

# Helping your clients rebuild after bankruptcy



# Stay Local

Refer them to a local Credit Union, Bank or Car Dealer to re-establish financial services.

There can be pitfalls in working with out of town companies and agencies that offer services to help them establish.

Trusted partners can help ensure that your clients have access to:

- ✓ Manageable Fee Structure
- ✓ Competitive Interest Rates
- ✓ Personal Service

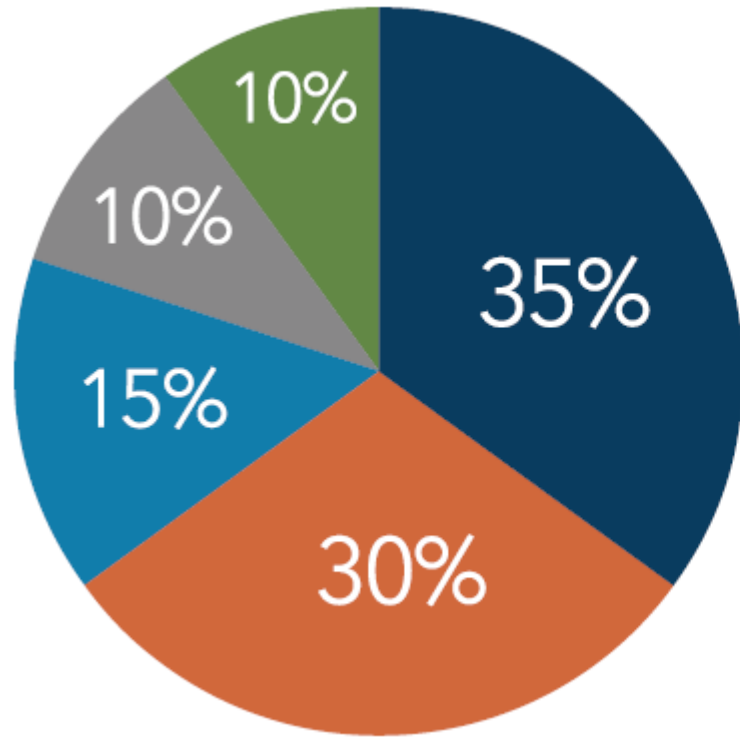
# Our Job is to Help Rebuild

We realize there are things that happen that are beyond their control

The employees are trained to personally guide them through:

- ✓ Identify financial goals going forward
- ✓ Address the root cause of the bankruptcy to set a plan going forward
- ✓ Help them establish a bank account if needed
- ✓ Walk them through the process of financing their next vehicle
- ✓ Get them approved for a credit card or small term loan to help reestablish a credit relationship

# The Importance of Rebuilding Credit



## WHAT MAKES UP A CREDIT SCORE?

35% = Payment History

30% = Amount Owed

15% = Length of Credit History

10% = New credit (Accumulation of debt)

10% = Mix of Credit in Use

# It is Possible to Rebound

Most people can rebuild their credit within 2-3 years of bankruptcy or adverse credit.

Loan Amount	Term	Score	Rate	Payment	Total of Payments	Interest Paid	Savings
\$20,000	60 mos.	730+	2.95%	\$359.00	\$21,540.42	\$1,540.42	\$0
\$20,000	60 mos.	680-729	3.95%	\$367.95	\$22,077.29	\$2,077.29	\$536.87
\$20,000	60 mos.	640-679	5.95%	\$386.26	\$23,175.78	\$3,175.78	\$1,635.36
\$20,000	60 mos.	600-639	11.95%	\$444.45	\$26,666.71	\$6,666.71	\$5,126.29
\$20,000	60 mos.	550-599	14.95%	\$475.33	\$28,519.82	\$8,519.82	\$6,979.40
\$20,000	60 mos.	549 and below	17.95%	\$507.38	\$30,442.60	\$10,442.60	\$8,809.18

## It Pays to Have a Good Score

# What Products Will Help Build Credit?

- ▶ Auto Loan
- ▶ Credit Card
- ▶ Personal Loan
- ▶ In Time...Home Loan

Monitor credit progress through companies like Credit Karma.

# Car Buying and Credit Card Offers

- ▶ Shop around
- ▶ Work with local dealers and financial institutions
- ▶ Read the fine print
- ▶ Know the credit terms
- ▶ Ask questions when teaser rates are offered

Financing is available to those who have experienced credit challenges from bankruptcy.

# What Does the Creditor Need?

- ▶ Proof Bankruptcy is Discharged
- ▶ Proof of Current Income/W2
- ▶ List of Current Bills & Expenses
- ▶ Mortgage Statement or Landlord Contract
- ▶ Down Payment
- ▶ Trustee Letter - Chapter 13
- ▶ Proof of Insurance - Auto Loans
- ▶ Proof of Residence
- ▶ References

Items requested will vary by lender



# Only Borrow What You Need

- ▶ Make them aware that they will get many offers to establish credit. Consider local options first.
- ▶ Develop a plan and stick to it.
- ▶ Seek help when needed with a local financial professional.

# Local Professionals Here to Help

- You helped them through their bankruptcy.
- Let the local financial institutions and auto dealers help them reestablish after bankruptcy.