

Montgomery County EITC Financial Resource Handbook



“Money In Your Pocket” Campaign



Spend Some...Save Some!
This year you can do BOTH!
This manual helps you make the most of your money!



**Montgomery County Community Action Development Commission
(CADCOM)**

Visit our tax site at: www.cadcom.org
Toll Free: (877) 223-2662 • Local: (610) 277-6363

PREPAID DEBIT CARD



NEW service sponsored by CADCOM and Community Financial Resources (CFR). This feature is designed to make your financial transactions **EASY!**

HOW IT WORKS

Get a Visa/Debit Cash Card when you get your taxes done. Use it as a convenient way to manage money!

- ◆ The IRS can directly deposit your refund onto your debit card account
- ◆ Your employer can also directly deposit your paycheck
- ◆ The federal government can directly deposit your social security, SSI, child support and other benefits
- ◆ It accepts **ALL** direct deposits

BENEFITS OF THE CASH CARD

It's Fast!

Direct deposit is faster than receiving a paper check from the IRS. In fact, you can get your IRS refund check directly deposited within 7 to 12 days!

Save Money!

No check cashing fees
No bounced checks, overdrawn accounts or bank fees
No minimum balance requirements
Free money transfers from bank account to card (international or local)

It's Safe!

No need to carry around large amounts of cash
Purchase protection and fraud monitoring included

It's Convenient!

Get your refund on a cash card and not a check
Use your card instead of cash to make purchases
Accepts payroll deposits
Use your card to pay bills
Use your card for ATM cash withdrawals
You can deposit cash at any place that has Western Union

GO DIRECT



Go Direct is a campaign sponsored by the United States Treasury department to encourage senior citizens and disabled persons to switch from paper checks to electronic payments for their federal benefits.



Here's How It Works

Sign up for direct deposit into an existing bank account or get a MasterCard/Debit Cash Card known as a Direct Express Card.

Benefits of Go Direct

1. Social Security and Supplemental Security Income (SSI) payments are directly deposited onto the card
2. Use card to make purchases, pay bills and get cash
3. No sign up fees, monthly fees or overdraft fees
4. Safeguard yourself against check theft and fraud

SAVINGS ACCOUNT



If you need an account to accept the direct deposit of your tax refund or a second bank account to help you to manage your money better, you can open a savings account at the tax site.

Some people open savings accounts in addition to, or instead of, checking accounts. Savings accounts allow you to earn interest (a percentage of money) off of your money. The more money you have in your savings account, and the higher the interest on your account, the more money you will earn each year.

The following Community Partner banks are on site at CADCOM during tax season to assist you in opening a savings or checking account:

TD Bank	2623 W. Main Street, Eagleville, PA 19403	610-630-6772
Citizens Bank	2 W. Lafayette Street, Norristown, PA 19401	610-279-1280
Bank of America	1000 Sandy Hill Road, Norristown, PA 19401	610-278-7600
Wachovia Bank	43 E. Main Street, Norristown, PA 19401	610-278-8800
PNC Bank	100 E. Germantown Pike, East Norriton, PA 19401	610-292-2061

U.S. SAVINGS BOND



Give a gift to your loved ones or to yourself with a US Savings Bond!

Many of us remember the U.S. Savings Bond that Aunt Mary gave us for our birthday or to our children when they were born. Well, now it's your turn! You can give a U.S. Savings Bond as a gift to someone or to yourself. A savings bond is a safe way to invest, earn interest on your money, and save for the future. I-Savings Bonds start at \$50.00 and you can buy them in increasing increments of \$25.00. These are NOT the kind of Savings Bonds that you have to keep for 10 or 20 years! They may be cashed after five years for the purchase price plus interest of 3.36% - which adjusts semi-annually.

The I-Savings Bond cannot be redeemed in the first year so do not buy an I-Savings Bond if you will need the proceeds within one year after purchase. I-Bonds are subject to a 3 month interest penalty if the bond is redeemed within 5 years of the issue date.

When you buy U.S. Savings Bonds with your IRS refund dollars, you will receive the bond in the mail. Just remember to keep them in a safe place!

Please ask the on-site Financial Coordinator for more information!



CERTIFICATE OF DEPOSIT- CD

How Do CDs Work?

You may arrange to have some of your refund money directly deposited into a Certificate of Deposit (CD), and you could cash it out in as early as 3 months with interest earned!

A CD is a high interest savings account that is locked in for a designated period of time, for example, 3 or 6 months. Because the money stays in the bank without transactions being made to your account, the bank offers a higher interest rate on your money. It's as easy as placing the money into an account and leaving it there for a certain period of time. When the time is up, you can cash it out and receive the extra money earned from the interest!



Here's How To Do It!

You can open a CD while you wait to get your taxes done. Then, your preparer can directly deposit your refund into as many as 3 accounts, including a savings and checking account or your new CD.

When the savings period is up, you have three choices:

- Add more money and let it roll over for continued savings\
- Withdraw the funds
- Roll over the amount of money in the account and continue to save



As interest is earned, it is added to the principal in the account so that new interest is earned on increasingly higher amounts.

Ask the on-site Financial Coordinator about interest rates, minimum deposits and savings terms.



CREDIT REPORTS: UNDERSTANDING YOUR CREDIT SCORE

A credit score is primarily based on credit report information, commonly from the three major credit bureaus: Experian, TransUnion, and Equifax.

Information about a person's credit experiences, such as their bill-paying history, the number and type of accounts they have, whether they pay their bills by the date they are due, collection actions, outstanding debt, and the age of a person's loan accounts, is collected and placed on a credit report. Using a statistical program, creditors or lenders compare this information to the loan repayment history of consumers with similar profiles.

What Is Considered When Compiling Your Credit Score?

Some of the areas considered when determining a person's credit score:

Payment History (35 percent)

- Account payment information on specific types of accounts (credit cards, retail accounts, installment loans, finance company accounts, and mortgage, etc)
- Presence of adverse public records (bankruptcy, judgments, suits, liens, and wage garnishments), collection items, and/or past due items Severity of delinquency (how long past due)

Amounts Owed (30 percent)

- Amount owed on accounts
- Number of accounts with balances

Length of Credit History (15 percent)

- Time since accounts opened
- Time since account activity

New Credit (10 percent)

- Number of recently opened accounts
- Number of recent credit inquiries

Type of Credit Owed (10 percent)

- Number of (presence, prevalence, and recent information on) various types of accounts such as credit cards, retail accounts, installment loans, mortgage, and consumer finance accounts



CREDIT REPORTS: UNDERSTANDING YOUR CREDIT SCORE

Each year consumers can receive a free copy of their credit report. To obtain a free copy of your credit report annually, please visit: www.annualcreditreport.com

You may also contact the three major credit reporting agencies to receive your credit report.

Equifax

P.O. Box 740256
Atlanta, Georgia 30374
www.equifax.com

Experian

P.O. Box 9554
Allen, Texas 75013
www.experian.com

TransUnion

P.O. Box 6790
Fullerton, CA 92834
www.transunion.com

CONSUMER CREDIT COUNSELING SERVICE OF DELAWARE VALLEY

On-site at CADCOM to assist you!

Consumer Credit Counseling Service of Delaware Valley (CCCS) is a non-profit community service organization that has helped over a half million individuals and families gain control of their finances, reduce debt and achieve financial goals since 1966.

CCCS has offices located conveniently throughout Philadelphia, Montgomery, Delaware, Chester and Bucks counties in Pennsylvania. Confidential services are offered in-person, over the phone or online at www.cccsdv.org.

Areas Provided for One-on-One Counseling:

- Budget and Credit Counseling
- Debt Management Program
- Credit Report Counseling
- Pre-Filing Bankruptcy Counseling
- Housing Counseling

MONTGOMERY COUNTY RESOURCE INFORMATION

Supplemental Nutritional Assistance Program (SNAP) - Formerly known as the Food Stamp program

Montgomery County Assistance Office

Services: Subsidized Child Care, Cash Assistance, Food Stamps, and Heating Assistance

Norristown District

1931 New Hope Street
Norristown, PA 19401-3191
Toll Free: 1 (877) 398-5571
Local: (610) 270-3500

Pottstown District

24 Robinson Street
Pottstown, PA 19464-5584
Toll Free: 1(800) 641-3940
Local: (610) 327-4280

CADCOM—Food Resource Center

Rev. Helen Jones
113 East Main Street
Norristown, PA 19401
Local: (610) 277-6363

Women, Infants and Children (WIC) - Norristown

152 West Main Street
Norristown, PA 19401
(610) 272-4042

Child Care Subsidies

Office of Child Day Care Services
1430 Dekalb Street, 5th Floor
Norristown, PA 19401
(610) 278-3707

MONTGOMERY COUNTY TAX COALITION

FREE TAX PREPARATION SITES - CALL FOR APPOINTMENT

Chestnut Hill College

Chestnut Hill College - 9601 Germantown Avenue, Philadelphia, PA 19118 - (215) 248-7180

Community Housing Services

Community Housing - 311 N. Broad Street, Lansdale, PA 19446 - (215) 362-5250

Pottstown Family Services

Pottstown Family Services - 1976 E. High Street, Pottstown, PA 19464 - (610) 329-1610

**Expansion sites are added during tax season. Please call the Norristown location for dates, locations and times.

North Penn United Way - For more locations other than those listed below - call (215) 885-3002

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Montgomery County Community Action Development Commission - CADCOM

CADCOM - 113 E. Main Street, Norristown, PA 19401 - (610) 277-6363 ext. 115

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For more on the Montgomery County Tax Coalition visit: www.mctaxcoalition.com