Building Foundations for Economic Mobility:
Helping Staff and Families Understand and Use Credit to Achieve Financial Goals

Anna Lovejoy: Good afternoon and welcome. Thank you for joining us today. Before we get started with the official program, just wanted to say a brief introduction and introduce our lobby activity. My name is Anna Lovejoy. I am with the National Center on Parent, Family, and Community Engagement, and we are going to be talking today about the role the Head Start programs can play in helping staff and families understand and use credit to achieve their financial goals. So to get us warmed up, we'd like to play a little matchmaker. So you'll see a left-hand column. There are five financial terms, and then on the right-hand side are some definitions. And if you would like to play along, you can just record in the chat box what you think the answers are.

So, for instance, if the definition of delinquent is the answer B, you would just write 1B. Okay so go ahead and start playing and we will see if you're right in a few minutes. Thanks so much. Hi everyone, it's Anna Lovejoy again at the National Center on Parent, Family, and Community Engagement. Thanks to everyone for playing along with our matchmaker game today. I think we'll take a few moments just to review the answers, and then we will kick off our program.

So let's see, I think most of you seem to have gotten all the answers correct, and, but we will just quickly go through them though if you didn't know what delinquent meant before, the answer is B, it is an account that has not been paid on time and is late. The term default means letter D, that the consumer is not meeting the requirements agreed to when he or she took out the loan. The charge off, term number three, is E, when a business decides an account is uncollectable. However, this is important, the consumer is still responsible for the debt, and collections will likely continue on this debt. That term was new to me. So I learn something new every day. Number four, the debt to income ratio is B, a simple calculation, excuse me, calculation that shows how much of an individual's income goes toward paying down the debt. And number five, credit score, is of course definition A, a number that predicts how likely an individual is to pay back a loan on time, calculated by applying a mathematical formula to information from the individual's credit report. That is it for the matchmaker, but that leads us to our first poll question for everyone, and that is as soon as we are able to pull it up, Nina if you could take care of that? Thank you. So our question is have you ever reviewed your credit report?

So go ahead and just click yes or no, and we will broadcast the results in a second. And while we're doing that, just wanted to officially name the title of this Webinar, to make sure you're all in the right place, but today is our Building Foundations for Economic Mobility Webinar, and the topic today is Helping Staff and Families Understand and Use Credit to Achieve Their Financial Goals. I am going to go ahead and broadcast the results, now that we have a lot of folks, oh great, we have a lot of people typing in yes, as well as voting yes, so that's great. I'm really happy to hear that. You all are on top of your credit scores and your credit history, because as we're going to discuss today, it is a really important part of maintaining your financial health.

All right. So I'm going to, looks like we've got the majority of folks. Go ahead and close that poll, and we can go back to the presentation, thank you Nina. So today, a few things that we wanted to, or we hoped to accomplish. By the end of today we hope that you will have learned about the Consumer Finance Protection Bureau, and the Office of Financial Empowerment. We hope you will understand how credit relates to financial health and economic mobility for staff and families. We will have explored the difference between credit scores and credit reports, and discover how to access credit reports and submit a complaint to CFPB, if you ever need to. And identify what Head Start and Early Head Start programs can do to inform staff and parents about their rights, and to support them to manage their credit history.

So thanks for being with us today. I hope this is going to be a really useful and informative conversation. At this point, I would like to introduce our first guest. Her name is Michelle Scarborough, and she is from the Consumer Financial Protection Bureau. We are just delighted to have her today. She is a true expert. She has worked at the CFPD for the last four and a half years, and is currently serving in the Office of Financial Empowerment as a Credit and Consumer Reporting Adviser. Prior to her time at the Bureau, she spent five years as a legislative analyst and adviser on the Hill in a Congressional office, primarily focused on financial services, human rights, foreign affairs and defense policy. She has a master's degree from Georgetown University in Economic and Finance Policy, and not one but three undergraduate degrees from the University of Georgia. So we are just extremely grateful to her for her participation today and we're just eager to learn from her expertise. So, Michelle, I'd like to start things off, could you just tell us a little bit about the bureau that you work for?

Michelle Scarborough: Sure, I would be happy to. I'm really excited to be her with you all today and if anybody has any questions, feel free to type them in and we will try to get to them throughout the presentation, but otherwise, I'll just get going. So back in 2008, there was a huge financial crisis. I'm sure everybody remembers it, and I mean, everybody-it's nice and fresh. There are a lot of us who are still sort of suffering through the repercussions of the crisis, and so the Bureau, CFPB, was formed out of that crisis via the Dodd Frank Act. And you know, what's our mission?

Our mission is generally to make consumer financial markets work for consumers and the economy as a whole. We protect consumers from unfair, deceptive or abusive practices, and then take action against those companies that break the law. We also have an entire division dedicated to arming people with information and steps and tools that they need to make smart financial decisions on their own. We have a lot of resources available on our website, and just through all the wide array of experts in this field, here at the Bureau, who are readily available and at your disposal. We also-a really important function, we have an Office of Consumer Response, that takes complaints on any consumer financial product or service, like auto loans, or credit cards, or even payday loans. So you know, if when you're interacting with your clients they come to you and complain to you about well, you know, there is this debt collector who won't stop calling my house, and they're calling my house like, you know times a day, they're calling me at work.

You know we are the one-stop shop for those kinds of complaints, and I'll get into that a little bit more, but it's a really important function and we are able to actually reach out to, you know, the debt collection companies to, you know, prevent those kinds of unlawful behaviors. So, I think if we're going to generalize about what we do, we could put it into three big buckets, we empower, enforce, and educate. Nice that they all start with E. What do we do to empower people? We create tools, we answer common questions, we have an Ask CFPD function, which is just generally, you know, frequently asked questions about consumer financial products, and there is just everything and anything. And as a consumer, or you know, as a Head Start counselor, you can go in and ask any question and it will get answered, at any point in time. Enforcement. We have an army of attorneys that take action against predatory practices, and companies that violate the law. We've returned billions of dollars to harmed consumers, over our very short tenure.

So be on the lookout, who knows. You might be a recipient of one of our enforcement actions. We also serve to educate. The CFPB encourages financial education and capability from, you know, early childhood through retirement. We have research papers, and educate financial companies about their responsibilities. We partner with libraries to provide all kinds of resources to community level people. I come from the Office of Financial Empowerment. You know, one of our major focuses, or our major focus, is to serve populations who truly lack full access to quality credit.

So they tend to be low to moderate income consumers. Low wealth, or otherwise financially excluded or vulnerable. So they are, often times, you know immigrant populations or populations who are first generation immigrants. You know, according to the data from the U.S. Census Bureau, there are over million people, including children that live in households with incomes below the federal poverty rate, and another 87 and a half million live between 100 and 200 percent of the poverty threshold. These are our populations, and we are really seeking to serve those who tend to be overlooked by our conventional financial systems.

Anna: Thanks, Michelle. So it sounds like CFPB is -- has been created to really help serve Head Start families, as well, I think many, and staff, probably fit into that category as well. If we roll back to the next slide, I will advance it, can you tell us, in your experience, what are some of the common challenges faced by low income consumers, and families?

Michelle: So as I'm sure you know, all of you are aware, loss of jobs, and homes, and wealth, lower income populations tend to be the most impacted by fluctuating jobs, like seasonal jobs, maybe you know, you have more work in the summer, or more work during the holidays than you would at other times, so it is fluctuations in income that become really difficult to deal with year round. Income uncertainty, basically. There is, you know, a systemic lack of access to safe and affordable financial products and services.

You know, are these populations able to obtain credit or loans when they need it, like even if it is short-term or if it is small dollar. An accumulation of debt, you know, payday loans. I wouldn't be surprised if you all heard from your clients in this space. They're so easy to obtain, you have to provide very little up front, and then you get your money. It's very easy to get into a cycle of debt with payday loans, when you don't have the money for the next payment, and you need another loan, you just keep taking them out. Blemished credit reports and low credit scores are also systemic problems here, and a lot of times, you know, when you feel like you don't have access to more conventional products, that just becomes a cycle, as well. And then, generally just a lack of financial capability.

You know, are you able to, as a consumer, are you able to know, can you figure out what is available to you, and even if you can, even if you have that information, are you empowered to go do it? Do you have the confidence to go do it? And so we are really trying to work with, you know, groups like you all at Head Start, to try to figure out where we can partner, and how we can work together to reach these communities.

Anna: That's great, and so at the beginning of today's Webinar, I asked everyone to, you know, tell us if they've ever accessed their credit report, but I think it might be helpful to review, you know, why it's important to find out what is in your credit report. So, you know, tell us why do credit reports matter?

Michelle: So credit reports, and even scores, today are used more than they ever were before in the past. They're used for employment decisions. They're used at your bank and your credit union. They're used at your cell phone company. They're often used at your utility companies to determine, you know, what your deposit is going to be. They're used by landlords for the same reason. They can also be used, you know, by insurance companies, to determine, you know if your rate is going to be higher.

So the impact of your credit report is enormous today. Because it is, you know, it's a convenient number that simplifies, like just a large swath of data into something easily digestible. You know, there is my score prime, is my score sub-prime, what does that mean? You know, you want to have a good score, so that you can get through, you know, when you go get a new cell phone, so that you don't have to pay like $300 down to get that cell phone. They'll just give it to you, and trust that you'll be able to make the monthly payments on time. And you know, a lot more low income populations, they don't have those options available to them and so they're basically forced to have higher costs, from the get-go, when they're the ones who need the most help in that space to begin with. So it's a fairly backward system for the people who need the most help. And just like an anecdote, really, actually I'll save it for the next slide [Laughter], it will make more sense.

Anna: Okay in that case, let's move on. So what's in your credit report?

Michelle: So what is in your credit report? A lot, as it turns out. You know, identifying information. That is your basic stuff. Your name, your address. Public records that can include bankruptcies, civil judgments, or if you owe taxes. Collection agency. If you owe money, and a debt collection has purchased it from whomever you were originally lent the money from, that will be on your report. Credit account information. Do you have a credit card? Do you have any other loans? Like an auto loan? They should be on there as well, and whether or not they're in good standing, or if you make your payments on time, or if they're delinquent. And then inquiries.

So if you've recently applied for a credit card or an auto loan or a mortgage that will also be on there. So like, I think looking at this, in a holistic way, like well how am I going to have these conversations? You know? Because you're dealing with a lot of other things, right? When you're talking to people who are participating in Head Start programs. And I think a lot of it is really difficult to approach, because nobody wants to talk about their finances. It's a really uncomfortable topic for a lot of people. I mean, they'd rather talk about their foot bunion or something [Laughter], that is like less controversial. But you know, I recently went to training with a bunch of people who work for Habitat for Humanity, and they serve as housing counselors, and something that really helped everybody feel more comfortable talking about their personal experience, was to hear about my personal experiences.

And you know, maybe you don't have one, but like, what I tend to draw from are, you know, maybe family members are having really terrible experiences. For example, a personal anecdote of mine is, you know, my mother was engaged by a debt collector, and you know, she didn't owe the money. She didn't owe them money. But a lot of people are contacted by these debt collectors, and it's scary, because they'll say all kinds of things.

They'll say, you know, oh well, you know you could go to jail for this, or like, we'll come take your car, and you know, they need to know that they have rights. And that they are protected, and so you know, that's all to say these sorts of things are all built into your credit report. So even though this debt collection issue that my mother is facing isn't like legitimate, it's still on her credit report, and it's still having adverse, you know, effects upon her ability to, you know, do the things she wants to do. She'll end up, you know if she applies for a credit card, it's going to be at a way higher interest rate, and there will likely be fees. And it is bringing her credit score down. So even the implications of just one thing, when you have like, you know, years and years of history on your credit report, it's immense. So that leads to, I'll go to the next slide. What is a credit score?

So a credit score, I mean, FICO and Vantage are the two-the two really big ones that most people use. Or most banks, or most financial institutions use. And generally what they do is they have a mathematical formula that places sort of a percentage of importance on various things, like your credit utilization, meaning, you know, how much of your available credit is used? Like if you have a credit card that has a $10,000 limit, and you're using $5,000 of it, and that's all you have, then you know, you have the 50 percent credit utilization rate.

The score also helps predict how likely you are to pay back the loan on time. Higher scores make it easier for you to actually get loans, and get those loans at lower cost, and you know, most scores range from 300 to 850. Anything below 660 is considered sub-prime, which means you will likely end up having higher cost. And then you know, lenders across the board use these scores to make lending decisions, because it's just an easier way for them to process tons and tons of information. So okay, I know that's been a lot of information.

Anna: [Laughter] So we can –

Michelle: So we can like, if there are some questions or whatever, I'm happy to.

Anna: There are tons of questions pouring in. This is really exciting. So I don't know if you knew, but you're going to be a financial counselor today. So let's see, some of the questions relate to whether the extent to which actually checking your scores with any level of frequency actually brings down your score? I think there are some, I don't know if there are misconceptions or actual, it's an actual fact, but can you talk a little about that? Do you know?

Michelle: Sure. Yes. So whenever you go out to obtain a loan, it's going to ding your credit. And the same when you go to check your credit, because basically the reason that your credit is dinged when you're going out for a loan, when you're trying to obtain a loan, is because they're checking your credit. So yes, the process of checking your credit score, running a credit report, yes that does ding your credit. But it is so minimal. And often times, the way that financial institutions look at your credit score, it's always a range. It's always, they're not like, oh, you have like a 652 and not a 653, that means that you don't get this loan, or whatever. It's just like a completely hypothetical example.

It tends to not be the way it works, because they do it in ranges, so inquiring obtaining your credit report, or your score, is not going to have an adverse effect on that level. That's different from, say, you really want a credit card, and you apply for credit cards. That's different, right? That is different companies, all looking at your credit report, and so that is all going to go on there, and you know, and it's like that person is trying to obtain a lot of credit, and it, that is when it becomes, you know, like a problem. Like it is going to end up impacting your score on an adverse scale.

Anna: Mm-hmm. Let's see.

Michelle: Do you think that addressed it [Laughter]?

Anna: I don't know, let's see if folks still have questions about that, and you can type in, to see you know, if you need further explanation. And in the meantime we can go on to some of the other questions, we do have a few more minutes. So let's see, let's see. Do you, Kyla Gray asks, do you have to have debt to get credit? How does it work, like how do you obtain credit in the first place?

Michelle: So that's such a tricky question, right? Because it goes to the whole chicken and egg thing. I would say though you do not have to have debt to get credit. Using a few credit builder products, as examples, so most banks offer secured credit cards. Now, they may not advertise them, but most of them offer them. So if you belong to X bank, and you walk in and say look, I don't really have a credit score, but I'm a member of this bank, do you have something for me? Most banks will have something for you, and a lot of times, they offer you a secured credit card. What's a secured credit card? Basically what it is, is you will put up an amount of money, there is a range. Capital One has one with a lower amount.

There is the Discover IT card, usually they want like $100 minimum. So you, the consumer, will give the bank $100, and then that will be your credit card limit. The bank will hold on to your $100, right, and then as you use the card, you have your $100 limit, you use it, you pay it off, you use it, you pay it off. You'll build credit that way. So that's like one of the key examples, or key ways that people can build credit without actually accruing that debt. And you know, what ends up happening with most of these programs, not all, but most of secured cards, you use the secured card, and then they'll end up transitioning you, or graduating you into a conventional credit card, once your credit has reached a point where they feel like you're less of a risk to them, so that they can actually give you a credit limit, without having to obtain that security, that initial $100.

So you know, at the beginning, if you end up charging up to $100 and you don't pay it back, you just walk. They have your $100, so there is no risk to them, right? So if you don't have a credit score, you're no risk to a bank that offers you a secured credit card, and that's how they function. Like this is such a risky group, they don't have a credit score, they have a bad credit score. These are the best kinds of products to get people into like more conventional credit. There is also credit builder loans. Those aren't offered everywhere, but they're like the CDFIs, community development financial institutions. There are loads of banks that are also CDFIs, so if you look that up, you should be able to find, and then they're always community, they're small banks.

So what those are, they're varying programs, that basically a consumer will pay X amount per month, let's say. I don't know, $100 for a year, they'll pay $100 bucks every month for a year, and what the bank does is they treat that as if you're paying off a bill. And so every month when you pay your $100, they'll put that into a savings account, and they'll report to the credit bureaus and say they've made this payment on time, this is a positive credit behavior thing, and so then you build your credit that way. And then at the end of the months, you get the $1,200 that you have been essentially putting away. So calling it a credit builder loan, like loan in air quotes, is probably a misnomer here, because it's really more like you're saving, but I think what they're trying to do is create a product that will help people build and rebuild credit who don't have it or who need to rebuild it in a way that is not risky to the bank.

Anna: Mm-hmm.

Michelle: Sorry, that was like a lot.

Anna: No, no, it's good, I mean this stuff tends to be a little complicated, which I think is why we're getting so many fabulous questions from everybody, I can't keep up with them all. Let's see. I have another question about, oh, where did it go? From Dina Fransaw. If you have a school loan, and you get the loan forgiven, how long will it be on your credit, on your credit report, before it will be removed?

Michelle: When you get it forgiven? That's a weird designation. I mean, I don't know the answer to that.

Anna: Mmm.

Michelle: Like if you pay it off, it will still be there as like a positive -- it will still be there as like something positive, that you've paid off. But I know all the different credit reporting companies have their own timelines for taking things off, like that, like once it is paid. But I don't know about forgiven. I mean, if we're going to talk about like negative information, in general, most negative information lasts for seven years, and then it is removed, and for bankruptcy, it tends to be ten. And then those fall off your file. But I don't know about a student loan, and I can, let me see if I can, I'll take a note and I'll see if I can find out.

Anna: Okay. We'll have to get back to you on that one then. Let's see. There were questions about, does having too many accounts open hurt your credit? So the number of credit cards you have, how much does that affect your credit score?

Michelle: Hold on one second, I'm writing the other question down.

Anna: Okay [Laughter].

Michelle: Okay. Okay, so the question was if you have a lot of accounts, right?

Anna: Mm-hmm.

Michelle: So that's hard to answer in isolation, because if you look at, you know, sort of the consideration cycle Advantage takes, they are multiple variables, it's not limited to one thing, right? So if you have multiple accounts open, and say they've been open for like a decade, and they're all in great standing, and you have tons of available credit, that's going to be awesome, it's awesome, it's going to be good for you. But like let's say you're behind on a couple of bills, and you just took out five new credit cards, that's going to have, you know, an adverse impact. So the variables are, you know, how long have they been open? Like, how long is your credit history with those particular credit cards, or loans or whatever? Are they in good standing? Do you make your payments on time? Did you just open six accounts within the last six months? Like that's a negative. If not, it's different. So I think there are too many vary, like at the beginning, when you have the questions about matching definitions, like this mathematical algorithm that FICO and Vantage use, it's proprietary information so like we don't even have access to that. That is like their business information stuff. They don't want people to know their secret sauce.

So what we can do though is break down, via, you know, information from them. Like what factors they use to determine. We don't know exactly how they're weighted, but you know, everybody's financial situation is completely different. It's an intricate balance of things. You have a mortgage, do you pay it on time? Different things are weighted differently. I know that's like totally a non-answer [laughter], but it really totally depends.

Anna: Mmm-hmm, yeah, no, again it speaks to sort of the complexity of this, and how important it is that we understand it ourselves before we can even expect to be sharing this information with families, and helping them to understand credit, and how to do that. Let's see. A couple of other questions came through about how do you repair credit? So I don't know if we can lump it into, if you find an error on your report, how do you, you know, get that taken care of and taken off if it's not accurate? And if you know, you have some, say, some outstanding debt, or you know, other things that may be dragging down your score, what are steps you can take to repair it?

Michelle: Sure. So okay. So the first question was about, the first part –

Anna: If there's an error. If you find an error.

Michelle: If there is an error, okay there are many ways you can go about this. So at the https://www.annualcreditreport.com/index.action, which is the federal website for obtaining your credit report, so there is like a gazillion out there, but the federal one is https://www.annualcreditreport.com/index.action. Just emphasizing that because a lot of other ones, you know, they say they're free, and then they'll build in fun things at the end that you weren't expecting, so I always want to push the free federal one. So via the free federal credit report website, you can get your three different company reports, once a year. So what that really means is you get three reports a year. Now, they all have like slight variations on, like, like whatever your score will be, but it's all basically the same. Like they're usually within two or three points difference. So if you see something on there that is incorrect, it might not be on all three, right? That's why I'm emphasizing those three different ones. They might just be on, let's say, Equifax, or it just might be on TransUnion or it might just be on Experian.

So you would want to either reach out to the company that you see the mistake on, and then with that, you would want to substantiate it with evidence. Like let's say they have, I don't know, an old credit card on there, and you're like I paid that off and I closed that account. That shouldn't be there. You would, what would be most useful to them is if you, and they all have online portals, so you could go to the online portal and they even have a place for you to attach files, so you could attach a file that says, you know, here is my statement, where they sent me a letter, saying that it was closed, and that it's in good standing, and all that, and then you send that to them.

There is also the CFPB Complaint Portal, which is so incredibly intuitive, It's like this beautiful federal dream website [Laughter], where you can go and file a complaint at any point in time, you can say, you know, look, I looked up my consumer report, and it has all these things on it that I got rid of years ago, or you know, ex-debt should have fallen off, it's been on there for eight years, you know, it should be off by the end of your seventh, you know, this is what is going on. Attach whatever pertinent documents you have for that. Because whatever documents you attach is going to make our job easier, and it's going to make it easier to refute, and prior to our existing, there was like no recourse, really here. You would reach out to the company and hope that they would hear you and now they have a regulator that will help enforce this sort of thing.

So they actually have to get back to us within a certain period of time, letting us know that, okay, we received this, we're looking into it, we'll get back to you in X amount of time, and so at least when you submit a complaint through the CFPB, you're guaranteed a response, within you know, a much more reasonable time frame. So that is one way. So the other part was building credit, right? Or like, repairing? Yes? No? Yes. Okay. So repairing credit. And this is a really tricky question to answer. I did just do some work with my colleague, Desmond Brown, on credit repair. We have a host of resources available through the CFPB website, and I'd be happy to pass those along, including templates, and all kinds of things. But namely the sort of message was to beware of credit repair companies. There aren't many out there, if any at all, that actually do what they say they're going to do. And there are actual statutory legal requirements that they have to prove that they've improved your credit score within X amount of time, and if they haven't, you shouldn't have to pay them.

There should be, like if you go to a credit repair company, there should be absolutely no money that you put up front, none. They have to actually, and I could quote you guys the law, but I'm sure you don't want that. There is a telemarketing sales rule, so if they reach out to you via phone, there are all kinds of legal stipulations that they have to follow or, you know, they're in breach of the law. But in general, credit repair companies are not, they're usually scams. Now there are resources where you can look up legitimate financial counselors throughout your state. I think, I believe FTC has a list. If you all want to, I will be happy to provide you with just like a list of incredible resources for this sort of thing, because I know where they all are hidden, and I'm happy to do that [Laughter].

Anna: That would be great, because we're, you know, we're always looking for information to share, and looking for things that we can pass along and disseminate. So that would be fantastic. We can share any links that you have on hand right now in the chat box, or you know, we can make sure that there are, we also have our newsletter that we send out every other month that can include resources. So clearly this is a topic that is really, everybody is very energized about and has lots and lots of questions about. And it's making me think that, you know, it would be really helpful to, you know, think about how can we maybe create some resources that really speak to these questions, but also the role of Head Start in supporting staff, and families to have this information. So I think this is really exciting, and we will hopefully continue to have conversations with you about it but –

Michelle: I know, it's a lot. It's a lot.

Anna: Yeah, and I'm also thinking so many other questions, I actually would like to spend a few more minutes answering some of the questions that have come through, we've been trying to keep track of them, and then we will kind of cut short the latter half of the program, but I do think that I want to be responsive to all these questions, because I think they're really important. So if you don't mind?

Michelle: Happy to.

Anna: Great. Great. So let's see. Here is one from Sheena McKenna, she says can you elaborate on the seven-year time frame regarding things dropping off your report. Is that accurate? So what does that mean when something drops off your report, and how long does it take?

Michelle: So it literally means it shouldn't be on your report anymore. Now it is different when it is like a judgment of some kind. Where it is like, let me try to describe a judgment here. So there is a statute of limitations, and that is where, you know, let's say you have a, I'm going to just keep using credit cards. You have a credit card that was in bad standing, and ended up getting charged off, and then the debt collector bought it. So when it went from, when your credit card company charged it off is like the date that it starts being, like the clock starts. So the clock would, yeah, so once it's charged off, the clock starts for those seven years. Then the debt collector essentially has seven years to collect on that. Well, actually they can keep trying to collect on it forever, but the impact to your credit report is still going to be only seven years. Once you hit that seventh year, it's going to drop off. Now, the tricky thing is, the tricky thing is, if you -- if you pay anything, like let's say the debt collector says something like oh well you know if you pay $300 now, we'll be good. That will restart your time. So if you do that like three years into your seven, you pay that money, then it will start over again. Which will –

Anna: Wow!

Michelle: Yeah. Yeah.

Anna: Are there other resources or, you know, information that we can direct folks to help them learn more about this? And really understand sort of what their rights are, and what happens?

Michelle: Yes, there is a ton. I'm going to try to take like notes on all these things that I can. Debt collection -- we have so many resources on our website. But I know like if you don't know how to get to exactly what you're looking for, like anything it can be tricky.

Anna: Mm-hmm.

Michelle: And actually that's a great plug for if you have time to stay on after the formal program, we will keep the lines open for general chat. So if you want to go and look up some links, feel free to share them in the general chat with folks. That is maybe a good way to keep folks on the line and engaged in the conversation too. So then we will have all of the, you know, records from the webinar recording, as well, so that would be great. Let's see. Marissa Carpenter asked about do student loans fall off after seven years, as well? Is it the same for student loans as for credit cards?

Michelle: So student loans are completely their own universe. And I see this from [Inaudible], no I would never condone it being best not to pay anything [Laughter], just want to put that out there. Because it's going to have a, you know if you choose not to pay, it's going to have, like, on whatever your loan or your debt is, it's going to have serious implications for a long time. You definitely don't want that to be, like, your go-to response. So student loans, you, so student loans you can't file for bankruptcy unless you have like an extreme economic hardship situation, and I've even, like, you would have to prove in a court that you are unable to pay due to some like physical disability like where you can't get a job, to pay like your, student loans are like an extreme circumstance. Very different. So let me see.

Anna: So we could do a whole other webinar topic on that.

Michelle: Yes.

Anna: Perhaps in the coming months, okay, so noted. Michelle: You know what, here we have this amazing interactive tool, I'm going to, where you can, you can plug in what your questions about debt collection are, like you can check the box, and then it will change the corresponding questions below, like it's-once you look at that website you'll see what I mean. But anyway that's another great resource [Laughter], I'm trying to like, look for the resources and like plug them in as we go.

Anna: I know it's kind of [Laughter].

: Here's one on credit reporting. So that was debt collection, this is credit reports and [Inaudible] –

Anna: Okay great. Great. Awesome. Wow. Looks like some folks are weighing in with their own expertise on this, so this is fabulous. Thank you to Jessica Sterling, and Marcelena Moreno [phonetic spelling], thank you for chiming in.

Michelle: Yes, they can, the 1099, yes. Yeah. Uh huh. There are a whole other, like category of debt.

Anna: Right. Okay. And let's see, Johnna Winslow says please do a student loan webinar! Okay so noted [Laughter]. Love it. Let's see.

Michelle: Well we have a whole office dedicated to that, so I'm sure we would be happy.

Anna: Great, yeah, in fact, I think Desmond and I had a conversation about that, as well.

Michelle: Yeah.

Anna: And you know, we want to just start off the conversation, the credit conversation. Let's, we can keep the questions coming for a few more minutes, but I also wanted to make sure that you shared the information about where to get credit reports, and we do have a slide that has some additional links to resources that you provided so we could, so why don't we skip to those two slides. So I'm going to put up the first one, is so can you talk a little about the information that is on this slide here?

Michelle: Totally. So getting your credit report. As I mentioned earlier https://www.annualcreditreport.com/index.action is the federal website. There are tons out there. And actually, these days, a lot of banks provide you with your score for free, and I know, Capital One and Discover, they also provide anyone, like you don't actually have to have an account, they provide anyone with their credit score, but again that's your score, that's your number so if you want to know what your score is you'll have that, but you're not going to have the detail level information of a report where it lists off you know, all of your accounts, and you know, your address and all that stuff like what a lender would see in full.

And then the three corresponding credit reporting companies, Equifax, Experian, TransUnion, all of those are available via https://www.annualcreditreport.com/index.action. What happens when you go to annual credit report dot com they'll ask you like which one you want to pull. And you can pick one. And you can access all three of them over the course of months, and then it renews, and the next year, you know, you can do all three again, or you can, you know, space them out. And then, you know, if you don't want to or you can't access the internet, you can write or you can call them by phone. And they're very accommodating. So those are those particular resources.

And then I did want to drive home our submitting a complaint portal. It's really beautiful [Laughter], it's so easy. And one of the really great things about our consumer response team is their ability to speak in just about any language you could possibly need. It's very easy to submit a complaint over the phone. So I'm going to just go ahead and put this in there too. Here is the consumer response phone number. We have people who can help in over languages. So and we have, we have people available who can help with hearing impaired or speech disabled, and then there are also live operators available in Spanish. So I really encourage you guys to familiarize yourselves with our consumer complaint portal, because I mean I've, I know people first hand who have had just incredible experiences, and we've served over a million consumers, and it has really transformed the way financial institutions respond to consumers in a timely manner. So I think that was mostly it. I have like a gazillion pages of resources, and I would be happy to pass along or continue passing along –

Anna: Yes, that's great. And I think yes we are definitely hearing clamor for a list of resources, and things we can share. So we put the how to get your credit report back up here, and we can probably just cut and paste the information into the general chat as well. And then there is also a slide that has, yes, okay so yeah, can you talk a little bit about your money your goals. We've featured it a few times in the past, but I think it never hurts to share information about something that is as valuable as this.

Michelle: So the CFPB put together several different Your Money, Your Goals toolkits, for various groups. So there is one for legal aid. There is one for like more of your social community workers, like you guys, there is another for, you know, more your union people. Because everybody has sort of different needs. And basically these toolkits are just these extremely comprehensive, I mean it's like it's really thick, set of materials, but it covers everything. And I mean everything. You know, student loans, consumer reporting, credit, debt collection, it also has like checklists, so you know, if you know that your client, like really wants to say work on their household balance sheet. There are worksheets in the toolkits where you can go through and just run through this list with them, and help them build like their own balance sheet, or figure out sort of where the weakest links are, you know, how much are you spending on food? How much are you spending on clothes? How much are you spending here, there. It just helps build like a holistic view of their finances, and it really gives people an insight into how to better manage. I know that's like, low income consumers tend to be people who are actually quite thrifty, at least that has been my experience, and they really can stretch a dollar, but like these resources really help them put things into perspective, like where money is going.

So that's just one example of one of the tools that we have available within the tool kit. I mean, this thing is huge. We also, there is a link, if you guys click on the Your Money, Your Goals website link I also posted it in the general chat, there is a little spot where you can order free copies. Like we will send them to you. We also offer trainings. So if you have a group of people, if you can get like a group of or so fellow Head Start community people who want to be trained on our toolkit, I mean, you'll get the full consumer financial rundown, you know, from one of our financial empowerment office members, I mean it might even be me [Laughter], so if that is of interest to you, you can totally email the Your Money, Your Goals email address, which we have also listed, and inquire about that. Because that is really what we're here for, to help empower you all, and to help empower your communities with this information. Yeah.

Anna: Great, thank you.

Michelle: Questions for that?

Anna: Yeah, I know we're throwing a whole bunch of resources on the screen here for folks.

Michelle: Yeah, it's a lot. It's a lot to follow.

Anna: So yeah, you know, I think the most important thing is go check out Your Money, Your Goals, and find out what is, they have, and what is relevant, and then follow up and you know, see if there are other things that you can find through CFPB, because I think they are just hungry to help people, and to serve their mission. So this is all really exciting.

Michelle: That's great, because we're all in the same boat.

Anna: Absolutely [Laughter]. I've learned a lot today, too, so this is helpful for me as well. So I think in the last few minutes that we have, I did want to briefly introduce and bring on, well she probably needs no introduction but my colleague, Brandi Black Thacker. We were going to spend some time talking about how you might want to approach, you know, building in some literacy training, or you know, services related to financial literacy into your program, through the lens of the Family and Community Engagement framework, but I think we've run out of time, and we'll save that for another Webinar conversation. But I just wanted to offer Brandi, you know, an opportunity to just share her reactions, or you know, think about if you could, you know, summarize what you heard today and what you might recommend to Head Start programs, based on what we've learned today, you know, where would we start, or what might be something that they would really want to take away from today, I don't know, I'm kind of rambling here, but Brandi, if you had any reactions or things that you wanted to share the results of this conversation?

Brandi Black Thacker: Oh again, [Inaudible], hey everybody it is so good to be with you, and Michelle. My heart is racing, seriously. This conversation is so powerful and so exciting, I just really don't know where to start with myself, but I will begin where we do with the Head Start and Early Head Start community which is where can we ground ourselves in our own laws and requirements? So many of us, especially, I don't know if you guys resemble this remark, but when I was working in a Head Start program, I grew up in a community action agency, and so often we also wanted to be a one-stop shop for families, and offer some of these ideas, and I've seen so many of you saying where can we get this training, how can we bring this to our colleagues, and our families, and what ways can we share this and what languages?

But we also had folks all across the country on this topic, and so many more say to us, okay show us where we can ground in the language of our regulations? Tell us where we can find, you know, some of these ideas in the law, so that if I have to convince anybody whether it's our leadership or board members, you know, community of folks for buy in, let's start there, because it's grounded in what we are, if not only to do in the regulatory way, but also what we know is really going to support each other and certainly our families? So on the screen, just real quick for you guys, because we have some new performance standards come out here real recently.

I wanted to remind you, A, that we have family financial literacy service language back in the Head Start Act that was passed December 12, 2007, that's always been there, but when you look at the new performance standards, recently enacted, I believe on September of this year, you're going to see some really incredible language in the community partnership part of sub part B, that's a whole lot of mouth full [Laughter], around ways that we can partner very intentionally with community agencies and organizations around asset building and around so many of the ideas that Michelle has given us to offer, has offered us to consider today. And certainly as Susannah alluded, we can make so many ties to the framework here. You guys know it, love it, live it, have it memorized by now, and we can certainly ground these ideas into the theory of things that exist in this framework and even pull apart like what this would look like, in present leadership.

Do we have some of these ideas woven in and throughout? Like for instance, our policy, or our overall practice, are there certain things that we could integrate for instance into our professional development planning that is offered annually. Can families come in with all kinds of wonderful strengths and then wonderings or needs? So anyway, I will stop there, because you know, I might be known to drone on, especially when I'm excited. So we'll save that for a different month, and just thank you guys so much for the level of engagement you've offered, the incredible questions, and the inspiration for months going forward.

Anna: Thanks, Brandi. That was, as usual, just you are so great at this summarizing, and applying your deep knowledge of Head Start programs to the topics at hand, so we really appreciate your thoughts. And again, I think we will, in the future, spend a lot more time going through the elements of the framework and really thinking about how-what this looks like in concrete terms, in Head Start programs. But we've run out of time today, because I think we spent so much time on just the rich content. So I would just like to thank our speakers, thank you Brandi, and thank you Michelle, for your time today and for all the resources you've shared. And thank everybody who has participated today. After just a reminder, after the webinar, you will receive an email with a link to an evaluation survey and then once you complete the survey you will receive your certificate, so we thank you for doing that. And I think we will look forward to having the month of December off and we will reconvene for our next Webinar in January so look for information on that.

And in the meantime you know, definitely go check out all the resources at CFPB, check out Your Money, Your Goals, and you know, just good luck moving forward, and continuing to support your families. So we are going to keep the lines open for the next minutes or so. So we encourage people to continue sharing resources, and questions in the general chat. I believe Michelle is going to be able to stay on for at least a few minutes so she can type in answers to questions that continue to come up. So we will look forward to that. And I think we're done. So thanks everyone. And we will look forward to talking again next year.

[End video]