



Your Monthly Money

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Getting your finances right before the end of the year

Fall is officially here!

As the weather gets cooler, prices on consumer goods are still red hot due to inflation. Now is a good time to check in on your finances. If you focus on your income and expenses in the fall, you should be able to make it through the expensive holiday shopping season and start the New Year right.

To help you get started, KOFE has put together this fall financial checkup, so you can focus on all the points that need your attention right now.

Tip No. 1: Review your credit report

Checking your credit reports is always a good idea. Studies show that consumer credit reports often contain errors that can damage their credit score. Start by getting free copies of the 3 big credit companies (Equifax, Experian, and TransUnion) and read through each report carefully. If you find any mistakes on your reports, you should dispute them immediately.

If you've used deferment or forbearance on loans and credit cards, you want to make sure your accounts are current. Credit issuers are not allowed to report deferred payments as missed, but mistakes can happen. So, you want to check your credit reports to make sure all the information listed is accurate.

Tip No. 2: Check your credit card balances

The holiday shopping season is the most expensive time of year for most Americans. The average person spends almost \$1,000 and much of that expense ends up on credit cards.

You want to make sure you're heading into the holiday season with your balances as low as possible. Review your balances, as well as your interest rates. If you are carrying balances across multiple cards,

plan to reduce your debt as much as possible now. That will give you more breathing room in case you use your credit cards to make travel reservations or holiday purchases in the coming months.

Tip No. 3: Refresh your budget

Expenses can change throughout the year, especially in the Fall when most kids are headed back to school. This makes Fall the perfect time to review your budget and make any adjustments you need before the end of the year.

As you look at your budget numbers, consider the following:

Are there any expenses you can cut or cut back on so you can free up more money for holiday spending?

Are there things you're paying for that you don't use, such as subscription services that you've already binged your way through?

Are you able to dedicate money to saving consistently, so you can continue building your emergency fund?

Tip No. 4: Get a handle on housing costs

Housing has become one of the most burdensome expenses in anyone's life. Homebuyers are staring record high home prices in the eye; homeowners are dealing with an unheard-of increase in property tax and insurance rates and renters often struggle to meet their monthly payments.

If you are a homeowner...

As a homeowner, housing costs are usually fairly stable. However, with insurance rates and property taxes rising, not to mention record high levels of inflation, many homeowners are seeing higher costs than they anticipated.

The government has introduced several programs, such as the Homeowners Assistance Fund, to help people get back on their feet and help to catch up with past due payments. Recently the U.S. Department of Treasury has updated the guidance mandates to provide additional information on the reimbursement of certain qualified expenses. Make sure to take note of any changes as they could have a big impact on the funds available.

The best way to get informed is to talk to a HUD-certified housing counselor to receive housing stability counseling. Housing stability counseling is free, so if creditors are knocking on your door, make sure you know your options.

If you are a renter...

Traditionally, renting has been seen as the cheaper alternative to buying a home, with less responsibility and shorter commitments. The upward costs associated with owning a home have made renting seem even more attractive over two decades past.

But that doesn't mean renting is cheap by any means, and rental costs have sky-rocketed in many places over the past few years. The average cost of a one-bedroom rental has risen 39% in the last year alone. Coupled with the fact that 16% of low-income renters can't afford to make their full monthly payments, housing stability is becoming harder and harder.

Rental counseling can be a valuable resource. If you need assistance do not hesitate to reach out for help. We can connect you with counselors that are HUD-certified and will work with you to assess your financial situation, create a personalized budget, and much more.

If you are a homebuyer...

Purchasing a home is one of the most exciting financial milestones most people achieve in life. But it can also be one of the most challenging. But even with rising home prices and other market challenges, you can still be a successful homebuyer if you know what to do and get the right support.

Taking part in a first-time homebuyer's program is a highly effective and inexpensive way to get the proper education you need. Learn about financing, mortgage and down payment assistance programs, and much more.

The most important thing is to make sure that your finances are in order. Speak with a HUD-certified counselor AND a mortgage loan officer before you begin your search for a new home. Doing so will give you a clear understanding of what you can afford.

Tip No. 5: Start planning for federal student loan payments

Federal student loans are currently in automatic deferment and interest rates have been suspended. However, that all ends at the end of December 2022, and borrowers need to plan to resume payments in January 2023.

If you are worried you won't be able to make your payments once they start, don't wait to talk to your loan servicers. Ask about enrolling in an income-based repayment plan, which will match your payments to your income. This can mean you may pay nothing and avoid penalties if you are unemployed or underemployed.

It's also worth noting that if you can make payments now, you can pay off a significant portion of your debt. That's because with interest frozen, 100% of every payment you make will do towards paying down the principal debt you owe. That can give you a huge advantage in eliminating some of your student loan balances.

In August, the Biden-Harris administration announced a Student Debt Relief Plan which provides up to \$10,000 in debt relief to non-Pell Grant recipients and \$20,000 in relief to those who received a Pell

Grant. Borrowers are eligible for this relief if their individual income is less than \$125,000 (or \$250,000 for households).

Tip No. 6: Check in on your retirement savings

The stock market volatility caused by inflation meant a lot of people's retirement savings took a hit. You may have taken funds out of retirement savings to get through the challenges of this year. If so, you want to set a plan to pay those funds back into your retirement accounts as soon as possible. Keep in mind that taking funds out of a retirement account means you also lost the growth on that money. So, if possible, you may want to up your contributions.

Even if you didn't withdraw any of your retirement funds, check in on your balances to see if you're on track. If you haven't used your free consultation with your plan advisor yet this year, schedule an appointment to meet with them before the end of the year. That way, you can talk about a strategy for allocating your funds the right way for 2023.

Tip No. 7: See where you stand on your financial goals

Remember all those great financial resolutions that you had at the beginning of the year? Now is the time to check in on them. The economic uncertainty over the past ten months may have gotten you off track, but there's still time to catch up. Look back at what you had planned for your finances this year. If you haven't made progress, now is the time to recommit to what you wanted to achieve.

If you didn't have any financial goals set for this year, then get started now. Do you want to buy a house or a car next year? Will you have another major purchase in 2023? Then it's time to start saving. If you want to improve your credit, download a free credit monitoring app and start tracking your score.

Tip No. 8: Make sure your family and your assets are protected

Insurance is more crucial now than it's ever been. You need to make sure you have adequate health insurance in case something happens. You also need to make sure you have adequate life insurance.

And, with all the storms raging across the country, you need to make sure you have the right insurance for your home, even if you rent. Review your policies to see what's covered and what's not. If you have questions, go to your KOFE portal to access the free coaching session and other financial tools anytime.