

# Debt Management Handbook



# CUNY SCHOOL OF MEDICINE

*The Home of Healers and Leaders*

# Table of CONTENTS

- 03 What is Debt Management?
  - 04 Budgeting: Tips & Tools
  - 05 Credit + Credit History
  - 06 Credit Reports + Credit Score
  - 07 What factors determine your credit score?
  - 09 Types of Credit + Why is credit needed?
  - 10 How to establish & build credit
  - 12 How to choose the right credit card
  - 13 How to improve your credit
  - 15 How do my student loans affect my credit?
  - 16 Prevention and Protection
  - 17 How to prevent Identity Theft
- 





*What is*

# DEBT MANAGEMENT?

It refers to the understanding of an assortment of important financial skills and concepts including budgeting, personal financial management, and investing. A strong basis of financial literacy can help support numerous life goals, such as saving for education, a home or retirement, using debt responsibly, becoming an entrepreneur and protecting one's investments. The earlier you start, the better off you will be.

Financial literacy is the start of your foundation on your relationship with money. This will become a lifelong journey of learning. Managing your money is a personal skill that benefits you throughout your life. Unfortunately, this is not something that everybody learns, hence its importance. Along with your money coming in and going out, you still have due dates, finance charges and fees attached to invoices and bills. Having the overall responsibility of making the right decisions when it comes to major purchases and investments on a constant basis, can become intimidating or discouraging. We don't want this.

Managing your own money requires an essential understanding of personal credit and your readiness to take on personal responsibility. Therefore, you pay your bills on time and you don't take on too much debt. You accept the fact that sometimes you have to sacrifice immediate demands and wants for long-term gain.

You budget, save, and then you protect your savings. When you spend, you spend wisely. When you make big purchases, you do so for things that are meaningful and beneficial. Start to ask yourself prior to making a purchase, 'Is this a need or a want?' - 'Is this purchase a necessity?'

Understand the differences between good and bad debt. Constantly pay attention to your overall portfolio of earnings, savings and investments. If you don't understand something, ask for help when you need it. There are numerous tools available to you. There are apps geared to assist you in budgeting and saving, financial advisors and free workshops or classes.

To be financially literate means having the ability to not let money, or the lack of, get in the way of your happiness as you work toward building your dream life. You deserve a long and rewarding retirement.

*Education is crucial to success when it comes to money.*

Always know how much you have available to spend. Track your income and expenses by creating a budget for yourself. You can create one with just simple pen and paper, templates or budgeting apps.

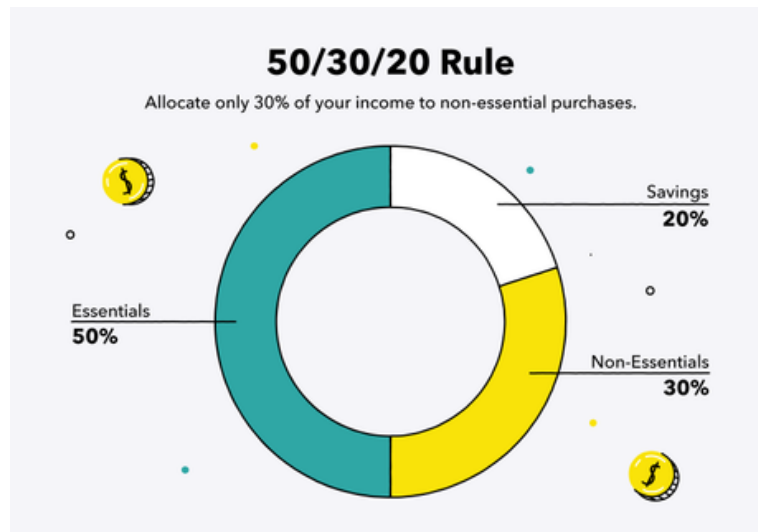
# BUDGETING

## Tips & Tools

For a monthly budget – identify and estimate your monthly expenses into two categories, **fixed** and **variable** expenses. **Fixed** expenses stay around the same amount each month and include items such as rent/mortgage, utilities, cell phone bill and health insurance. **Variable** expenses may vary from month to month in cost and would include items such as groceries, clothing, entertainment or dining out. Include 'savings' as a fixed expense within your monthly budget. You should be paying yourself in addition to your total expenses. In addition, prepare for an unexpected expense by building an emergency fund – typically save up 3–6 months of your expenses in case of emergency.

Once you've identified your total income and expenses, you can then compare the two in order to balance your budget. To do so, simply subtract your expenses from your income.

$\text{Total income} - \text{total expenses (fixed + variable)} = \text{discretionary income}$



Click image for more details

50/30/20 Rule Budget Calculator

Watch this short video on Budgeting

Budget Worksheet

## Helpful Tips:

- MAINTAIN CONTROL OF YOUR SPENDING TO PREVENT THE LIKELIHOOD OF HAVING CREDIT PROBLEMS.
- COVER YOUR ESSENTIAL EXPENSES BEFORE MAKING OPTIONAL PURCHASES.
- MAINTAIN AND UPDATE YOUR BUDGET REGULARLY SO THAT YOU ARE NEVER SURPRISED BY THE UNEXPECTED.

If you have a positive balance, your income is greater than your expenses or in other words you're earning more money than you are spending. If this is the case, try to focus on putting more money into your savings or emergency fund. Use the excess toward planning your financial goals. Whether you have a goal to pay off student loans or a high credit card bill, or saving money toward a car, home or vacation.

If you have a negative balance, you are spending more money than you have. Make sure that your expenses do not exceed your income. Try balancing your budget by reducing your expenses, monitoring your variable expenses and/or finding ways to increase your income. Ask yourself if the purchase you're about to make is a necessity. Maybe eat out to less for lunch and bring food from home. At times, spending less may be easier than earning more income.

Please visit these apps and websites for more helpful information and tools on budgeting:

**Apps:** Mint, PocketGuard, YNAB (You Need a Budget), EveryDollar, Personal Capital, Goodbudget, Stash, Honeydue, Digit

**Sites:** [AAMC](#), [StudentAid](#), [Budgetnista](#), [College Money Habits](#)





*Credit &*

# CREDIT HISTORY

---

## What is Credit?

Credit is the ability to borrow money or access goods and services from merchants, lenders, and service providers (all widely known as creditors) with the understanding that you'll pay back what you borrowed, along with any finance charges that may apply.

For instance, you can use a credit card to purchase goods or services such as: groceries, gas, car repair, pedicures, etc. Instead of the money directly coming from your checking account (similar to a debit card), the money used to purchase those items are charged to your credit card. Within 30 days of your purchase, you must then pay for any items you've charged or else you will incur fees.

When you are considered 'trustworthy', you are said to have "good credit" or said to be creditworthy.



---

## How do Creditors know if I'm 'creditworthy'?

Your creditworthiness is determined by your credit history, or your record of borrowing and repaying funds. This history is summarized into a credit report that is compiled by three credit bureaus ( [Experian](#), [Equifax](#), and [Transunion](#) ).

The information in your credit report include:

- The number of accounts you have, including their borrowing limits and current outstanding balances
- Any loans you have taken out, their amounts and how much of them you've paid back
- Your payment history (whether your monthly payments are on time, late or missed)
- Financial setbacks such as car repossessions, bankruptcies and mortgage foreclosures



*Establishing and building up good credit over time is an important element of sound financial health.*

# Credit Reports & CREDIT SCORE

Two things help would-be lenders evaluate the probability that you'll pay as agreed: your credit reports and credit scores. Your credit reports hold detailed information about your past use of credit. That data is then calculated into a simple number representing your creditworthiness — a credit score.

## Credit Reports

Lenders and other companies use your credit report to learn more about your previous borrowing history. This helps them make decisions about granting you credit. If your credit report shows an extensive history of on-time payments, it might mean that you have a higher credit score. A higher score will help you get credit cards and/or loans on more favorable terms. On the other hand, late payments, bankruptcy and similar items on your credit report can lead to lower credit scores. This makes it harder for you to get approved for loans or credit cards. It could also cause a lender to charge you a higher interest rate.

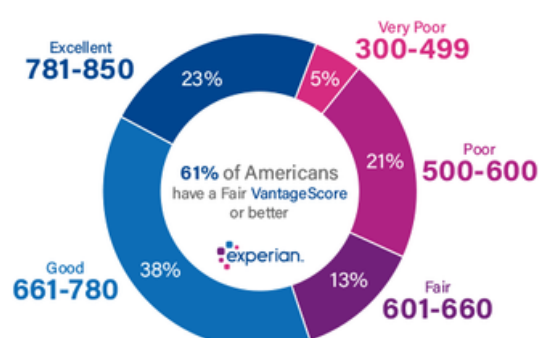
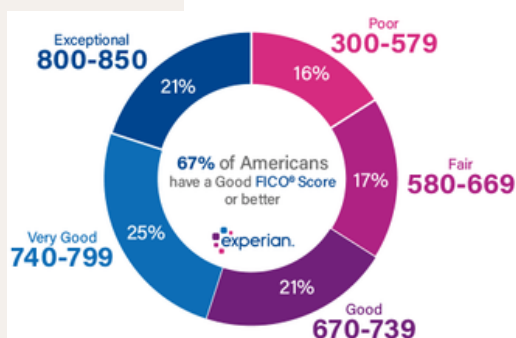
A credit report can also show unauthorized credit activity related to identity theft. You might see fraudulent activity such as credit inquiries, a new loan or credit accounts that you were unaware of. Reviewing your credit reports on a regular basis can quickly help you detect suspicious activity and resolve it. Try to check your credit reports two to three months before making any major credit applications, like a home mortgage or a car loan. Examine your reports carefully to make sure you recognize all of the listed accounts and confirm that their balance and payment information matches your financial records. If you believe that there is something inaccurate on your credit report, you can file a dispute with the credit bureau to correct it.

## Credit Score

A credit score (or FICO score) is a number that summarizes all of the credit information on a credit report. The number reflects the probability that you will become delinquent on a loan or a credit commitment in the future and it is used so that lenders do not have to review your credit report in detail. FICO scores range from 300-850. The higher the score, the lower the chance of a default or failure to fulfill your financial responsibility.

Your scores will vary depending on your account activity. Most versions of FICO and VantageScore range from 300 to 850. Scores of 690 or above are considered "good" and 720 or above are considered "excellent." The two scoring models look at the same factors, so if you have a good score on one, you should have a good score on the other.

When you apply for a credit card or a loan, the lender will check your credit score to determine your eligibility. It's smart to monitor your score yourself so you'll have an idea of how a lender might categorize you. This can be especially useful if you are looking to build your credit.



# *What factors determine your* **CREDIT SCORE?**

Specific factors and how they're weighted when determining your credit scores differ based on the credit model calculating them. They also vary depending on the type of credit score and which credit report from the three national credit bureaus is used when calculating the scores. The factors that determine your credit score are:

## 1

### **Payment History**

Your payment history, as it appears in your credit report, is typically the most important category in determining your credit scores. Within this category, the scoring models consider:

- On-time payments: A history of paying your bills on time is good for your credit scores.
- Late payments: Payments made over 30 days late will typically be reported by your lender and hurt your credit scores. How far behind you are on a bill payment, the number of accounts that show late payments and whether you've brought the accounts current are all factors.
- Public records: Filing bankruptcy can significantly hurt your credit scores.

## 2

### **Credit Usage**

Credit usage, or your amounts owed, comes just after payment history in importance. This includes how much you owe on loans and how many of your accounts have balances. The main item in this category, is your credit utilization ratio.

Your credit utilization ratio (or rate) is determined by comparing your current balances with the credit limits on your revolving accounts, mainly credit cards. To calculate your credit utilization ratio, add up the balances on all your credit card accounts, divide that number by the sum of all your credit card limits, and multiply by 100 to get a percentage. That percentage is your utilization ratio, and generally, lower utilization ratios are better for credit scores. It is best to keep your utilization under 30%.

## 3

### **Length of Credit History**

Responsibly managing credit accounts over a long period of time can help your credit scores. The age of your oldest account, newest account and the average age of all your accounts are items all viewed by credit scoring models when factoring in credit history.

Unfortunately, there aren't any shortcuts to building a lengthy credit history. Although, becoming an authorized user on an account that the primary user has had for a long time may help. If you decide to close a credit card account in good standing, it can remain on your credit report for up to 10 years, and could continue to help your credit scores during that time. But, closing an account reduces your overall available credit, which could have a negative effect on your scores.





What goes  
into my  
FICO Score?

Click for a  
short video

## 4 New Credit

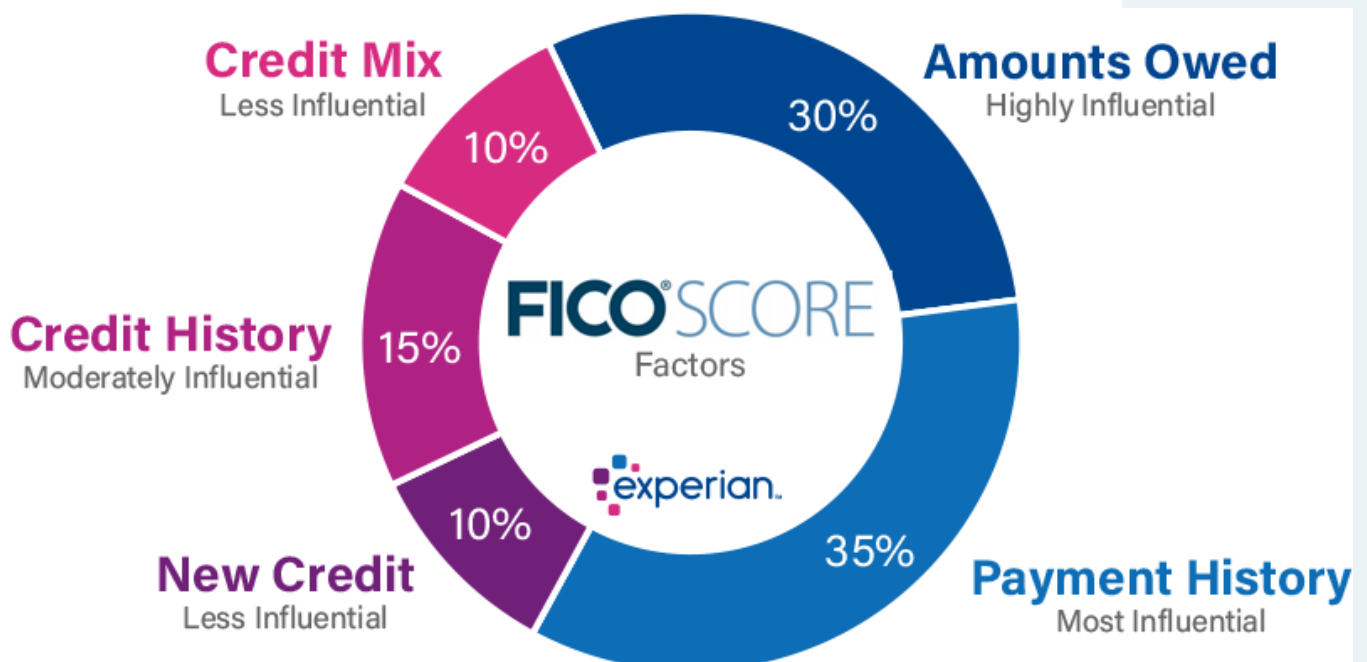
Recent credit activity isn't a major element in your credit score, but numerous things can happen when you apply for and open a new account. First, applying can lead to a hard inquiry. Hard inquiries can lower your credit scores, as they could increase your risk as a borrower in the eyes of lenders. Credit scoring models are also constructed to recognize that consumers who are shopping for a loan may not be necessarily extra risky. For example, you might apply to get preapproval for five auto loans to find the best rate, but that doesn't mean that you're taking out five auto loans. As a result, scoring models may count multiple hard inquiries that occur as a single inquiry when determining your score.

Opening a new account can also impact other scoring factors as it may lower the average age of your accounts, which could slightly hurt your scores. However, it increases your available credit and creates an opportunity to make on-time payments on a new account within your credit report. This could, over time, help your scores.

## 5 Types of Credit Accounts (Credit Mix)

Your experience managing both revolving and installment credit accounts may also factor into your score. So having a credit mix may be beneficial. Some credit scores are built for specific types of creditors, such as credit card issuers or auto lenders. Your experience with the associated types of accounts could be more important for these types of scores.

Check out the next page explaining the different type of credit.





# TYPES OF CREDIT

**Revolving Credit:** With revolving credit, you are given a maximum borrowing limit, and you can make charges up to that limit. You must make a minimum payment each month, but otherwise the amount you pay can be any portion of your outstanding charges, up to the full amount. If you make a partial payment, you will carry forward the remainder of your balance, or revolve the debt. Most credit cards count as revolving credit.

**Charge cards:** Once commonly issued by retailers for use exclusively in their establishment, charge cards are relatively rare these days. Charge cards are used in much the same way as credit cards, but they don't permit you to carry a balance: You must pay all charges in full every month.

**Service credit:** Your contracts with service providers such as gas and electric utilities, cable and internet providers; cellular phone companies; and gyms are all credit agreements: These companies provide their services to you each month with the understanding that you will pay for them after the fact. Some bureaus have programs that enable you to share utility and cellphone payment records so they can be considered in credit scores. Experian Boost is one example.

**Installment credit:** Installment credit is a loan for a specific sum of money you agree to repay, plus interest and fees, in a series of equal monthly payments (installments) over a set period of time. Student loans, car loans and mortgages are all examples of installment credit.



---

## *Why is credit needed?*



Having good credit is necessary if you plan to borrow money for emergency or major purchases. For instance a car, home or emergency home repairs. A higher credit score can mean better interest rates and terms on credit cards and loans. It could also mean perks and rewards with most card issuers for customers that have great credit.

Lenders aren't the only ones who view your credit reports and credit scores:

- Insurance companies (in determining your rates).
- Landlords (when determining if they'll rent you an apartment or how large a security deposit to require).
- Utility companies may check your credit before deciding to let you open an account or borrow equipment.
- Prospective employers may use information found in credit reports to make a hiring decision.
- Your credit report can also be used to verify your identity.

Building a good credit score can take time, but the benefits of doing so are plentiful. It is important to start working on your credit now so that you can build a good score for when you need it.

# How to establish & BUILD CREDIT

There are several ways in which you can build and establish credit. Some of which include:

## 1 Apply for a Credit Card

To qualify for most credit cards, you'll need some positive credit history; the longer the history, the better. This is so card issuers have proof that they can trust you to pay what you owe on your first credit card. This is especially important for traditional unsecured credit cards that do not require upfront security deposits. It may be helpful if you already have, for example, an auto loan where you've been making on time payments and there is proof of you using credit responsibly.

If you're starting with no credit history at all, your best option might be a card that requires a security deposit, such as a secured credit card.



## 2 Apply for a Secured Credit Card

Secured credit cards are ideal for users who are trying to build a payment history from the ground up. They work like other credit cards when you make a purchase, but you must make a cash deposit when you first open the account in order to back up your usage. That deposit, which is normally the same amount as your credit limit, is what "secures" the card.

Otherwise, you use the card in the same way. Meaning you may make purchases, pay them off by the due date and pay interest on any charges you don't pay off in full. However, if you don't make your payments, your secured deposit is deducted. Normally, you can use a secured card for a period of time to build up a credit history, after which you can convert the card to an unsecured option or apply for a regular credit card.



## 3 Become an Authorized User on Someone Else's Credit Card

On an already-open account, you may become an authorized user. A parent, spouse, other family member or even a close friend can add you to their credit card account with a separate card. You will build a credit history based on the usage of that card, but the primary cardholder will be the one who must pay off any charges.

If you're going with this method, be sure to establish rules with the primary cardholder regarding how you will use the card.

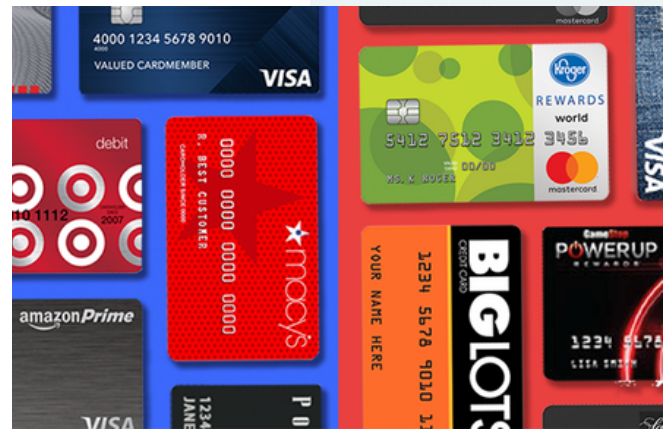




# 4

## Apply for a Retail Store Card

Retail store cards can be easier to qualify for and typically offer lower credit limits. They can also qualify you for discounts on purchases at that retailer. If you don't have much history with credit, retail cards can be a possible option for establishing a credit history, but they can also include some drawbacks, like high interest rates and fees.



# 5

## Get a Cosigner on a Credit Card

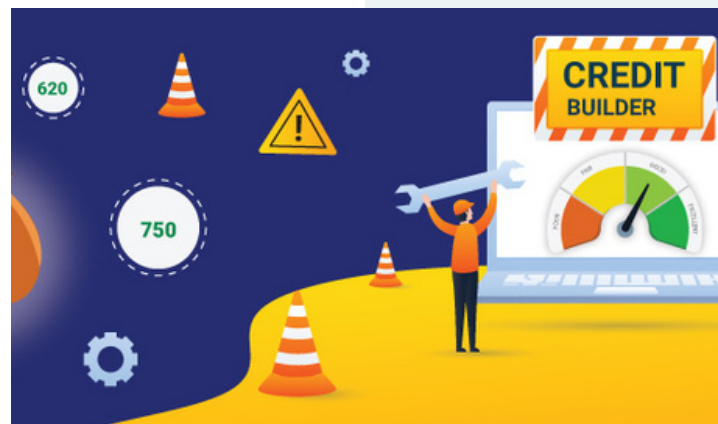
You can apply for a credit card with a cosigner who has solid payment history. The cosigner should know that if you do miss payments or carry a huge balance, their credit scores will also be affected.

# 6

## Get a Credit-Builder Loan

Credit-builder loans are solely designed to help you improve your credit score, so their function is different compared to other loans. Instead of giving you the loan amount up front, the lender sets it aside in a certificate of deposit (CD) or savings account.

Once you've finished making payments, the lender gives you the funds, plus the interest accrued from the savings or CD account. Since the lender holds onto the cash from the beginning, a lot of credit-builder loans offer decent interest rates. Make sure that the lender reports your payment history to one of the three credit reporting companies so the loan helps you build your credit history.

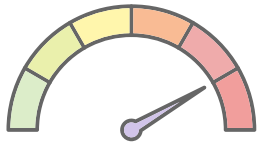




# How to choose the right CREDIT CARD

## 1

### Check your Credit Score



Your score is important in determining which credit cards you qualify for. The reward credit cards with the top rewards normally require you to have either good or excellent credit. There are cards for individuals with fair credit or even people with no credit or little credit history.

Some credit card issuers allow you to check if you prequalify for a card and oftentimes you may also use a card matching tool that allows you to search for prequalified card offers that fit your credit profile across multiple issuers. While a prequalification is not a guarantee of approval, it can give you an idea of your approval odds prior to submitting your application.

The Best Credit Cards Have Three Things in Common

## 2

### Pick the type of card that best fits you



Generally, there are three types of credit cards – cards that earn rewards, cards that help you improve your credit (when damaged or limited), and cards that save you money on interest. You'll want to choose the card with features designed to meet your needs. For instance:

- **Cash Back** – Get a certain percentage back on the money you spend
- **Travel** – Earn points or miles with each purchase.
- **Low interest** – Minimize the amount of interest you'll pay on balances you carry from month to month.
- **Student** – For college students looking to build their credit history. Some age and income requirements may apply.
- **Secured** – For consumers with bad or no credit history. Requires upfront deposit, typically equal to your credit limit.
- **Balance Transfer** – Transfer debt from another credit card and pay it down interest-free for a limited period of time.
- **Small business** – For entrepreneurs who need to charge large purchases and provide cards to employees.

The Best College Student Credit Cards

## 3

### Familiarize yourself with interest rates and fees



Prior to applying for a credit card, you are able to view both its' interest rates and fees. You can normally find this on the credit cards application page online in what's called a Schumer box. It includes the cards:

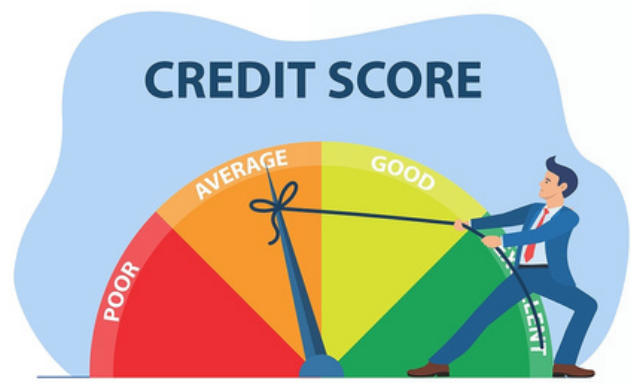
- **Annual fee** – what it charges cardholders on a yearly basis.
- **APR (annual percentage rates)** – the interest rate you'll pay on balances you carry from month to month. Some cards charge different rates on different types of balances, including purchases, balance transfers (debts moved to the card from other accounts) and cash advances (cash withdrawn with the card, usually at an ATM). Some cards also have penalty APRs, which they apply after a late payment.
- **Foreign transaction fees** – fees charged when making purchases outside the U.S. – typically, 3% of the amount charged.
- **Late fees** – are charged when you pay late by even a day or if you don't pay at least the minimum amount due.



7 Options for Your First Credit Card



# How to improve YOUR CREDIT



Already have credit and looking for ways to improve your score? By following a few simple steps, not only will you learn good credit habits, but you'll be on the road to a healthy financial future.

## 1 Pay Your Bills on Time

The most important thing you can do is to pay your bills on time. To make sure you don't accidentally miss a payment deadline, consider setting up reminders in your phone calendar or by setting up automatic monthly payments for at least your minimum amount due. You want to make sure your balance is low when the card issuer reports it to the credit bureaus. A simple way to do that is to pay down the balance before the billing cycle ends or to pay several times throughout the month to always keep your balance low.

## 2 Keep Your Credit Utilization Low

The lower your utilization, the better. As a general rule, keeping your utilization below 30% will prevent harm on your credit score. Individuals with the highest credit scores tend to have credit utilization ratios in the low single-digit percentages.

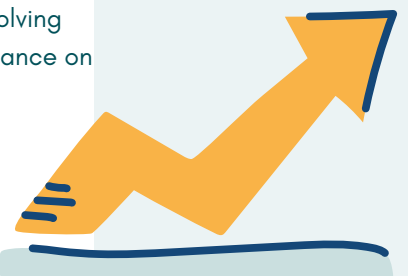
## 3 Catch Up On Past-Due Accounts

If you're behind on your bills, bringing them current could help. While a late payment can remain on your credit report for up to seven years, having all your accounts current can be good for your scores. Additionally, it stops further late payments from being added to your credit history as well as additional late fees.

If you find yourself having trouble with credit card debt, talking to a credit counselor and getting on a debt management plan (DMP) could be a good option. A counselor may be able to negotiate lower payments and interest rates, and get card issuers to bring your accounts current.

## 4 Pay Down Revolving Account Balances

Even if you're not behind on your bills, having a high balance on revolving credit accounts can lead to a high credit utilization rate and hurt your scores. Revolving accounts include credit cards and lines of credit, and maintaining a low balance on them relative to their credit limits can help you improve your scores.





# 5

## Apply for New Credit Only When Needed

Having multiple accounts and a mix of credit types is good for your credit score. But too many recent credit applications can have a negative impact on your creditworthiness. Each time you apply for a loan or credit, the lender runs a request for your credit report (a hard inquiry). Though one hard inquiry by itself may result in a slight and brief drop in your credit score, several recent applications can affect your credit more noticeably. A constant amount of hard inquiries or even a recent burst of them could cause lenders to view you as more of a credit risk.

When you do apply for new credit, make sure you understand your creditworthiness, and only apply for credit when you think you have a high likelihood of being approved.

[5 Ways to Break Bad Credit Habits](#)

# 6

## Check Your Credit Score & Credit Report Regularly

It's always good to know where your credit score stands and how it has changed. This will help you understand what effect your actions have in your scores. Checking your credit score on a regular basis can not only help you detect any problems that may arise but it can help you from getting off track.

Checking your credit report every so often is also a good idea. Not only will you be able to spot any inaccurate or negative information that might pop up, but you can also make sure there aren't any new accounts you haven't applied for. If you see this, it may be a sign of identity theft.



*With a little vigilance and consistency, you can build good credit habits.*

# HOW DO

## *Student Loans affect my credit...*

Student loans are generally installment loans (you pay a specified amount for a certain time period). They are no different than any other debt obligation. Pay late and it's bad for your credit. Pay as agreed and it's good for your credit. Once you open a student loan, the lender may begin reporting the account to the three major credit reporting companies. The account's entry will show the payment status of the student loans, whether in deferment or in repayment, as well as your payment history.

### ...while in-school deferment?

Even if your loans are not yet in repayment, or there are no late payments on your accounts, the amount of student loan debt you owe might have an affect your credit score or your ability to qualify for additional credit. Lenders and credit scoring systems consider your student loans as debts that you owe, even if the debts are still in deferment.



### ...when in repayment?

The amount you owe on your student loans will reduce the funds that you would have available to repay any other debts. This will put pressure on your ability to manage any unforeseen financial challenges. It also increases the risk that you'll fail to pay any debts you have. If you pay on time, every time, you'll begin to establish a solid record of managing credit. If you pay late or skip a payment, your credit score will start to drop only after your lender reports your late payment to one or all three major credit bureaus. How long before it's reported is based on the type of loan you have.

If your lender does report your late payment, known as a delinquency, it will stay on your credit report for seven years. The more overdue your payment is, the more damaging effect on your credit. For example, your federal student loan will go into default if you don't make a payment for 270 days. This would hurt your credit more than a 30- or 90-day delinquency.

If you cannot make payments contact your lender to ask about lowering or pausing your monthly student loan payments. Changing the terms of your loan will not hurt your credit as long as you take care of your payments as agreed. Even if your repayment terms are \$0 per month, your credit score shouldn't suffer.

**Federal student loans:** Servicers wait at least 90 days to report late payments.

**Private student loans:** Lenders can report them after 30 days.

*Making regular, on-time payments on student loans will help build credit.*

# Prevention and PROTECTION

Identity theft is when someone steals your personal information and uses it without your permission. With technology evolving so quickly, fraudsters now have more ways than ever before to access your private data for their own gain. By safeguarding sensitive information, it can help protect you from becoming a victim. In addition to being proactive, recognizing how to spot fraudulent activity that has occurred can help you prevent further harm and possibly recoup your losses.

5 Ways to  
Help Protect  
Your Identity

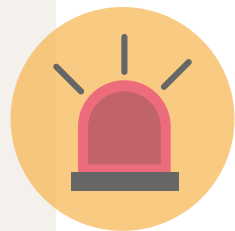
Click for a  
short video

## How Identity Theft Happens

There are several ways your personal information can be compromised. Some of which includes a lost wallet, using public wi-fi, mailbox theft, malware, and data breaches. Hackers may have the ability to see what you are doing when you use free public wi-fi. If avoidable, you should try your best not to use public wi-fi for shopping, banking or other sensitive types of transactions.

When using your credit card at places like a gas pump or ATM, you should be mindful of possible skimming devices. These small devices are used by criminals to steal your credit card information. Use cards with chips, as they have added protections. If you can, pay inside at the gas station since skimming devices are more likely to be placed at or near unmonitored payment locations.

Be mindful of your surroundings. We often look up personal information on our phones while in close proximity to complete strangers. For example, looking at your bank statements while commuting to school or work on the train, or looking at personal documents while seated on a plane. Criminals can steal your information just by looking over your shoulder. They can learn a password or pin just by watching the movement of your fingers. The information on your credit card can be photographed with a smartphone while you shop online in a public place. Don't leave cards where they can be seen and cover your hand when you key in passwords or codes.

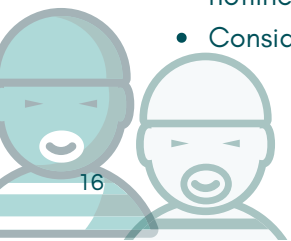


## What Should You Do if You're a Victim of Identity Theft?

If you are a victim of identity theft, you should report it immediately. Here are some other things you can do if you suspect you've been a victim:

- File a police report after identity theft, which is important to protect yourself if an ID thief starts using your information to commit crimes. Get copies of the police report—you may be asked for them when notifying your insurer, medical providers, the credit bureaus and others that you have been victimized.
- File an identity theft complaint with the Federal Trade Commission online or call the FTC's toll-free hotline at 877-IDTHEFT (438-4338).
- Consider placing a freeze or fraud alert on your credit reports.

*Assume that your data is already out there and take precautions accordingly!*



# HOW TO *Prevent Identity Theft*

The possibility of having your identity stolen is unfortunately unavoidable. With over 15 different types of fraud and scams, you'll want to take preventative action so you can spot potential fraud before it becomes a major problem. The best way to stay on top of potential threats is by being persistent, monitoring your accounts, and reviewing your personal information. Here are some other ways to help you prevent identity theft:

## *Freeze your credit*



This restricts access to your records so new credit files can't be opened. It's free to freeze your credit and unfreeze when you want to open an account.

## *Shred. Shred. Shred.*



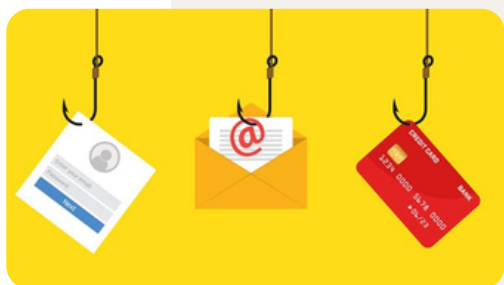
Any credit card, bank or investment statements that someone could fish out of your garbage shouldn't be there to begin with. Shred junk mail as well, especially preapproved offers of credit.

## *Protect Mobile Devices*



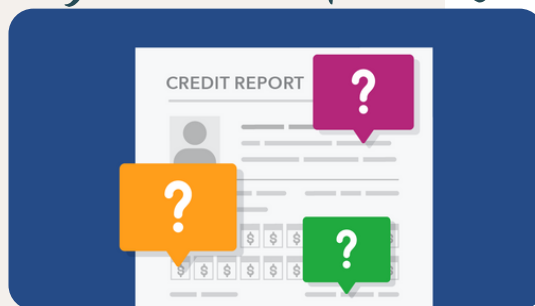
Mobile devices can be an actual risk. Use passwords on your electronic devices. Use a banking app rather than a mobile browser for banking.

## *Phishing & Spoofing*



Scammers can make phone calls appear to come from government entities or businesses, and emails that appear to be legitimate may be attempts to steal your information. Initiate a callback or return email yourself, working from a known entity such as the official website, rather than responding to a call or email. And be wary of attachments, many contain malware.

## *Check your credit reports regularly*



As you check your report, watch for items that you don't recognize or remember opening. Keep an eye on your credit score. A bizarre and sudden drop can be a giveaway that something is wrong.



## Use strong passwords and add an authentication step



Use a password manager to create and store complex, unique passwords for your accounts. Don't reuse passwords. Adding an authenticator app can reduce your risk. Don't rely on security questions to keep your accounts safe; some information isn't hard to find. Think about what you post on social media so you don't give away crucial data or clues about how you answer security questions.

## Use a digital wallet



It is an app containing secure, digital versions of credit and debit cards. You can use it to shop online or at a compatible checkout terminal. Transactions are tokenized and encrypted, which makes them safer. In addition, contactless transactions have fewer health risks.

## Monitor financial and medical statements



Read financial statements. Make sure you recognize every transaction. Know due dates and call to inquire if you do not receive an expected bill. Review your "explanation of benefits" (EOB) statements to make sure you recognize the services provided to guard against health care fraud.

## Use alerts



Many financial institutions will text or email when transactions are made on your accounts. Sign up so that you know when and where your credit cards are used, when there are withdrawals or deposits to financial accounts and more.

## Watch your mailbox



Have your mail held if you're out of town. Consider a U.S. Postal Service-approved lockable mailbox or you can also sign up for Informed Delivery through the USPS to give you a preview of your mail so you can tell if anything is missing.

*Detecting threats and responding to them quickly is the best measure of defense for your financial life.*





# CUNY SCHOOL OF MEDICINE

*The Home of Healers and Leaders*

*Let's get in touch*

160 Convent Ave, New York, NY 10031

<https://www.ccnycuny.edu/csom/financial-aid-0>

FinancialAid@med.cuny.edu