Welcome to The Credit-Lit Planner

A credit score impacts every financial decision you make. Many consumers haven't understood how and why credit scores affect their lives…until now!

This Credit-Lit Planner is designed for adults of any age and is a trusted, valuable resource to help you achieve great credit! From tracking and monitoring your credit score to recording your monthly income and supervising your savings and debts – our Planner teaches you the critical elements you need to know to grow and maintain excellent credit. It also includes a glossary of terms to define and clarify as you read through the early sections.

This Planner gives you the opportunity to develop healthy monthly habits, monetary strategies, and action plans over 12 months. Not only is the Credit-Lit Planner a great resource for you to learn, but we also provide Money Affirmations and Quotes to make sure you stay motivated every step of the way.

The Credit-Lit Planner is undated, allowing you to achieve the credit score of your dreams starting at any point in time. Thanks to its convenient size, it fits in any bag, allowing you to track your finances anywhere, anytime.

This Planner is designed for easy and effective budget planning and is accessible to everyone. The practical features combined with the inspirational quotes keep you focused on the goal of achieving excellent credit.

Credit Score and How It's Calculated

A credit score is a number that lenders use to help them decide how likely it is that they will be repaid in a timely manner.

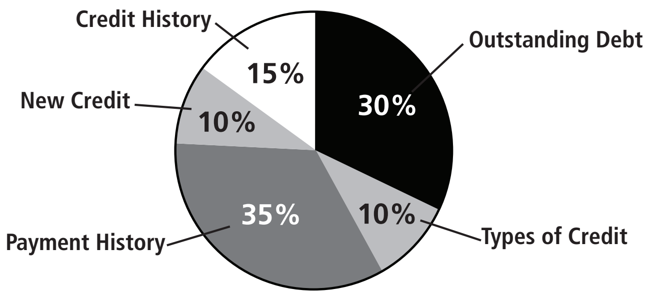
In order to calculate your credit score, creditors often use the Fair, Isaac, and Company (FICO) score. This score is based upon the information gathered from each of the big three agencies: Equifax, Transunion and Experian.

Once the information is retrieved, the formula percentage of each component is broken down as follows:

- 35% Payment History
- 30% Current loan and Credit Card debt
- 15% Length of Credit History
- 10% Types of Credit
- 10% New Credit

FICO scores are between 300-850. In order to be considered to have good credit using your FICO score, you would need at least a 670. A score of 700 or above is generally considered very good.

For Experian, a score of 800 or above is considered exceptional for consumers and businesses, based on a scale ranging from 300-850. A score of 700 or above is considered good.



Checking Your Credit Report

Checking your credit score and credit report quarterly is vital to having healthy credit, but most people don't know the difference between the two. Your **credit score** is the three-digit number that represents how well you manage your credit, and your **credit report** is a statement with a record of your credit activity. It's vital to keep an eye on this report because the Federal Trade Commission (FTC) has reported that, on average, one in five people will have a mistake on their credit report. By getting in the habit of checking your credit report, you'll be able to catch any error that gets made and ensure it's fixed.

If you need to check your credit report, contact your bank or credit card company to see if they offer this service free of charge. Additionally, you can track your credit report by signing up for an online monitoring service like IdentityForce or CreditSesame, or going online to annualcreditreport.com.

Good vs. Bad Credit – It's Really Up to You

You are the only person who has control of your credit score. You control the credit you apply for and how you repay your loans. If you are irresponsible with your credit, your low credit score can control the interest rates and/or fees you pay when you purchase an item (laptop, cell phone, car, home, etc.). Good credit is not hard to achieve if you are responsible. However, a bad credit score can limit your financial goals and impact your financial decisions for seven years.

When it comes to accruing and maintaining good credit, making payments on time is critical! When you make your payments on time, this shows potential creditors that you are a trustworthy customer. However, late payments create derogatory (negative) marks on your credit report. Each derogatory mark that you receive lowers your credit score. Late payments reported to credit

Credit Report Review Checklist

It is essential to review your credit report carefully once you receive one. There may be mistakes listed that could end up costing you. Use our checklist below to help you review your credit report.

Date _______ Name of Credit Agency _________________________

1. Does your name on the report match the name on your ID?
2. Is your social security number reported correctly?
3. Are both your phone number and address, correct?
4. Have you checked to see if there are previous addresses you need to correct?
5. Is your employment history reported correctly?
6. Have they listed your marital status correctly?
7. Have you verified that everything listed under personal information is correct?
8. Does anything in the personal information section need to be corrected?

Review this section carefully and note anything that is not correct.

9. Have you verified that the current balance is correct?
10. If you are an authorized or joint user on an account, is it listed?
11. If you have debts paid in full or balances discharged for bankruptcy, are they reported correctly?
12. Have you verified that all accounts you closed are listed as "closed by consumer"?
13. If you are a cosigner on a loan, is it correctly listed?
14. Are there negative items reported on your credit accounts? Are they reported correctly?

At this stage, also look for missed or late payments. Highlight anything you think is incorrect.

15. Are there any accounts that have been listed twice?
16. Is there any negative information listed in the report that has exceeded the reporting limit?

How to Set Up Your Goals Each Month

The first step in setting up your financial goals is to understand what they are. Goals can be both long-term and short-term. For example, your long-term goal might be to save enough for retirement, while your short-term goal is to have $5,000 saved.

Monthly goals are considered short-term goals. The first step to setting up your monthly goals is to sit down at the first of each month and assess your finances. When deciding on your goal for that month, make it specific and measurable. Then write it down. A goal that is too vague or not measurable is, "I want to be better at saving money." If this was your goal, there is no way for you to track it, resulting in losing motivation.

Use the pages at the beginning of each month in this planner to answer the questions to set and track your goals.

USE THE SPACE ON THE THE FOLLOWING PAGES TO ANSWER THE QUESTIONS

1. Write down your goals.
2. Make sure that you are specific about your goals.
3. Select the date you would like to have these goals completed.
4. What is the "why" for these goals?
5. Make sure your goals are measurable.
6. Create a MAP for your goals. **(Massive Action Plan)**
7. Monitor and track your progress.

USE THE SPACE BELOW AND THE FOLLOWING PAGES TO ANSWER THE QUESTIONS

Develop fiscal management skills. (Next 3 months)

Spend more time with family and friends. (Next 3 months)

Advance in my career. (Next 12 months)

Increase my income by 10% within the next 12 months.

Learn how to manage my time better. (Next 3 months)

Give back to my community in ways that matter to me. (Next 12 months)

Save $5000 per year. (Next 12 months)

Strive for home ownership. (Next 6 months)

Start Emergency Fund. (Next 6 months)

Pay off debt. (Within the next 2 to 5 years)

Save for retirement. (Within the next 5 to 10 years)

• Make sure your goals can be measured. Although, it is good to set a high goal, make sure your goals are attainable.

Tracking Monthly Expenses

Everyone tells you it's important to track your monthly expenses, but they don't tell you why. The answer is simple – it keeps you accountable. Tracking your monthly expenses is the best way to ensure you're sticking to your budget and also allows you to find any areas you can cut back on your spending.

Let's say you're reviewing your monthly expenses and see you spend about $200 a month on having food delivered. You compare this to the amount you budget for groceries and find you can cut back on the food delivery. Furthermore, this $200 you're saving on food delivery could be applied towards your Debt Snowball Plan.

The first step to tracking your finances is to create a budget. If you've never made a budget before, it's a monthly plan of what you will be doing with your money – ensuring you have enough for all your bills and necessities. Next, you need to be tracking all the money you make and all the money you spend. After you have everything tracked, review your expenses and see if there are any adjustments you need to make to your spending habits.

INCOME	BUDGET	ACTUAL	DIFFERENCE
Salary	$39,000	$39,000	0
Gifts recieved	0	0	0
Refunds	0	0	0
Transfer from Savings	0	$700	0
Other Income	0	0	0
TOTAL INCOME	$39,700	$39,700	0

SAVINGS	BUDGET	ACTUAL	DIFFERENCE
Emergency Fund	$1,000	$700	$300
Holiday	$500	$400	$100
Investments	$200	$150	$50
Education Fund	0	0	0
Travel	$800	$650	$150
Other Savings			
TOTAL SAVINGS	$2,500	$1,900	$600