: have the item delivered to you through messenger mail/UPS or pick it up at KDLA
- Remember, we will deliver anything in our collection to you, even if you work outside Frankfort



- Click “Submit” – you’re done!

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**Kentucky Libraries Unbound, our eBook and audiobook downloading service:**

- Go to our homepage: <http://kdla.ky.gov>
- Hover over the “State Employees” heading
- Click “Downloading Audiobooks and eBooks”
- Click the “Kentucky Libraries Unbound” link
- Search for books in KLU!
- **OR**, go directly to KLU: <http://kyunbound.lib.overdrive.com>

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**More free KDLA services for state employees:**

- Interlibrary Loan (ILL) – we borrow materials for you from other libraries
  - Submit an ILL request using our Ask A Librarian form **OR** request it through KDLA WorldCat Discovery
- Ask A Librarian – use this service to:
  - Get help finding materials, research assistance, or just ask a question
- To use our Ask A Librarian service, go to our homepage: <http://kdla.ky.gov>
  - Hover over “State Employees”
  - Click “Ask A Librarian”
  - Fill it out and click “Submit”

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  - <http://personnel.ky.gov/emprel/keap/>
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