



Your Bottom Line

405.234.4457
800.970.OKMM
www.oklahomamoneymatters.org



Life After Bankruptcy

Is it possible to regain your financial footing after a fall?

Is there life after bankruptcy? The simple answer is yes.

Bankruptcy is designed to give people a fresh start when they're in a financial situation they can no longer handle any other way. If you've filed and your bankruptcy is final, the good news is that the collection calls will stop and you can begin moving forward with your life. However, bankruptcy is a serious financial matter with serious consequences. Although recovery is possible, it's a slow process.

The key to overcoming this financial obstacle is to move forward in a way that ensures you won't find yourself in a similar situation later down the road. So, how do you do that?

Address the issues that got you into financial trouble in the first place and take measures to make sure they don't happen again. If you routinely live above your means, create a realistic budget and stick to it. If emergencies caught you unprepared, aim to stash at least three months worth of income in a savings account so you don't have to rely on credit cards or payday loans when disaster strikes. Look into various insurance policies to protect yourself from excessive expenses stemming from health care and auto or home repairs.

Next, take a long, hard look at your financial goals. What does recovery from bankruptcy mean to you? If you have a specific target in mind, like owning a home, you're more likely to reach the goal and be able to celebrate the steps you've taken to achieve it.

On the road to recovery, check your credit report often. Visit www.annualcreditreport.com to view your credit reports from TransUnion, Experian and Equifax. It's estimated that 79% of credit reports contain at least one mistake, so check yours for accuracy and dispute any incorrect information.

Speaking of credit, you'll need to start rebuilding yours. Your first instinct may be to avoid credit, but that could hurt you in the long run. Keep in mind that landlords and potential employers may check your credit before making hiring or leasing decisions.

Be choosy when shopping for credit; pick the credit option that will be most beneficial to you. Avoid short-term, high-interest credit deals or those that sound too good to be true. Make sure the company you choose to work with reports to all three primary consumer reporting agencies.

Cont. on page 2

2

Super Savings
Reader Response

3

Q&A FAFSA
Go Green, Save Green

4

At Your Service
Organizing Papers

5

On Our Mind
Spending Priorities
for the Unemployed

6

Buying a Foreclosed
Home

7

COBRA Benefits
Free Parent Publication
Financial Resolutions

8


Partners and Events
Calendar




Super \$avings

Save big on game day


Since 1967, family, friends and fabulous food have been coming together to celebrate the Super Bowl. Tight on cash this year? Here are some ways to be frugal and still score big on fun.




Keep the number of people you invite low. The fewer people you invite, the less you'll have to spend—and the less you'll have to clean up!



Provide one or two types of beverages. Let your thirsty fans know what you plan to provide and if they prefer something different, ask them to bring their own.



Avoid catering or to-go appetizers from restaurants. Buy popular game food in bulk at a large discount store or ask guests to bring a dish to share. Add to the fun by asking your guests to bring NFL-themed items, like Cowboy Cutlets (fried chicken), Packers Stackers (crackers and cheese) or Peterson's Peanut Butter Dashes (cookies).



Use your own dishes and silverware instead of spending money on the paper or plastic variety. Fans of the losing team must help you clean up!

Reader Response

What financial lessons did you learn in 2009?



Elizabeth Pressler-Henderson, 29
Oklahoma City

I learned that getting out of debt is one of the most rewarding financial experiences you can have! My husband and I managed to pay off student loans, a credit card and tax debt. Suddenly, we could live in the now! And the frugal habits we formed while paying off debt allowed us to save up a good down payment on a reliable car. It feels good to know that our money is going to practical things that benefit us now and in the future ... not to past financial mistakes.

I learned that renter's insurance is worth every penny. I'm not terribly attached to material possessions, but renter's insurance would have helped us return our lives to normal after our house was broken into and burglarized in the middle of the night. I know now that it's not about replacing a stereo, it's about getting your life back.



Chad Henderson, 36
Oklahoma City

Want to be featured in the next newsletter?
Tell us about the projects you've tackled or plan to tackle to
make your home more energy efficient.
Send your response, name, age, town and a recent photo to
lmyers@ogslp.org

Life After Bankruptcy, cont. from cover

If your utility accounts are in good standing, consider asking the companies to report your good payment history to the consumer reporting agencies, too. Any positive information you can add to your credit report will help counteract the negative information.

Also, make sure to keep existing accounts in good standing by paying bills on time, every time. Avoid carrying a balance from month to month and don't charge more than you can afford to pay when the bill comes. Most importantly, don't create unnecessary debt in an attempt to build credit.

Lastly, seek a support system. It's easier to go through uncertain times when you've got someone to lean on. You aren't the only person who's ever filed for bankruptcy and you certainly won't be the last. If you have friends or family who have been through the process, talk with them about getting back on track.

Remember, getting into financial trouble didn't happen over-night and recovery won't, either. It takes time and hard work to repair the damage, but anything worth doing takes effort. Don't give up!



Q & A

Understanding the FAFSA Process with Matt McCreary

It's that time again! If you have a student heading to college this fall, it's best to complete the FAFSA (Free Application for Federal Student Aid) as soon as possible after Jan. 1. Matt McCreary, a Policy Analyst for the Oklahoma Guaranteed Student Loan Program and a former university financial aid officer answers commonly asked questions about the FAFSA.

Why should students fill out a FAFSA?

The FAFSA is the most important key to obtaining financial aid, and it's the only way to apply for the federal Pell Grant and low-interest federal student loans. The FAFSA is also required for state grants, some scholarships and the federal work-study program.

What does the FAFSA do?

The FAFSA is the federal government's way of evaluating a family's ability to pay for a student's college education. The FAFSA requests prior tax-year financial and demographic information from the parent and/or student and applies a formula to determine that family's Estimated Financial Contribution (EFC), or what the federal government believes a family can contribute to the student's college education for that school year.

How do I complete the FAFSA?

The FAFSA can be completed online at www.fafsa.gov, with a paper application or with assistance from your Financial Aid office.

If I have questions about the FAFSA, where can I turn for help?

If you're completing the FAFSA online, you can access help by using the "Need Help?" feature on the FAFSA application. You can also contact the U.S. Department of Education (ED) by calling 1.800.4FED.AID. Your school's Financial Aid office is also a great resource for help.

What are some of the changes to the 2010-11 FAFSA that students and parents need to know about?

The most significant change makes the application easier to complete—new updated logic for the online FAFSA, which only shows the applicant the necessary questions to be completed, based on answers to prior questions.

What happens after a student submits a FAFSA?

After a FAFSA is completed and ED accepts it, the FAFSA determines the student's EFC. The student then receives a copy of his/her Student Aid Report (SAR) online

or by mail. The SAR includes the EFC amount and other important information. It's important for the student to review the SAR closely to make sure all information listed is correct. Then, the information is sent to the Financial Aid office of the school(s) indicated on the FAFSA. The Financial Aid office plugs this information into its system to create the financial aid package. The package is based on the school's specific Cost of Attendance (COA) for the program in which the student is enrolled. The school takes the COA, subtracts the student's EFC and any grant funds, outside scholarships or institutional aid to determine if there's a need for additional outside aid or educational loans.

Do families need to wait until they've filed their taxes to complete their FAFSA?

No. Technically, you don't need to wait until taxes are filed to complete the FAFSA. You can complete the FAFSA with estimated income and tax information; however, if you discover any changes to the estimates after you file, you'll need to correct that information on the FAFSA.

Go Green, Save Green

Don't just show your love for your honey bunny this Valentine's Day; love the environment by selecting a gift that's eco-friendly.

Buying a bouquet of roses? Purchase from a local grower. Most flowers, especially roses, are shipped to the U.S. from South America. This wastes oodles of gas and puts loads of emissions into the air. Better yet, opt for a beautiful plant you can tend together instead of flowers that will soon wilt and die.

What to Keep? What to Toss?



Tax season is around the corner. Are you prepared? This time of year has many people digging through mounds of warranties, statements and personal documentation wondering what types of financial paperwork need to be kept and what's safe to toss.

Unfortunately, there are no firm rules when it comes to keeping and organizing financial paperwork. Experts recommend the following general guidelines to help you get organized not only during tax season, but the whole year, too.

- Keep all important documents with sensitive personal information in a fire-proof lock-box so they're protected from prying eyes.
- Keep loan paperwork, deeds or other documents that may be hard to replace in a safe place that can be accessed quickly in an emergency.
- Tax records and supporting documentation, like W-2 forms, investment statements and donation receipts should be kept for seven years. The IRS has a three-year window to audit your return after it's been filed or seven years if they think you've under-reported your income or they suspect fraud.
- Hang on to bank statements for a year and keep loan documents until the loan is repaid. Request a paid-in-full letter for your permanent records if you don't receive one automatically after repaying a loan.
- Credit card statements can be shredded once you've reconciled the bill and made sure your payments were properly credited.
- Keep pay stubs and shred them once you receive your year-end statement showing your annual earnings.
- Receipts for major purchases should be kept until the warranty expires. If the receipt is for a home improvement, hold on to it until you sell the home. Receipts for general purchases can be thrown away once you've had a chance to reconcile your bank statement.
- It's a good idea to keep three months of utility bills for proof of residence. Other than that, you can toss old ones when you've made sure your payment was credited, unless you're deducting them as a home office expense. In that case, keep them with your tax records.

If any of the above items are needed for proof of tax deductions, store them with the proper year's tax paperwork. That way if you're audited or need to return to it later, it's all in one place for easy access.



At Your Service

Financial Friday

Do your clients or students have financial questions you don't feel comfortable or qualified to answer?

OKMM offers a unique service to answer their basic financial questions anonymously. Take advantage of *Financial Friday*, our online question and answer forum that allows people to anonymously submit personal finance questions through our Web site and receive answers from your office.

Here's how it works: OKMM selects a question or two from our submissions and prepares the answer(s). On the last Friday of each month, we'll send the questions and answers to your office for you to distribute through e-mail, include in a newsletter or post on your Web site.

Past topics have included tax preparation, living within your means, steps to take if your wallet is stolen, preparing financially for children, saving for college and retirement, credit repair, disaster-proofing your finances, saving vs. paying off debt and many more!

If you're interested in signing up to receive *Financial Friday*, call 800.970.OKMM or e-mail oklahomamoneymatters@ogslp.org for additional information and details. To see more topics we've covered, visit our Ask OKMM Q&A archive at www.oklahomamoneymatters.org.

Budgeting for the Unemployed

Legitimate expenses during hard times

With the highest unemployment rate in 21 years, many Oklahomans are facing hard times and stricter budgets. But while you're slashing spending, remember that you're also now in the business of finding a new job—and that costs money. So what should you spend your money on when you've lost a job?

Dress to Impress. Looking for a job doesn't justify a new Armani suit, but you do want to look your best. Check the discount racks at your local department stores to update your business attire for a reasonable cost.

Resume Round-up. Although many businesses will accept your resume electronically, you'll need a few hard copies to bring to your interview. Be prepared to spend a few dollars at the office supply store or the copy center to ensure you have plenty of clean copies on hand.

Change Direction. You can turn your misfortune into a new life. Contact your local community college, university or technology center to find out if there are educational opportunities that could help you

improve or change your career path. Investing in your education now could open more doors for you in the future.

Remember to save receipts for anything you spend to help with your job search. Then, check with a tax professional to find out which expenses are tax-deductible.



On Our MIND

What's on the mind of OKMM staff? This month OKMM Director Angela Caddell talks about past memories and present challenges for her family.



Can you believe the holidays are already behind us? My favorite part of the season is spending extra time with family, and as I look forward in the new year, I'm thinking about my grandparents. I know they're aging, but for years I've seen them the way they looked to me as a kid ... strong, vital, invincible. It's becoming increasingly clear that they need more attention and assistance, and this is new ground for all of us.

Both of my parents are approaching that sensitive crossroads with their own parents: trying to figure out how to balance dignity and independence with safety and security. To help my parents navigate this process – and for my own benefit down the road – I looked for resources to share. Experts agree the first step is an open, honest discussion about your concerns and their needs.

Personal priorities. Ask your parents how they want to spend their time and money, and help them develop a workable plan to meet those goals. Respecting their choices (provided the choices are safe and feasible) protects dignity and allows elders to retain independence.

Personal finances. Many seniors outlive their savings. Careful planning can help your parents maximize their nest egg; consider making a joint appointment with a certified financial planner to strategize. If you're concerned about everyday spending, encourage your parents to keep all receipts for one month so you can develop a realistic budget together that supports their priorities. It's also a good idea to evaluate medical and property coverage to minimize risk to their financial security.

Personal records. Gather important papers, such as estate documents, birth certificates and marriage license, medical records, insurance paperwork, and property titles, and store them in a single secure location. As a back-up, place certified copies at your home or with a trusted family member. To protect against identity theft, encourage your parents to monitor bank and credit card statements and credit reports carefully. If they're willing, do this together so you're familiar with their accounts.

It's not easy to reverse those roles, and the stakes are so high. Fortunately, a wealth of helpful information is available online for elder caregivers. Learn more at www.aarp.com, www.agingcare.com and www.aging-parents-and-elder-care.com.

Buying a Foreclosed Home



With the first-time and repeat homeowners tax credit, many individuals, couples and families are contemplating purchasing a new home. Throw in the lure of capturing a great foreclosure bargain and many can't resist the urge to buy now. But, are foreclosed properties safe to purchase? Many impulsive and uneducated buyers often find themselves shelling out more money than expected, but there is a way to find your dream home in the foreclosure inventory while saving loads of cash.

Even with all the extra steps and processes, finding and buying a foreclosed home can be a smart investment if you do your homework. First-time homebuyer and Oklahoma City resident, Tara Wood, recently learned the challenges and rewards of purchasing a foreclosed home.

"One of the downfalls of buying my home was that I didn't know the history of the house, like when the roof was done or if any warranties were still valid," said Wood. "But, getting an amazing home in a great neighborhood at a cheaper price was worth the extra effort," she added.

If you're on the hunt for a foreclosed property, hire a real estate agent with experience

dealing with these types of properties. Buying a bargain home is more complicated than purchasing a house in which the owners aren't under financial duress. You'll need someone on your side with experience navigating this territory.

Your realtor should have access to various databases, but Web sites like RealtyTrac.com and Foreclosure.com allow you to research available properties on your own. As with any property you're considering, do your homework. First, is the price right? Typically, foreclosed properties are priced around 20% lower than comparable houses in the neighborhood. What's the neighborhood like? Ideally, you'll want a neighborhood with low crime, good schools and a healthy employment rate.

Typically, foreclosed properties are priced around 20% lower than comparable houses in the neighborhood.

Many foreclosed homes hit the auction block, but resist raising your paddle unless you're comfortable taking the risk that the home may be in serious need of repairs or have legal issues, like liens and back taxes, that you'll need to address. A less risky way to purchase a foreclosed property is going with one that's bank-owned or real estate-owned (REO). The bank has already paid existing debts and taxes on these homes.

Once you've found the right home and you're ready to

pounce on the deal, don't get too eager. Don't make an offer before seeing the home in person and inspecting it. You'll want to know how long the home has been unoccupied and if it was winterized. If it's been vacant for long, the likelihood of issues increases, and if it wasn't properly winterized, cracks in the pipes may exist. Look for water or insect damage and structural issues. Pay a professional to check for electrical, HVAC or plumbing problems. If major repairs are needed, ask for an estimated cost.

Of course you'll want to pay close attention to these main issues, but try to look beyond paint colors and overgrown landscaping. These are easy and cheap fixes as long as you've budgeted funds to cover your upgrades.

"My house was on the market for a few months and I'm confident it was because of the ugly exterior paint and a large, misplaced bush. I was able to look beyond these minor cosmetic issues and, by investing a small amount of money in updates, I now have a house I'm happy to call home," said Wood.

Extended Benefit for the Unemployed

Congress has expanded the subsidy that helps the unemployed continue their health insurance coverage through COBRA.

The extension:

- Lengthens the coverage period to 15 months.
- Expands the eligibility period by two months. If you were involuntarily unemployed between Sept. 1, 2008 and Feb. 28, 2010, you may qualify.
- Credits those who paid the full premium in December and allows re-enrollment for those whose benefits expired.

For more information, contact your plan administrator, visit the Department of Labor's Web site at www.dol.gov/COBRA or call the Employee Benefits Security Administration at 866.444.3272 (toll-free).

According to the National Retail Federation, in total, Americans will spend \$16.9 billion on their sweethearts this Valentine's Day. Here's a look at how much on average you'll spend on your loved ones.

Friends/Co-Workers

 \$7.33

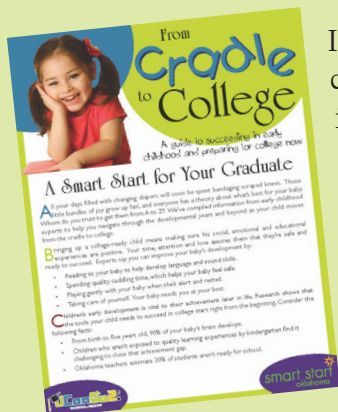
Family Members

 \$25

Spouse/Significant

Other  \$80.29

Free Publication for Parents



It's never too early to start thinking about your child's future. The path to academic success begins in early childhood with proper development and continues throughout a child's life as they learn the skills and habits required to become successful adults.

UCanGo2's new publication, *From Cradle to College*, is an eight-page guide designed to help new parents build a college-going culture in the home from birth. It helps parents identify developmental

milestones and teaches them how to enrich playtime. The guide also offers advice on making learning a priority and discussing college with older children.

For more information or to request copies, contact OGSLP at 405.234.4452, 800.442.8642 (toll-free) or ucango2@ogslp.org.



No More Financial Resolutions

Stop making money-related resolutions. Yes, that's right. Just say no to financial New Year's resolutions. Why? For the majority, resolutions don't work. Instead of resolving to make large-scale, positive pocket-book changes, start building small habits that will snowball into greater change as the seasons pass in 2010.

How? Take things one small step at a time. The most common money-related resolutions are getting out of debt and saving more, but with goals this large, it's easy to get frustrated and give up quickly. Break your goal down into small steps that will help you build healthy habits. For example, if spending less is your goal, aim to develop a healthy habit each month that will assist you in getting there.

In January, focus solely on cutting back on small impulse purchases at the grocery or discount store. During February, monitor your vending machine purchases and start buying items in bulk to cut back on cost. When March rolls around, cut back on dining out. In April, cancel goods and services you don't need or use.

Continue making small changes—and remember to keep practicing the habits you've already learned—and by the end of the year, you'll have reached your goal.



Partner News and Events



Plan to attend the next Oklahoma
Jump\$TART Coalition meeting!

Friday, Jan. 22

11:15 a.m. until 1:30 p.m.

Oklahoma City Branch,

Federal Reserve Bank of Kansas City

RSVP by calling 405.270.8464 by Jan. 15.

Topic: Financial Education in the Workplace Program: “Weighing the Effects of Financial Education in the Workplace”

The Federal Reserve Bank of Kansas City - Oklahoma City Branch is hosting this lunch time video conference program to highlight the recent completion of a multi-year research project conducted by Community Affairs Senior Economist Kelly Edmiston. The research project measured the effectiveness and benefits of employer supported financial education programs in the workplace for both employees and employers.

Be Money Wi\$e Poster Contest

The National Foundation for Credit Counseling (NFCC) is once again holding their poster competition to get young students (3rd through 12th grade) thinking about how to manage money effectively. Winners receive U.S. savings bonds and other prizes. The deadline for Oklahoma students is Feb. 19. For contest rules and an entry form, visit www.moneywisepostercontest.org.

Have News to Share?

Let us feature it! Do you have a contest, educational workshop or other personal finance event you'd like us to highlight in a future edition of the newsletter? Send a note to lmyers@ogslp.org today; space is limited.



Oklahoma Money Matters (OKMM) is a personal finance education program that helps K-12 schools, higher education campuses, businesses and community partners develop or expand educational services that empower Oklahomans to make positive financial choices.

OKMM is an initiative of the Oklahoma Guaranteed Student Loan Program and Oklahoma State Regents for Higher Education.

Visit us online at

www.oklahomamoneymatters.org.

To ask questions or share comments regarding this newsletter, e-mail oklahomamoneymatters@ogslp.org.



**OKLAHOMA STATE REGENTS
FOR HIGHER EDUCATION**

Improving our future by degrees



January

S	M	T	W	TH	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24/31	25	26	27	28	29	30

February

S	M	T	W	TH	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						