

member|CONNECT

SUMMER 2023

AFTER DEALING WITH MULTIPLE TRAGEDIES, DEBBIE FINDS FINANCIAL HOPE THROUGH AFENA



Actor portrayal

It's hard to overstate just how difficult of a year 2022 was for Debbie (an Afena member since 2010) and her family. In October, her sister was taken to an Indianapolis hospital while battling a long-term illness, and she continued to fight

for her life while being placed on life support. Debbie stayed by her side the entire time.

Then, on Christmas Day, she lost the love of her life when her fiancé of 19-years passed away after a years-long battle with COPD.

Somewhere in the midst of those two devastating losses, Debbie's daughter became very sick and was hospitalized; while in the hospital, her daughter suffered a loss of income that left her in dire need of financial help. Debbie stepped in to help pay her bills.

Dealing with so many tragedies in such a short time wasn't just emotionally difficult, it was financially difficult as well. Debbie had worked hard her entire life and was on social security, but her modest income hadn't left her with enough cash on-hand to take care of so many unexpected expenses at once.

"Everything happened within just a couple of months. To manage the expenses, I turned to using credit cards wherever I had available credit. When my sister was sick in Indianapolis, I stayed with her the entire time. I felt in my heart that I didn't have any other choice, and the expenses of staying down there added up quickly," Debbie recalled. "Then my daughter got sick and was in dire need of help, so I paid her bills while she was in the hospital. Could I afford it? Absolutely not. But what can you do? You can't let someone get thrown out of their house and lose their car through no fault of their own."

Debbie and her fiancé were just starting to work

on paying the debt acquired from staying with her sister and helping her daughter when he passed away. Suddenly, what was already a bad situation became much worse. She knew that the man who had been by her side for almost two decades deserved a proper funeral, and again, she found herself relying on credit cards to finance the burial and funeral costs.

When all was said and done, Debbie found herself with over \$27K in credit card debt. Down to only her income and with interest rates on her cards reaching as high as 19.89%, she quickly realized she needed help and came into Afena, where she met with loan officer Steve Ybarra.

"I tried it on my own, but when you look at the black and white on paper, what I was paying verses what they were charging in interest...I'd never pay it off," she said. As Steve talked with Debbie about her options, she made it

clear that bankruptcy was not an option. "I made the debt. I'm responsible for the debt. I'm going to pay my debt."

Thankfully, Debbie and her fiancé had purchased a new car in 2021 that they had already managed to pay off, and she was able to work with Steve to refinance the car for the full \$27K that she owed in credit card debt. Not only was she able to save \$229 a month in payments, but her debt will be paid in full in only five years.

"The bottom line is: I needed help, and I went in and asked, and they were there. Afena makes me feel safe, secure, and I know they will help me, not just in this situation but any other situation I have. The staff is always friendly and nice to deal with; they know you by name, and they treat you well. Afena has always been there for us over the years, and I know I won't let them down because they were there to help me when I needed it most," Debbie said.

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BEST PRACTICES FOR USING A CREDIT CARD

Everything you need to know to make smart credit choices

By properly managing a credit card, you can earn rewards and build your credit score, all while making your regular purchases.

Get the Right Card

The first step to best using a credit card is to get the right one. That means doing your research. You should consider your spending habits and priorities when it comes to rewards. Are you an avid traveler who wants to earn miles? Maybe you'd rather just get cashback. Whatever you choose, avoid cards that charge annual fees or have extremely high-interest rates. **(Note to reader: Afena's new VISA Reward card allows you to choose your own reward AND offers a great low interest rate!)** Once you've decided on your priorities, search for cards that will work with your current situation. Never apply for a card if you're uncertain whether you can make payments. Multiple applications in a short period of time and rejections can have negative impacts on your credit score.

Pay Your Balance Off in Full and On-Time

The single biggest thing you can do with your card to build your credit score and protect your finances is to pay off what you owe on time. You don't want to be carrying over unpaid balances or consistently making late payments because these actions will have negative impacts on your score and can cause you to slip into a situation where you're unable to pay off your debt. Paying your balance off on time every month will boost your score and keep you from paying interest. If you've found yourself falling behind, that's okay. Make a plan to start paying off what you owe and get on top of your monthly payments.

Don't Borrow Too Much at Once

You'll need to keep an eye on how much you're borrowing. When you're approved for a credit card, you'll be given a credit limit. This is the max amount

that the credit card company will let you borrow at one time. If you constantly get close to that limit, creditors can view you as a high risk borrower. The percentage you use of available credit is your credit utilization ratio. The rule is to keep your ratio under 30%; going any higher than this can damage your score. If it isn't always possible to stay below that number, do your best to pay your balance down as soon as possible to make it less likely that the higher amount will be reported to credit monitoring agencies.

Use Your Card

With that in mind, don't be afraid to use your credit card. While simply having a card can have a positive impact on your credit score, it will be much more helpful if you actually use it. A credit card offers revolving credit. When you take out a loan, you slowly pay off the amount that you borrowed, plus interest. With a credit card, as soon as you pay off the amount that you've borrowed, you can borrow it again. Consistent use builds your credit history and shows potential lenders that you can borrow and pay back money responsibly.

Diversify

Finally, while a properly managed credit card can give a good boost to your credit score, it will be even better if it isn't alone. That means that auto loans, a mortgage, and other kinds of loans can also have a positive impact on your score. Within reason, the more borrowing history that you have, the better. Of course, you also want that history to be filled with accounts where you made steady payments and eventually paid them off. Building your credit score requires balancing multiple credit types where you consistently make your payments without overwhelming yourself or opening too many accounts all at once. **Learn more about Afena's fantastic VISA card options at afenafcu.org!**

SAVE THE DATE: AFENA'S ANNUAL MONSTER MINI-GOLF EVENT TO BE HELD SEPTEMBER 28 AT RIVER'S EDGE FAMILY GOLF COURSE

Afena's annual free Monster Mini-Golf Scramble and Putt-Putt Event is back! The event will be held on Thursday, September 28, 2023 at River's Edge Family Golf Center in Marion. Save the date, because you won't want to miss the evening of fun and FREE putt-putt for the whole family!

The Monster Mini-Golf event will help us kick-off Riley Month at Afena. Every year, Afena dedicates the month of October to raising money for Riley Children's Hospital. The funds raised go to help Riley doctors and scientists find new treatments and cures for kids through cancer research, diabetes research, and research into childhood heart, lung and genetic defects.

Stay tuned for more information about how you can participate in Riley Month at Afena FCU!



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