



CreditSmart®

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

Freddie Mac's CreditSmart is a multilingual financial education curriculum and consumer outreach initiative. It is designed to help consumers build and maintain better credit, make sound financial decisions, and understand the steps to successful long-term homeownership. CreditSmart increases consumers' financial understanding by teaching them life-long money management skills and showing them how to avoid costly mistakes.

Creating CreditSmart

Establishing and maintaining good credit is essential to building a sound financial future. Credit records affect everything from renting an apartment or buying a car to paying for a college education. Poor credit histories cost consumers more than they often realize, and these higher costs can limit their ability to save money, get a job, or buy a house.

That's why Freddie Mac, a company dedicated to making home possible for millions of families all across America, worked with American Homeowner Education and Counseling Institute (AHECI) and five colleges and universities to introduce the CreditSmart curriculum to the public. CreditSmart was welcomed in communities with enthusiasm, and Freddie Mac soon decided to expand the offering. Now CreditSmart has more modules, each one rich with tips and tools to help improve one's financial standing.

Money Management

Money management is a strong theme that runs throughout the CreditSmart curriculum, empowering consumers to take control of their financial situations starting first with separating "needs" from "wants". Using a spending plan as the foundation, the curriculum coaches consumers to a winning approach to spending and saving their money.

Homeownership Preservation and Foreclosure Avoidance

The newest curriculum module, "Preserving Homeownership: Protecting Your Home Investment," contains a wealth of information on understanding home equity, maintaining and improving your home, preparing for emergencies, and recognizing scams. It also includes a comprehensive section on alternatives to foreclosure. Homeowners come away with a greater understanding of the responsibilities of caring for their homes, the importance of maintaining their credit, and the steps to take if they ever have difficulty meeting their financial obligations.

CreditSmart Offered in a Variety of Languages

We are pleased to offer CreditSmart, CreditSmart Español, and CreditSmart Asian in Chinese, Korean, and Vietnamese. Each was developed with great care and participation from multicultural groups who helped direct not only the substance and presentation approach, but also the layout and style of related materials. The result is a product of wide appeal and great value, reaching more than a million consumers nationwide.

Expanding Reach and Impact

CreditSmart is distributed through a number of community-based organizations committed to helping consumers in underserved communities, including the National Urban League and the Rainbow/PUSH Coalition's One Thousand Churches Connected initiative. Additionally, the original five HBCUs have incorporated the curriculum into existing or new academic programs. The universities also offer outreach programs in their own communities through workshops, seminars, and credit education campaigns. Freddie Mac continues to look for opportunities to collaborate with other national and local organizations to deliver CreditSmart to communities across the country.

CreditSmart is appropriate for a broad range of consumers—from high school graduates, college students, and young families to middle-aged individuals, empty nesters, and even senior citizens. Freddie Mac believes that by educating consumers about smart credit habits and helping them understand the importance of money management, we can equip them with the skills and information necessary to achieve success in long-term homeownership.

CreditSmart & CreditSmart Español - 12 Financial Education Modules

1. **Your Credit and Why It Is Important.** Introduces credit, basic terminology, and the importance of building a better credit record.
2. **Managing Your Money.** Explains the importance of spending plans and developing wise spending habits, and provides tips on how to save money.
3. **Goal Setting.** Describes the importance of setting goals to achieve financial objectives.
4. **Banking Services: An Important Step.** Provides information on the basics of banking and the importance of establishing a relationship with a financial institution to build credit, save money, and achieve goals.
5. **Establishing and Maintaining Good Credit.** Provides information on how to establish credit and maintain a good credit history. Also covers credit reports and consumer protection laws.
6. **Understanding Credit Scoring.** Describes credit scoring from a borrower's perspective and illustrates how consumer behavior affects credit scores.
7. **Thinking Like a Lender.** Explains how lenders and other financial institutions determine creditworthiness and how it relates to credit scores.
8. **Avoiding Credit Traps.** Provides tips to avoid credit traps and identity theft and predatory lending practices that can consume personal resources and severely damage credit histories.
9. **Restoring Your Credit.** Explains how to deal with credit difficulties and provides tips on how to restore impaired credit.
10. **Planning for Your Future.** Outlines the process to achieve goals and attain financial security.
11. **Becoming a Homeowner.** Provides practical information on how to prepare to obtain a mortgage and own a home.
12. **Preserving Homeownership: Protecting Your Home Investment.** Contains information on understanding home equity, maintaining and improving your home, preparing for emergencies, and recognizing scams. Also includes a comprehensive section on alternatives to foreclosure.

CreditSmart Asian – Bilingual Guidebooks

CreditSmart Asian showcases the best of CreditSmart in a three-part series of multilingual guidebooks, available in Chinese, Korean, Vietnamese, and English. CreditSmart Asian underscores the value of a positive credit history, walks the consumer through the homeownership process, and provides priceless information on responsible homeownership. Its publications include the following:

1. The Importance of Good Credit
2. Steps to Homeownership
3. Homeowner Benefits and Responsibilities

For more information, visit us online at www.FreddieMac/creditsmart.