

# Your Family Finances

## Avoiding Credit Problems

(NAPSA)—Do you have a credit problem? To find out, leading consumer lender Household (parent company of Household Finance Corp. and Beneficial) suggests asking yourself the following questions.

- Have you reached or are you close to the limit of your lines of credit?
- Are you only able to make the minimum payments on your credit cards?
- Is the size of your new bills a surprise each month?
- Are you frequently taking cash advances on your credit cards?
- Are you chronically late paying your bills?
- Are you borrowing to pay for items you used to pay for with cash?
- Are you tapping into your savings to pay current bills?
- Do you put off medical or dental visits because of lack of money?
- Do you only have savings equal to less than three months of income?
- Is an increasing percentage of your income going to pay debt?
- Are you unsure of how much you owe?

If you answered “yes” to any one of these questions, it may be time to reassess your credit use. If you answered “yes” to two or more questions, it’s time to take steps to actively improve your current financial situation.



**To correct minor credit issues, Household recommends taking the following steps:**

• **Stop impulse buying**—Only go to the store when you need something specific. Try not to go shopping when you’re looking for a “pick me up” as you’ll tend to buy things you don’t really need.

• **Pay with cash or checks only**—People who use cash to pay for everyday expenses generally spend less than they would using credit cards.

• **Put your credit cards away**—To avoid the risk of charging even more money to your credit cards, take them out of your purse or wallet and put them away. Once your credit card debt is paid off, try to pay all new credit card charges in full and on time each month.

• **Track monthly spending**—To become aware of how you manage your money, start keeping a daily diary of everything you spend. At the end of the month, analyze your spending habits and identify ways you can cut back.

• **Prioritize debt payments**—Calculate how much money you owe. Make up a spending plan that includes payments to cover at least the minimum amounts due on all your loans and credit cards.

**To correct major credit issues, Household recommends that you:**

• **Talk with your creditors**—Responsible lenders want to help when you have financial difficulties. If you cannot make payments or are going to be substantially late paying a bill, talk to your creditors. Let them know you’re having problems but fully intend to pay. Most creditors will work with you to come up with a reasonable plan allowing you to repay your bills over time.

• **Seek credit counseling**—Experienced credit counselors can help you begin to figure out where to cut costs, how to deal with your debts and how to plan a reasonable budget. Two sources of free credit counseling are the National Foundation for Consumer Credit ([www.nfcc.org](http://www.nfcc.org)) and the Association of Independent Consumer Credit Counseling ([www.aiccca.org](http://www.aiccca.org)).

For additional information about repairing credit and other important financial issues, log onto [www.household.com](http://www.household.com) and [www.yourcreditcounts.com](http://www.yourcreditcounts.com). You can also write to Household (Corporate Communications, 2700 Sanders Road, Prospect Heights, IL 60070-2799) for complimentary booklets on how to manage credit, spending and savings.