

## **(2) Financial Mentoring Program Minimum Competencies**

### **Credit & Loans**

- Understand the responsibilities associated with accepting credit and incurring debt.
- Identify factors that establish a positive credit history.
- Understand the possible ramifications of failing to meet loan terms.
- Be able to understand and evaluate credit/loan offers in terms of the amount of interest, terms of payment and fees charged.
- Be able to calculate how much a loan or credit purchase will actually cost.
- Understand how credit scores and credit reports affect a consumer's choices.
- Be able to identify the factors that go into calculating a credit score.
- Be able to identify what information is included on a credit report.
- Understand the limitations of services that advertise assistance to consumers with credit problems.
- Understand what actions can be taken to protect against fraud and identity theft.

### **Money Management**

- Be able to identify all sources of income and calculate net and gross income figures.
- Be able to track monthly expenses and calculate the difference between income and expenses.
- Be able to identify all outstanding debt.
- Be able to evaluate income, expenses and debt to make informed spending and savings decisions.

### **Financial and Other Services**

- Be able to identify common services associated with financial institutions.
- Understand and evaluate financial services in terms of fees, terms of use and the suitability for meeting their financial service needs.
- Understand and evaluate car insurance coverage options.
- Understand the limitations of carrying only the minimum car insurance required by state law and the ramifications of driving without insurance.

### **Financial Planning**

- Understand how to establish and prioritize financial goals.
- Understand how to develop an action plan to meet financial goals.
- Understand the importance of planning for retirement early.