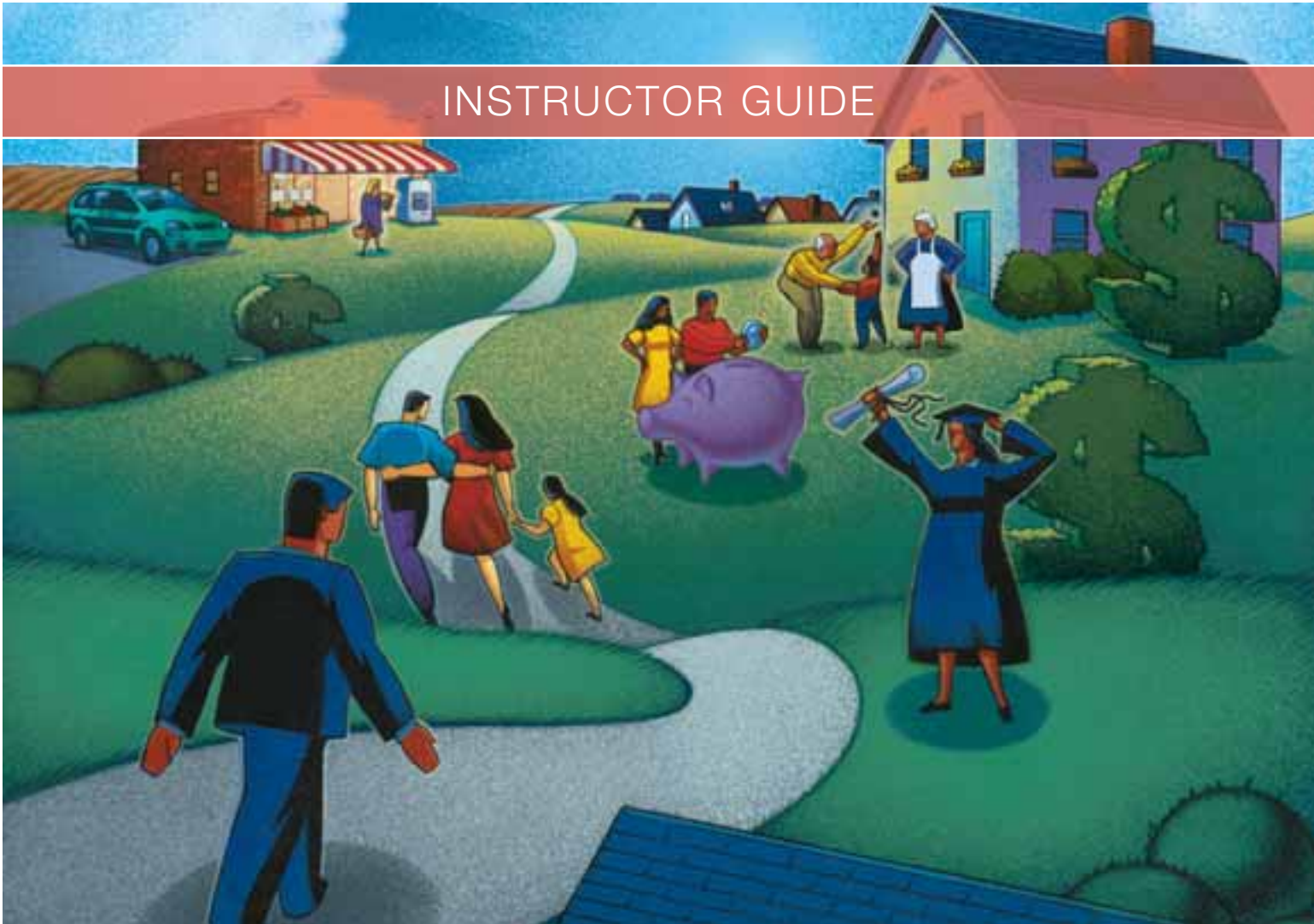


CreditSmart®



INSTRUCTOR GUIDE

**A Guide to Better Credit, Money Management,
and Responsible Homeownership**



We make home possible®

About Freddie Mac

Freddie Mac is a stockholder-owned corporation established by Congress in 1970 to support homeownership and rental housing. Freddie Mac purchases single-family and multifamily residential mortgages and mortgage-related securities, which it finances primarily by issuing mortgage-related securities and debt instruments in the capital markets. Over the years, Freddie Mac has made home possible more than 50 million times, ensuring financing for one in six homebuyers and more than four million renters. For additional information about Freddie Mac, visit www.FreddieMac.com.



Freddie Mac Brings You CreditSmart®

Dear Instructor:

Welcome to CreditSmart®, Freddie Mac's premier financial education curriculum, designed to help consumers learn how to build and maintain better credit, and prepare for successful long-term homeownership.

At Freddie Mac, we are dedicated to opening doors to homeownership for millions of families across the United States. We recognize how important it is for consumers to have the information and the tools that will help them achieve their financial goals and dreams, including the dream of homeownership. And at Freddie Mac, we believe that the single most effective way to start preparing people for homeownership is to educate them about the importance of using credit wisely. Establishing and maintaining good credit is essential for building a sound financial future.

Freddie Mac's curriculum is designed to help consumers increase their financial literacy by providing life-long money management skills. It provides important information about credit and money management and how to avoid financial traps. Consumers will also learn how lenders assess their credit history and how credit plays a profound role in achieving their financial goal of buying a home and ensuring a successful long-term homeownership.

As an instructor, you'll be using this Instructor Guide to train participants attending your CreditSmart workshops. Its companion piece, the Consumer Workbook, allows participants to follow along through the 12 modules with you, refer to case study examples and sample documents, and complete the curriculum worksheets. A curriculum CD containing the presentation slides can be located in the inside front pocket of the Instructor Guide.

In addition to attending workshops, like those being taught by instructors like you, consumers can also access an abridged version of the curriculum in English or Spanish on the Internet at www.FreddieMac.com/creditsmart.

Freddie Mac also offers CreditSmart Asian, a three-part series of multilingual guidebooks, available in Chinese, Korean, Vietnamese, and English. CreditSmart Asian provides culturally relevant information on the value of a positive credit history, the homeownership process, and the responsibilities of owning a home. To learn more, visit www.FreddieMac.com/creditsmart.

On behalf of Freddie Mac and our original collaborating organizations, thank you for your interest in holding CreditSmart workshops. We wish you great success as you join us in opening doors to homeownership for more people and empowering them with the skills and information necessary to achieve homeownership and build a sound financial future.

Special Thanks

Freddie Mac thankfully acknowledges all of the original organizations that contributed to the research, development, and testing of CreditSmart, CreditSmart Español, and CreditSmart Asian.

CreditSmart

Five of the nation's Historically Black Colleges and Universities

- Benedict College
- Clark Atlanta University
- Florida A & M
- Howard University
- St. Augustine's College

CreditSmart Español

- Cuban American National Council (CNC)
- Hispanic Association of Colleges and Universities (HACU)
- League of United Latin American Citizens (LULAC)
- National Association of Hispanic Real Estate Professionals (NAHREP)
- National Council of La Raza (NCLR)
- National Puerto Rican Coalition (NPRC)
- United States Hispanic Leadership Institute (USHLI)

CreditSmart Asian

- Asian Americans for Equality
- Boat People SOS
- Chhaya
- Chinese American Service League
- Filipinos for Affirmative Action
- Korean Churches for Community Development
- National Coalition for Asian Pacific American Community Development
- National Congress of Vietnamese Americans
- National Korean American Service & Education Consortium, Inc.

*Freddie Mac also wishes to acknowledge the Federal Deposit Insurance Corporation (FDIC) for the use of information from its adult financial literacy curriculum, **Money Smart**, in Module 4, "Banking Services: An Important Step."*

The CreditSmart Curriculum Materials

Freddie Mac has created its CreditSmart publications in a way that ensures each participant can easily follow along and understand how to improve their credit, manage their money, and be a responsible homeowner. This section will describe the various resources available to instructors and the value they provide to you and your attendees.

The Instructor Guide

Freddie Mac has combined all of the resources you'll need for presenting your workshops into the Instructor Guide so you will have the entire workshop at your fingertips! It includes the workshop presentation on a CD, talking points for each slide, guidance in the delivery of the curriculum, and a full glossary of terms. In addition, it contains all of the worksheets, exercises, case study examples, and sample documents contained in the Consumer Workbook. The Instructor Guide is intended to help you guide the presentation, and to serve as a resource to help bring additional meaning to, and a better understanding of, the information in the individual curriculum presentation slides.

The Consumer Workbook

The Consumer Workbook is your workshop companion. Each participant who attends your workshop should receive a workbook so they can follow along with your presentation and take notes. To help facilitate classroom discussions and activities, the Consumer Workbook contains worksheets, exercises, case study examples and sample documents. A glossary of terms is also found in the back for participants to reference when they have completed the workshop.

Although the various sample documents and worksheets contained in the workbook are laid out to follow the sequence of the curriculum presentation, you are welcome to direct participants to selected worksheets, either as classroom exercises or as homework assignments.

Finally, it is important to ask each participant to complete the workshop evaluation form that is found in the back of the Consumer Workbook. Once your participants have returned the completed form to you, please return all of the forms to Freddie Mac, c/o Market Research, 8200 Jones Branch Drive, McLean, VA 22102. These evaluations allow Freddie Mac to continuously improve the CreditSmart curriculum.

The Workshop Presentation on CD

All 12 modules are broken down into individual slides that are contained on the curriculum CD, which is located in the Instructor Guide. The workshop presentation was designed to bring you ease when conducting a workshop. For example, when presenting the curriculum using the CD, you can use a PowerPoint remote so you can walk around the classroom. It also highlights the key terms in red as they first appear in the curriculum. By selecting a red key term, you will be prompted to a glossary slide so the participants can follow along as you discuss the definition. These terms are also listed on the last slide of each module (Key Terms to Remember) and may be used to help facilitate a review of the module's key points.

In addition, the CD gives you the ability to print individual slides or an entire module. If you only want to teach two modules, with a few clicks, you can program the CD to only showcase your specific modules. To learn more about how to operate the workshop presentation CD, see the "Using the CD to Present Your Workshop" section.

Your Credit, Your Home, and Your Future

In addition to the materials already referenced, you may also use the abridged version of the curriculum found in *Your Credit, Your Home, and Your Future*. Designed in the same modular format as the full curriculum, each page will highlight the key messages. This booklet may be valuable if you are working one-on-one with a consumer or you do not have the resources to hold a complete workshop. To download *Your Credit, Your Home, and Your Future* in English or Spanish visit www.FreddieMac.com/creditsmart.

Conducting CreditSmart Workshops: Rules of Engagement

Receipt of this Instructor Guide authorizes you to conduct consumer workshops using the CreditSmart curriculum and its related materials. As exclusive owner of all CreditSmart materials, Freddie Mac maintains the right to revise, update, discontinue use, or otherwise change the curriculum, related materials, the workshop presentation, and your authorization to conduct CreditSmart workshops.

In order to maintain the highest level of quality and maximum consistency among organizations, we've outlined a set of standards for our instructors. It is our hope and expectation that you will adhere to these standards, helping us to bring quality financial education to communities across the country.

Workshop Presentation

- Instructors may present any number of the 12 independent CreditSmart modules in any order, as long as individual modules are presented in its entirety. Please do not present anything less than a complete module.

Workshop Materials

- Instructors are encouraged to distribute CreditSmart's related materials to workshop participants. Materials may include, but are not limited to, the Consumer Workbook; *Your Credit, Your Home, and Your Future*; and slides from the workshop presentation.
- The CreditSmart curriculum and its related materials may not be altered in any way. Any copies made must be exact replicas of the originals, and must include all logos, trademarks, and copyright notices affixed by Freddie Mac.
- The CreditSmart curriculum and its related materials may not be copied or integrated into any other materials (print, online, or otherwise), unless permission is granted by Freddie Mac's Brand Management at brand_standards@freddiemac.com.
- Instructors are encouraged to augment CreditSmart workshops with additional resources. These materials should be presented as additional or supplemental, but not part of the CreditSmart suite of materials.

Consumer Fees and Solicitation

- If necessary, sponsoring organizations may charge a fee at what would be deemed reasonable to cover the cost of offering a workshop to consumers, but the fee should not be designed to generate a profit.
- Instructors may recommend the services of community-based organizations or make general recommendations in response to participant questions, but instructors should not solicit workshop participants to buy products or services from them or any third party.

Evaluating Success

- Instructors are encouraged to ask each participant to complete the workshop evaluation form in the back of the Consumer Workbook. The instructor should then forward all of the completed evaluations to Freddie Mac, c/o Market Research, 8200 Jones Branch Drive, McLean, VA 22102.

Promoting Your CreditSmart Workshops

To ensure success with your workshop, you will want to create a strong marketing campaign that reaches your targeted audience. Freddie Mac recognizes that you know your community the best and that you know which marketing channel will best serve your audience. Freddie Mac only asks that when you promote your workshop that you adhere to the following guidelines.

Attribution and Trademark

- CreditSmart is always one word and the “S” is always capitalized.
- Instructors and associated organizations must mention Freddie Mac in any CreditSmart promotion. All promotions must refer to the CreditSmart curriculum or workshop as follows: "The Freddie Mac CreditSmart® curriculum" or "Freddie Mac CreditSmart® workshop." Please include the registration mark in the headline and on the first mention in the text.

Working with the Media

- Press releases, public statements, and other media outreach related to the CreditSmart curriculum, materials, or workshops must mention Freddie Mac and must be reviewed and approved in advance by Freddie Mac. Please contact us at www.FreddieMac.com/creditsmart/contactus for more information.

Promotional Tools

- To assist with your promotion of CreditSmart, Freddie Mac is developing an array of customizable marketing collateral, signage, and boilerplate promotional language. Contact us at www.FreddieMac.com/creditsmart/contactus to find out how to access this goldmine of marketing materials.
- To promote CreditSmart in your own materials, you must first obtain permission and guidance from Freddie Mac. Please contact us at www.FreddieMac.com/creditsmart/contactus for more information.

Using the CD to Present Your Workshop

Conducting a CreditSmart workshop has never been easier because we have provided you with everything you need to make your workshop fulfilling for your participants. Not only have you received speaker notes to conduct your workshop, you have an interactive workshop presentation CD to go along with it.

The workshop presentation that is on the CD contains the presentation slides for all 12 modules and offers easy navigation and flexibility. The CD is designed to operate on any computer with a CD-ROM drive and Windows 95 or higher operating system. Its display size of 800 x 600 should be compliant with most video projection systems and will

automatically load onto your screen once it is inserted into the CD-ROM drive. You are also able to use a PowerPoint remote so you have the flexibility to walk around the room as you teach CreditSmart. When you are finished using the CD, simply hit your Esc button or select Quit from the menu.

Load the CD

The interface of the CD is easy to use. Once you place the CD into the CD-ROM drive, the main page will provide you with two buttons: Settings and Start.

- When you select the Settings button, you will see several options. You can either start the application, select a module you want to begin teaching, print an entire module, print a specific slide, or customize the presentation under Preferences.
- When you select Start, you will proceed to the Table of Contents. To proceed to the next slide, either click on the Next button on the screen using your mouse or the right arrow key. If you are using a PowerPoint remote, simply operate the remote as if you were moving to the next slide when you use PowerPoint.

If your CD does not automatically begin running on your computer, double click on the My Computer icon on the Windows Desktop. Double click on the icon for the CD-ROM drive and then double click the start.exe icon. Then, your application should appear on your screen.

Adjust the Presentation Display

The application is designed for playback at a screen resolution of 800 x 600. It should also adjust to fit your screen by adding a black border as necessary to fill any background gaps.

If the application window is too small, or the colors are not displaying properly, the Display Settings can be changed from the Windows Desktop.

1. To open the Display Control Panel item, click the Start Button, point to Settings, click Control Panel, and then double-click the Display icon.
2. On the Settings tab, under Screen area, drag the slide to 800 x 600 and then click Apply.
3. In the Color Palette list, click on the drop down button to select the "True Color" or "Highest" setting, and then click Apply.
4. Click OK to save the settings.
5. Restart the CD.

Select the Modules You Need

You can customize your workshop presentation by selecting specific modules to teach. The following are two ways you can select only the modules you need:

- Under the Menu button, select the module name and move your mouse to the first module slide. Now you're ready to begin.
- If you select Preferences under the Menu button, you can turn off modules that you do not want to view. Simply uncheck the box next to the module title and that module will be skipped during your presentation. Once you have your selected modules, you can click the Back button and your workshop will be customized with only the modules you chose. Please note that you can still access a slide via the Menu button, even though you have turned it off in the Preferences. The application will default to selecting all 12 modules once you exit the CD.

Print Modules as Necessary

You have the option of printing an entire module or printing a specific slide. Under Print Modules in the Menu, simply select the modules you wish to print by checking the appropriate box. By default, the slides and glossary terms for each module will print one per page. If you select “3 Slides to a Page,” three reduced size slides will print to a page. Each module is printed separately to ensure compatibility with all types of printers. If you only want to print a specific slide, project the slide on your screen and select “Print Current Slide” from the menu.

Access the Glossary Terms

Throughout the presentation slides, you will see glossary terms highlighted in red. If you click on any term in red, you will proceed to a definition slide. To move back to the original slide, click on the Back button using your mouse or your left arrow key. If you are using a PowerPoint remote, simply operate the remote as if you were moving to the previous slide when you use PowerPoint. The glossary terms will also appear on the Key Terms to Remember slide at the end of each module. This will allow you to recap important topics that were discussed.

Tips for Instructors

The following tips and suggestions will help to ensure the successful delivery of the information contained in this curriculum.

Workshop Preparation Tips

- Read and review the CreditSmart presentation slides, the supplemental information in the Instructor Guide, and the Consumer Workbook.
- Select sample documents and exercises from the Consumer Workbook in advance to help augment and enhance the presentation.
- Determine if overhead transparencies, slides, flip charts, handouts, videos, or other instructional methods you will use.
- Arrive at the workshop classroom site early to set up.
- Decide how the room should be set up.
- Make sure that all of the necessary equipment, such as a computer and projector, is available and in working order.
- Provide a sign-in sheet and allow space for handouts and resource materials.
- Set up refreshments, if provided.
- Provide adequate signs directing participants to the classroom.
- Greet and welcome participants individually as they arrive.
- Begin the workshop promptly.
- Distribute and collect evaluation forms before the end of each workshop.

At the beginning of the workshop, be sure to:

- Welcome participants and introduce yourself.
- Review housekeeping logistics.
- Provide a brief history of the CreditSmart curriculum, which you can find at www.FreddieMac.com/creditsmart.
- Provide an overview of the curriculum materials.

Adult Learning Tips

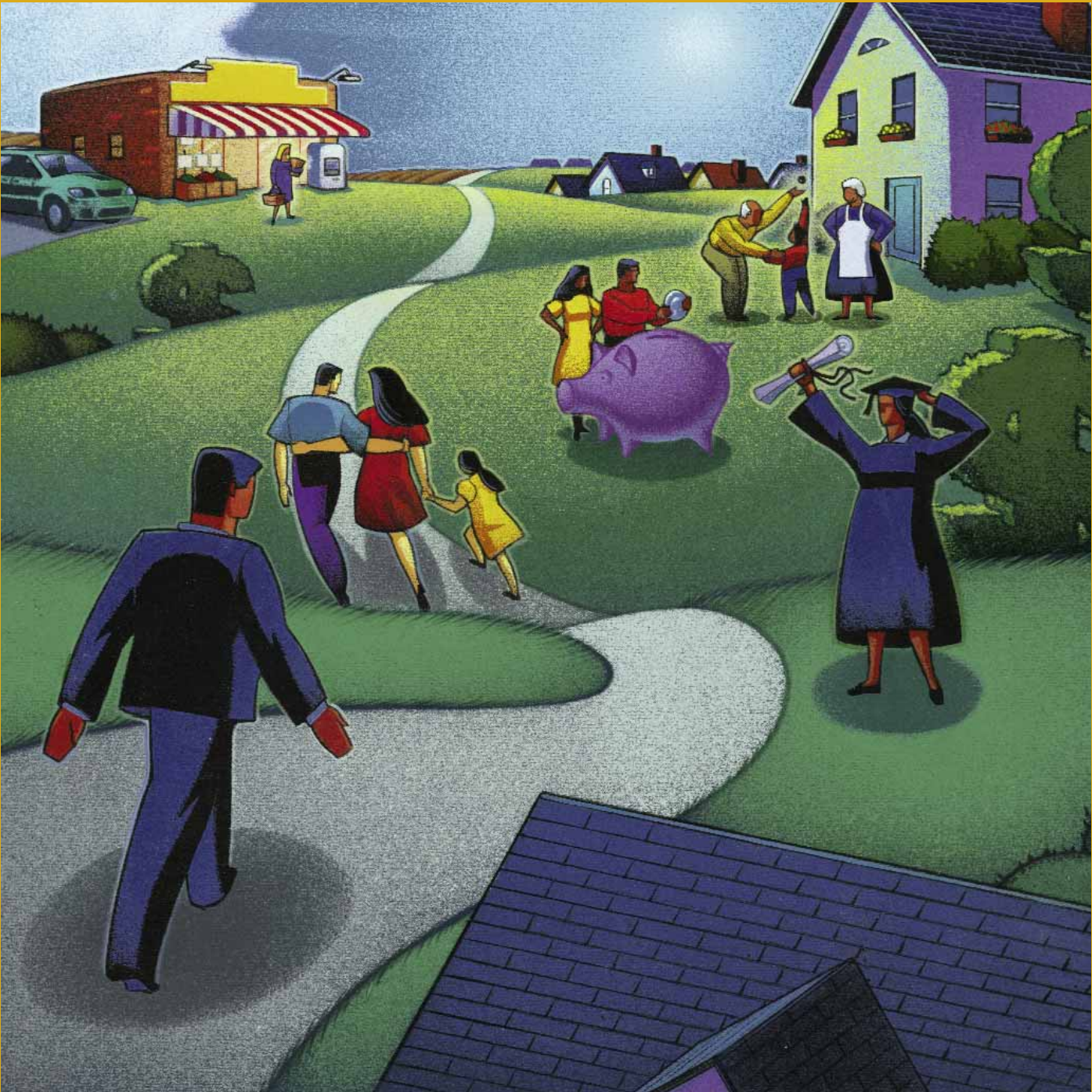
- Adult students learn in different ways, therefore you will want to use different techniques, vary your presentation style, and be sensitive to how your students are responding.
- Incorporate all three learning styles—visual, auditory, and kinesthetic—and relate the content to what your students already know. Incorporating these adult learning concepts will help ensure more information is retained and make your workshop more effective.
- Consider using team teaching.
- Poll the audience to gain a better understanding of its current level of credit, money management, and homebuying and homeownership knowledge.
- Use vignettes (e.g. case studies, examples) to help the audience relate various concepts to real-life situations.
- Be sensitive to those with special needs and/or learning disabilities.
- Use ice breakers, activities, exercises, and/or videos to break up the flow of the presentation.
- Supply handouts and local and/or national articles that highlight the importance of good credit or spotlight credit pitfalls.
- Research available community credit counseling resources in advance to ensure that consumers have access to appropriate referrals, as necessary.

Instructor Training

If you are interested in learning more about how to become an effective CreditSmart instructor, you have two options:

- Contact Freddie Mac at www.FreddieMac.com/creditsmart/contactus.
- Attend a CreditSmart Train-the-Trainer workshop, hosted by Freddie Mac. This two-day Train-the-Trainer workshop includes a comprehensive review of the CreditSmart curriculum, plus instruction on best practices in conducting effective classroom training. To learn more, visit www.FreddieMac.com/learn.

Introduction



Introduction

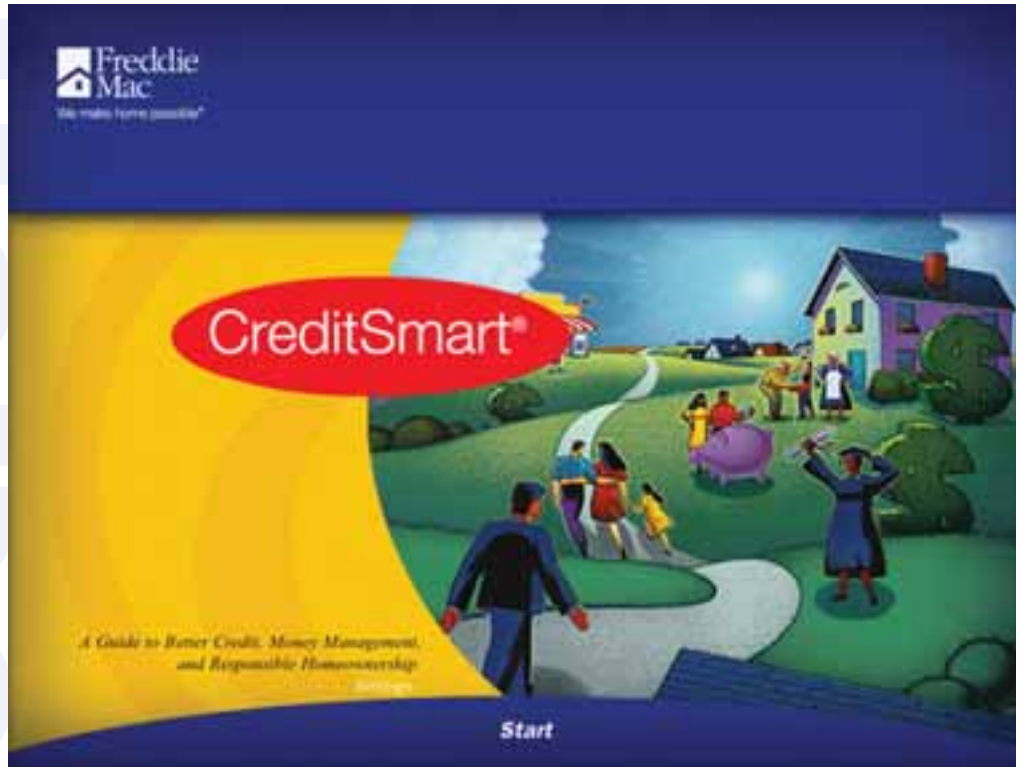


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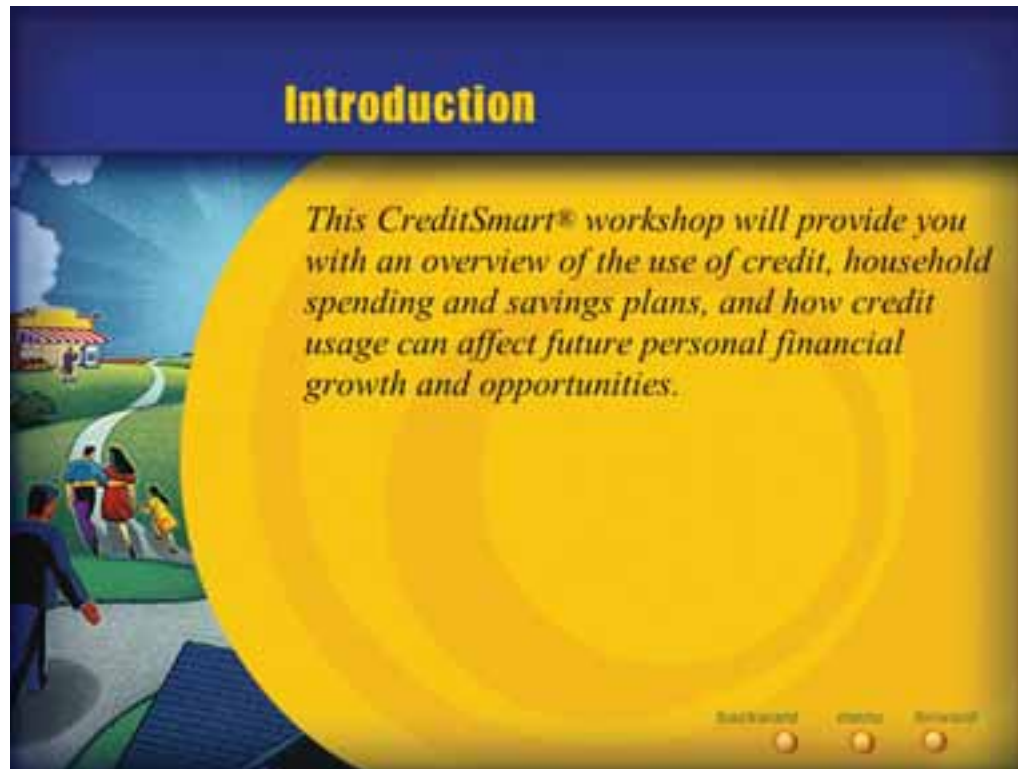
Introduction

- Module 1** Your Credit and Why It Is Important
- Module 2** Managing Your Money
- Module 3** Goal Setting
- Module 4** Banking Services: An Important Step
- Module 5** Establishing and Maintaining Good Credit
- Module 6** Understanding Credit Scoring
- Module 7** Thinking Like a Lender
- Module 8** Avoiding Credit Traps
- Module 9** Restoring Your Credit
- Module 10** Planning for Your Future
- Module 11** Becoming a Homeowner
- Module 12** Preserving Homeownership:
Protecting Your Home Investment

Homeownership | Homeownership | Homeownership

Table of Contents

You will see, as we work our way through each of the 12 modules, that each module focuses on a particular aspect of credit and money management, and provides some of the tools and tips to become a homeowner and protect your investment.



Introduction

Before we begin, I would like to ask some questions.

- Who can tell me why goals are important? Do you know people who don't have any goals? Are they successful or happy?
- Give me one good reason why a spending plan is important.
- Have you ever forgotten to mail your bills on time? If you have, does the lender or creditor forget to put it on your credit report?
- Do you ever feel like you are overwhelmed with debt and that you will never get ahead?
- How many of you (*a show of hands*) have ever seen a copy of your own credit report?
- Who has ***never*** been contacted by telephone or by mailbox solicitors offering the deal of a lifetime and promising to solve all of your financial problems?

After completing this workshop, you will have an understanding of:

- The value of *good credit*.
- Spending and savings plans.
- Establishing and maintaining good credit.
- Credit reports.
- Credit problems.
- Credit scams and predatory lending.
- Credit scoring.
- Preparing for homeownership.
- Protecting the value of your home investment.

Backward Start Forward

