



Jan Backlin, Director

## *The Director of Homeownership Programs welcomes it's readers.....*

*Home Ownership is a dream!*



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Welcome to Home Helper. We try to provide information and helpful tips that are useful for home owners or anyone else.

Fall is the time of year where we like to get all the remaining outdoor stuff done before the winter months come. We have included some Fall Tips on things to do around your house during the Fall months before it gets cold.

A lot of families are also getting ready to send their kids back to school and that is an added expense. An expense you can change is listed within The Drive Smarter Challenge article to help your families save on gas buy following their tips.

There are so many activities for everyone to participate in that we have to focus on a "to do" list to get our work done. We have included articles on Budgeting, and how to get a FREE Credit Report.

Many of us are also trying to clean up our finances, check out our Financial Fitness Self Evaluation article.

*Jan Backlin, Director  
Homeownership Programs*

*The secret of joy in work is contained in one word—excellence. To know how to do something well is to enjoy it.*

*~Pearl S. Buck*

*The difference between a successful person and others is not a lack of strength, not a lack of knowledge, but rather a lack of will.*

*~Vince Lombardi*

## *Mission Statement*

*The Anoka County Community Action Program, Inc. is an innovative catalyst for empowering lower income Anoka County residents to achieve their aspirations and dreams.*

## Your 5-Minute Guide to Budgeting.

'Budget' is not a four-letter word, but many people avoid it like one. These 20 tips can help you face up to your finances and achieve your monetary goals.

Budgeting isn't a punishment for not being born wealthy. It's an avenue to know where your money goes and help you reach your financial goals, whether it's a new home, a comfortable retirement or just making it to your next paycheck. (See the video "Budget your way to smarter spending.")

When all is said and done, you simply can't spend more than you make, at least not for long. (See "Money trouble? It's your own fault.")

What's going out? The first step is figuring out where your money goes right now. Use an online worksheet or a plain old notebook to keep track of your spending for a few weeks. Go through your checkbook and credit card statements. Add up the amounts, and you'll have a good idea about your spending habits. (Take our "Savvy Spending Quiz.") A few things to consider:

- Common budget categories include housing (rent or mortgage, homeowner dues), recurring bills (cable, utilities, insurance and credit card minimums), food and entertainment.
- Let your categories fit your life. You might have expenses for school-related items (tuition and books), pet care or travel. If your hobby is your passion, make it a category.
- Account for big expenses that occur once or twice a year, such as car insurance.
- Consider making your vehicle its own category. Payments are only the start. (See "The real reason you're broke.")

What's coming in? When your expenses are tallied, go through your pay stubs and calculate your average monthly income. Don't forget to include interest income,

dividends, bonuses and alimony. Once you know how much you earn and how much you actually spend, decide where and how much you want to spend. Divide by 12, and *voilà* -- you've got a monthly budget. Adjust as necessary until your monthly budget equals your monthly income.

Some things to keep in mind:

- Figure out which of your expenses are wants and which are needs. Actual needs are fairly limited: food, shelter, clothing. Nearly everything else is a want, but even the way we fulfill our needs involves choice. (See "9 money rules to live by.")
- Try "The 60% Solution." Essential spending comes out of the first 60% of your income. The rest includes retirement, emergencies, debt repayment, fun money, etc. (See "How to build your first budget.")
- Prioritize. Fund your retirement first, no matter what. Put enough in your 401(k) to grab the employer match. Then start tackling your debts.
- Don't forget an emergency fund. This will go a long way to keeping you out of debt should the unexpected happen -- and it will. If you don't have funds now, use your income-tax refund or set up a regular electronic transfer from checking to savings. (See "Why you need \$500 in the bank" and the video "Everyone needs an emergency fund.")

Take a little off the edges. Once you're on your way, keep track -- at first weekly, then monthly -- of where you're going off budget and adjust your allocations. Food, for instance, often goes unchallenged. You might wince at the checkout counter, but you do have to eat. Still, there are ways to cut the food budget without sacrificing quality or quantity. (See "Take a big bite out of grocery bills.")

- Many stores reduce their products based on a 12-week cycle, so notice when something goes on sale, but

don't buy until it hits the rock-bottom price.

- Keep a notebook for a while so you get to know the rock-bottom prices on items that you frequently purchase. Keep track of which products are cheaper store by store.

Food isn't the only place for savings. Here are some other ideas for keeping your budget on track:

- Bookmark deal-finding Web sites and check them before making any purchase online or any big purchase offline. Check sites such as MyBargainBuddy.com, AbleShoppers and Dealnews for online bargains and coupons. (See "The Web's best shoppers.")
- Review your habits. Do you need the full-on cable package or caller ID? Do you pay full price at a convenience store for items you could buy for less on your weekly grocery shopping trips? (See "When cheap is a way of life.")
- Some people fritter away cash; others use a debit card as if it had unlimited credit. Whichever you might be, consider converting. A debit card devotee is more likely to think twice about spending cash, especially if you leave your ATM card at home
- If things still aren't adding up, look at whether you need to adjust your allocations or change your spending habits. (See "5 steps to fix a broken budget.")

Building the budget habit. Successful budgeting takes time and persistence, so don't be discouraged if you don't hit your monthly goals at first. Here are some ideas to make it easier:

- Write it down. If you don't, you probably won't stick to it.
- When good fortune comes your way in the form of an "extra" paycheck or a bonus, pay an annual premium, make an additional mortgage payment or use it for seasonal extras, such as

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## The Drive Smarter Challenge—Money Saving Gas Tips

How you drive and maintain your vehicle affects your vehicle's fuel efficiency and gas costs. These simple tips can add up to savings work weeks of groceries or other family needs. Why pay more at the pump than you have to?

### DRIVING TIPS:

- **Curb Road Rage.** Speeding, rapid acceleration (jackrabbit starts), and rapid braking can lower gas mileage by 33% at highway speeds. Drivers can save up to 80 gallons of gasoline, or up to \$255, by driving sensibly on the highway. If you don't have a "lead foot", your savings may be closer to 10%.
- **Drive Sensibly.** Around town, sensible driving can save 5%-up to 30 gallons of gasoline and up to \$100.
- **Choose the Right Vehicle.** If you own more than one vehicle, drive the one that gets better gas mileage whenever possible. If you drive 12,500 miles a year, switching 10% of your trips from driving a car that gets 20 mpg to one that gets 30 mpg will save you more than \$45 per year.
- **Ditch "Junk in the Trunk".** An extra 100 pounds in the trunk cuts a typical vehicle's fuel economy by up to 2%. You can save up to 12 gallons of gas per year-up to \$40.
- **Decrease your Speed.** Speeding costs! Gas mileage usually decreases rapidly above 60 mph. Each five miles per hour over 60 mph is like paying an additional 20 cents per gallon for gas.
- **Avoid Idling.** Idling gets 0 mpg. Cars with larger engines typically waste even more gas while idling than cars with smaller engines.
- **Buy Smart.** Check out the U.S. Department of Energy's website ([fuel-econom.gov](http://fuel-econom.gov)) or look for a SmartWay certified vehicle on EPA's Green Vehicle Guide ([epa.gov/greenvehicles](http://epa.gov/greenvehicles)) for information on fuel-efficient vehicles.
- **Tune Up.** Fixing a car that is noticeably out of tune can improve its gas mileage by an average of 4%, saving up to 25 gallons of gasoline and up to \$80. Fixing a faulty oxygen sensor can improve mileage by as much as 40%, saving up to 250 gallons of gasoline or up to \$800.
- **Check and Replace Air Filters Regularly.** Replacing a clogged or dirty air filter can improve your car's gas mileage, and a clean filter keeps impurities from damaging the inside of your engine.
- **Take the Drive Smarter Challenge** and get more money-saving fuel-efficiency ideas and related product discounts. Share them with your family and friends and "fuel the challenge".

### MAINTENANCE TIPS:

- **Inflate your Tires.** Keeping your tires properly inflated is simple and improves gas mileage by around 3%, saving up to 20 gallons of gasoline, or up

Provided by:  
[DriveSmarterChallenge.org](http://DriveSmarterChallenge.org)

## Financial Fitness Self Evaluation "An Ounce of Prevention"

*Just as we need to monitor our physical well being, we also need to monitor our financial "health" so a preventative treatment plan can be initiated to prevent future catastrophic calamities. Take your financial fitness management evaluation now to determine if a professional consultation is warranted. Consider the following questions to help evaluate if there may be indicators of pending financial problems that need your attention.*

1. Have I refinanced my mortgage or taken out a second mortgage to pay off consumer debts such as credit cards or vehicle loans?
2. Have I applied for credit or car insurance and found I was not offered financing/premiums on "best rate" terms?
3. Is my current mortgage an adjustable rate taken out to increase my borrowing power due to a lower starting rate/payment?
4. Does my mortgage have a prepayment penalty?
5. Is my adjustable mortgage "margin" more than 3% above the U.S Treasury or the Libor Index? Some adjustable mortgages "margin" is 5% or more! This is an indicator of a less than prime loan.
6. Have my credit card balances been creeping up? Are outstanding balances more than 30% of my credit limit?
7. Do you consider the 15<sup>th</sup> of the month the mortgage payment due date when it really is the 1<sup>st</sup>?
8. Do you have savings set aside to access in the event of unexpected expense such as a vehicle repair or a temporary reduction of income? Three months funds set aside to pay essential expenses are recommended.
9. Have I been late paying the monthly bills?
10. Do I ever have trouble sleeping because I am worried that I may not be able to meet expenses/debt payments?

*If you answered yes to one or more of these questions it may be time to sit down with an experienced counselor to discuss a "treatment plan" so you do not experience a financial "stroke or heart attack" in the future. Many times a Fiscal Evaluation and treatment plan can keep you out of the "emergency room" and on the road to financial freedom! Consider calling ACCAP to discuss scheduling a free financial checkup today! We are foreclosure prevention specialists with an emphasis on prevention.*

## How to get a Credit Report for FREE!

### How to get a credit report for free:

All Americans are entitled to free credit reports every year from each of the three major credit bureaus. The credit reports used to cost as much as \$9.50 each. The three major credit-reporting agencies, Equifax, TransUnion and Experian, are each required to provide consumers, a free copy of their credit report once every 12 months. These reports will not be sent automatically. Each consumer must request reports one of these three ways: Go to [AnnualCreditReport.com](http://AnnualCreditReport.com) which is the only authorized source for consumers to access their annual credit report online for free or call (877) 322-8228. Complete the form on the back of the Annual Credit Report Request brochure, and mail it to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281. The brochure is available from the Federal Trade Commission.

A credit report is simply a rundown of your payment history, listing your accounts, balances and your payment behavior for each. It is not a credit score, or FICO, the three-digit gauge of your creditworthiness used by lenders, employers and insurers. But credit scores do use the information on your credit reports in their calculations, so it's important to spot and correct inaccuracies as quickly as possible.

You can order all three credit reports at one time, or at different times throughout the year. It's your choice. But be sure to order from the centralized agency. If you go directly to the credit-reporting agencies, you will be charged unless you fit other criteria for a free report. The new ruling doesn't replace the other ways to receive a free credit report. You're still entitled to a free credit report if: you've been denied a loan, insurance policy or job based on your credit report; you're applying for unemployment or receive public assistance; or you currently reside in a state that already offers free credit reports from each credit-reporting agency (Colorado, Georgia, Maine, Massachusetts, Maryland, New Jersey and Vermont).

### Watch for typos:

You can access your information online at [AnnualCreditReport.com](http://AnnualCreditReport.com), but if you don't get the Web address exactly right or if you search for terms such as "free credit report," you could get sucked in and scammed by one of the many credit report "impostors" currently inhabiting cyber-world.

The trio of reporting agencies established a single authorized Web source for customers to access the information for free: [AnnualCreditReport.com](http://AnnualCreditReport.com). That is the only federally mandated source for free, no-strings-attached credit reports.

The rest of the Internet Web sites advertising "free" reports -- more than 100 at last count -- are in fact impostors whose real agenda is to steer unsuspecting consumers into a for-profit marketing enterprise, according to a World Privacy Forum in-depth investigation and report.

### Where and how to get the goods:

The law that mandated free credit reports also covers other types of information about you:

**Medical information.** If you've applied for life, health, disability or long-term care policies, information about your health may have been reported to the **Medical Information Bureau**. This membership association of 600 companies is designed to help insurers detect fraud and deter applicants from lying on applications.

**Tenant history.** No single company dominates this field, but one of the larger screening agencies is **First Advantage SafeRent**.

**Auto and homeowners insurance claims.** ChoicePoint's CLUE reports can be ordered at [ChoiceTrust.com](http://ChoiceTrust.com), while ISO's A-Plus reports can be ordered by calling (800) 709-8842 or by writing A-Plus Consumer Inquiry Center, 545 Washington Blvd. 22nd Floor, Jersey City, NJ 07310-1686.

**Check-writing history.** ChexSystems is

the largest player in this arena. It maintains a database of people who have "mishandled" their bank accounts (typically by repeatedly bouncing checks). You can order a report online (ignore any reference to a "small fee") or call (800) 428-9623 mail ChexSystems, Attn: Consumer Relations, 7805 Hudson Road, Suite 100, Woodbury, MN 55125.

**Employment screeners.** A typical background-checking firm doesn't maintain "permanent" files on consumers and instead puts together a one-time report for employers. However, employers must get your written permission before a third party can run a background check, and you're entitled to see the report if it's used to deny you a job or promotion.



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summer vacation costs or Christmas presents. (See "What to do with 'extra' paychecks.")

- If you can't spend less, earn more. (See "20 ways to make an extra \$100 a month" and "Empty your closets, fill your pockets.")
- Get into the habit of thinking ahead. If you know your situation is going to change -- a new baby, new winter clothes, a new job -- plan for it and try to pay cash.
- Remember, budgeting is the means, not the end. Keep spending "mistakes" in perspective

As your income climbs, don't splurge until you're sure you're staying ahead of inflation. A good budget grows with you, so it's worth re-evaluating your budget every year.

*By MSN Money staff*

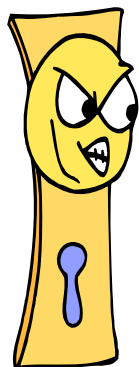
## RECIPE CORNER—Cheaper Meal Planning

### Purposeful Shopping

The first step in slashing food dollars is to plan ahead. Most shoppers waste money on impulse buys or last-minute trips to the supermarket for missing ingredients. When you're ready to put the skids on wasteful cash flow, try these purpose-driven strategies.

- Sit down with supermarket sale circulars before heading to stores. Plan out menus based on specials and in-season produce.
- Always make out a shopping list. Shop and stick to the list.
- Clip coupons from newspapers, magazines, or the Internet for products that you buy routinely. Take advantage of double coupons days or in-store specials.
- Consider stocking up on frequently used items while they're on sale.
- Go through cabinets routinely to use up canned and boxed staples.
- Buy in bulk when the savings prove good.

~Provided by [www.allrecepies.com](http://www.allrecepies.com)



### *Dear Doorknob and Maintenance Tips:*

**Dear Doorknob:** I am a new homeowner and I was wondering if you had any tips for things to do to get ready for the Fall Season?

**Dear Fall,** I have attached a basic Fall Checklist to use to get your house ready for Fall.

#### Preparing Home for Fall Checklist

- Check all window and door locks for proper operation
- Check your home for water leaks
- Review your fire escape plan with your family
- Make sure there are working nightlights at the top and bottom of all stairs
- Have a heating professional check your heating system every year
- Protect your home from frozen pipes
- Replace your furnace filter
- Run all gas-powered lawn equipment until the fuel is gone
- Test your emergency generator
- Have a certified chimney sweep inspect and clean the flues and check your fireplace damper
- Remove bird nests from chimney flues and outdoor electrical fixtures
- Inspect and clean dust from the covers of your smoke and carbon monoxide alarms
- Make sure the caulking around doors and windows is adequate to reduce heat/cooling loss
- Make sure that the caulking around your bathroom fixtures is adequate to prevent water from seeping into the sub-flooring



Do you have a question for Dear Doorknob? E-mail [jan.backlin@accap.org](mailto:jan.backlin@accap.org) if you are interested in getting your questions answered by the unknown Doorknob.

# SEPTEMBER 2008

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3 Home Stretch	4	5	6
7	8 Home Stretch	9 FAIM Financial	10 Home Stretch	11	12	13
14	15 Home Stretch	16 FAIM Financial	17	18	19	20
21	22	23 FAIM Financial	24	25	26	27
28	29	30				

# OCTOBER 2008

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1 Home Stretch	2	3	4
5	6 Home Stretch	7 FAIM Financial	8 Home Stretch	9	10	11
12	13 Home Stretch	14 FAIM Financial	15	16	17	18
19	20	21 FAIM Financial	22	23	24	25
26	27	28 FAIM Financial	29	30	31	

# NOVEMBER 2008

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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2	3 Home Stretch	4	5 Home Stretch	6	7	8
9	10	11	12 Home Stretch	13 Home Stretch	14	15
16	17	18 FAIM Financial	19	20	21	22
23	24	25 FAIM Financial	26	27	28	29
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