



## Do you feel the heat of your debt rising?

If so, you are not alone. “The average American has more than \$90,460 in debt.[2]” One of the most important financial skills you can develop is paying off your debts quickly and reliably.

It’s important to remember that some debt can be considered good and some can be considered bad. It all depends on the individual and the circumstance. A amount of mortgage debt, for example, is seen as a positive debt because the value of the home will increase over time. Interest rates are usually fairly low, too.

Student loan debt offers more flexible repayment plans and also has low-interest rates, especially for those whose student loan interest rates were locked in years ago.

Credit card debt and any debt with high interest, however, is considered bad debt owing to the amount of interest charges a household pays to them every year.

Here are some things you can do:

### 1. Fix any mistakes or negative marks on your credit report [1]

Our credit score impacts the interest rates that we are able to obtain on a loan[1] The higher the credit scores the better the interest rate which means you pay less on your accumulated debt owed. A lower balance owed improves your chances of paying on time.

### 2. Avoid credit cards with high interest rates [1]

Credit cards encourage you to charge funds that you might not have and with high interest rates you may not be able to pay them back. This leaves room for collection companies to sneak in.

### 3. Avoid Missing a Payment [1]

One way to avoid missing a payment is by setting reminders for yourself. Write it on a calendar or set an alarm. If the bill is too high maybe you need to shop around and see if you can get a better rate for the same service[1] . Avoiding missed payments keeps the collection companies out.

### 4. Negotiate Your Payments [1]

If you are receiving a service or purchasing an item negotiate the cost. Are there any discounts you can use[1]? Can you be placed on a repayment plan[1] ? These options can help you pay on time.

## DATES TO REMEMBER

**National Immunization Month**

**Psoriasis Awareness Month**

August 3rd: National Black Women's Equal Pay Day

August 14th: National Financial Awareness Day

August 26th: Women's Equality Day

August 30th: National Grief Awareness Day

August 31st: Overdose Awareness Day



### Dear Financial Coach...

**Q:** How do I know if I have any unpaid debts?

**Dear Reader:** One way you can find out if you have outstanding debt is by requesting a copy of your credit report from AnnualCreditReport.com. Your credit report lists the amount owed on every account, along with its status and payment history, and contact information for the creditor handling the debt. Under federal law, you can obtain one free copy of your credit report every 12 months. You can see a detailed history of any unpaid or missed payments on the accounts you have open. You can also directly contact the companies were you normally make purchases and request a mailed statement.

However, the credit report is more likely to give you better detailed activity and may even show you a record of open accounts that you weren't aware of.

## What is the Healthy Money Habits Program all about?

Healthy Money Habits is a program available to Northern Nevada HOPES patients, free of charge.

We are here to help you reach financial wellness by providing financial education, financial coaching, and additional services that help you set and achieve financial goals.

We are not financial advisors or counselors, but we are dedicated to improving your financial health, empowering our community, improving financial literacy, and decreasing stress due to financial issues.

Remember that financial health is part of your overall health! To find out more, contact the Financial Coach



1.1.Faber, Kari, "Before the Debt Collectors Start Calling, Do These 4 Things" The Penny Hoarder. 26 July 2021. [https://www.thepennyhoarder.com/debt/before-debt-collectors/?aff\\_sub2=homepage](https://www.thepennyhoarder.com/debt/before-debt-collectors/?aff_sub2=homepage)  
2. <https://www.cnbc.com/select/average-american-debt-by-age/>