

# DEBT SMART

Get the facts.  
Make informed  
choices.



## Personal Debt

The average American has about **\$38,000** in personal debt\*

\*Excluding home mortgages – Northwestern Mutual 2018 Planning and Progress Study

### Types of Personal Debt



Credit Card



Auto Loan



Student Loan



Personal Loan

### Know Your Debt Consolidation Options



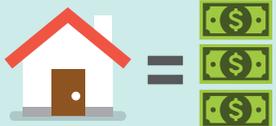
#### Balance Transfer

Transfers debt from high-interest credit cards to 0% or low-interest rate credit cards. Best for short-term repayment due to promotional nature of low rate offer.



#### Debt Consolidation Loans

Combines two or more debt accounts into a single loan – lowering monthly payments at a lower interest rate. Does not negatively impact credit score.



#### Home Equity Loans

Borrow against the equity in your home to pay off debt.

### Typical Causes of Debt



Unemployment



Emergencies



Unexpected Expenses



Overspending

### Avoid this Debt Hazard



#### Debt Settlement Companies

Companies that offer to negotiate settlements with your creditors for typically less than you owe.



#### Risks – What they don't tell you

- Long-term process (up to 4 years)
- Must stop making monthly payments to your creditors – puts your accounts in collection
- 3-6 months of collection calls from creditors
- Negatively impacts credit score and higher interest rates on future loans
- You're charged hefty fees or a large percentage of your savings.
- Savings are taxable income
- No guarantee of settlement

### We're here for you.

We're always ready to answer your questions and to help you get your life moving forward.

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