



How One Family Got Smart About Credit

National Get Smart About Credit Day falls in October, serving as an annual reminder for all of us to build healthy credit habits. The national nonprofit GreenPath Financial Wellness shares the following lessons one family learned as they firmed up their finances.

As you'll see in the lessons learned, being smart about credit, debt, and borrowing is a key part of overall financial health.

Matthew and Kendall's Story

Matthew, Kendall, and their young family were under financial stress in years past. The monthly bills were piling up, and the couple found it difficult to manage everyday expenses on top of payments on more than \$11,000 in high interest credit card debt. Additional debt of nearly \$9,000 was in collections, impacting their financial health and credit scores.

The couple realized that with a poor credit history, the cost to take on additional loans would come with higher interest due to their low credit scores.

A GreenPath debt management plan and budgeting support helped the couple get smart about their credit and reduce stress. A caring counselor tailored the plan to their specific financial situation. The GreenPath counselor worked with the couple to design new financial habits to set aside money each month, and to help automate bill repayment.

Teaming with GreenPath, the couple paid off more than \$11,000 in credit card debt and saved about \$5,000 in interest charges - money they would have paid had they continued to pay the debt on their own. Along with the additional collection accounts, they paid off more than \$20,000 in debt overall. The counselor also helped the

couple customize an easy-to-follow spending plan to build up healthy financial habits going forward.

Newly debt-free, they were able to make home improvements to accommodate their special needs son. As Matthew noted, "If you're struggling, remember that debt is not just going to go away on its own. It's best to look at it head on and take action."

[Ready their full story here.](#)

Lesson #1: Good Financial Habits Pay Off

The couple learned that good financial habits make a big difference. GreenPath's debt management plan helped them be more intentional about their credit card usage. In addition, by budgeting wisely, they now set aside money for savings to help them achieve their long-term goals.

Lesson #2: There's a Smart Way to Manage Credit

Matthew and Kendall realized that paying only the minimum each month toward credit card debt extended how long it would take to wipe out debt and added to the amount of interest they paid. By using a debt management plan, they reduced the time to pay off their debt, and reduced interest charges they would have incurred if they handled the debt on their own. Following a debt

management plan did take some discipline, but the reward was getting a handle on their credit.

Lesson #3: You Don't Have to Go It Alone

For this couple, a financial counseling session, working one-on-one with a certified expert, was a good first step. A trusted source, along with advice and an action plan that provided tried and true strategies, propelled Matthew and Kendall toward financial health with confidence.

Here for You

As [Matthew and Kendall's story](#) illustrates, it is possible to get smart about credit. Through our partnership, GreenPath counselors are ready to help you gain a better understanding of your financial picture to improve financial health. The call is free, confidential and no pressure.

Connect with a GreenPath counselor today at **877-337-3399**.

The Path to Financial Wellness Starts Here

www.greenpath.com/community-first

No matter what your goals may be, our partners at GreenPath can help you to take control of your day-to-day financial choices to create more opportunities for achieving your dreams.



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