

## IS YOUR CREDIT UNDER CONTROL?

Credit is one of the most important financial tools you have. Used wisely, credit can be a great benefit, but mismanaged, credit can cause financial hardship and severe stress. To assess your skill in managing credit and debt, take the following quiz.

	YES	NO
1. Are you borrowing money or using credit to pay for items that you formerly purchased with cash?	<input type="checkbox"/>	<input type="checkbox"/>
2. Is more than 20 percent of your net income going to pay debts (excluding home mortgage payment)?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are you paying bills with money intended for something else?	<input type="checkbox"/>	<input type="checkbox"/>
4. Are you dipping into your savings to pay current bills?	<input type="checkbox"/>	<input type="checkbox"/>
5. If you or your significant other became unemployed, do you have three months take-home pay in a savings account?	<input type="checkbox"/>	<input type="checkbox"/>
6. Can you usually only make the minimum payment on your credit cards?	<input type="checkbox"/>	<input type="checkbox"/>
7. Are you extending repayment schedules? (i.e. paying bills in 60 or 90 days that you once paid in 30 days?)	<input type="checkbox"/>	<input type="checkbox"/>
8. Are you near, at or over the limit of your credit cards?	<input type="checkbox"/>	<input type="checkbox"/>
9. Do you take out a new loan before the old one is paid off or take out a new one to pay off an existing one?	<input type="checkbox"/>	<input type="checkbox"/>
10. Are you unsure of how much you owe (within \$50)?	<input type="checkbox"/>	<input type="checkbox"/>
11. Do you habitually pay your bills late?	<input type="checkbox"/>	<input type="checkbox"/>
12. Do you charge more each month than you make in payments?	<input type="checkbox"/>	<input type="checkbox"/>
13. Do you use a case advance on one credit card to make payments on other credit cards?	<input type="checkbox"/>	<input type="checkbox"/>
14. Has a collection agency called recently about an overdue bill?	<input type="checkbox"/>	<input type="checkbox"/>
15. Are you threatened with repossession of your car, cancellation of your credit cards or other legal actions?	<input type="checkbox"/>	<input type="checkbox"/>

**Scoring:**

If you answered “No” to all questions, you know how to manage your credit well.

If you answered “yes” to any of the questions 1 through 10, you should cut back on credit use and be alert for other signs of overspending. Consider scheduling a consultation with HawkCents to get help in drawing up a realistic budget.

If you answer “yes” to any of the questions 11 through 15, you may be in serious trouble. Act now to take control of your finances by scheduling a personal consultation soon.

Source: Money Management International's *Understanding Money and Credit Reference Guide*