



## Financial Health Counselor Certification Program

### Core Curriculum: Keys to Success

#### I. Module One: Defining the Role of the Financial Counselor

- A. Unit One: The Components of Financial Well-Being
  - 1. Self-Assessment: Financial Well-Being Checklist
  - 2. Objective and subjective measures of financial well-being
  - 3. Self-Assessment: Money and You
  
- B. Unit Two: Establishing the Client/Counselor Relationship
  - 1. Five stages of counseling
  - 2. Process and outcome goals
    - a. The Human/Business Model
    - b. Interactive scenario
    - c. Exercise: Best and Worst Interactions
  - 3. Five types of communication
  - 4. Common barriers to communication
  - 5. Ten ways to improve communication
  
- C. Unit Three: Rapport Building
  - 1. Essential components
    - a. empathy
    - b. genuineness
    - c. positive regard
  - 2. Developing empathy
    - a. understand the effects of counseling on clients
    - b. increase awareness and sensitivity of client cultural differences
  - 3. Conveying genuineness
    - a. self-disclosure
    - b. immediacy
  - 4. Showing positive regard
    - a. enhancing statements
    - b. non-verbal behaviors

- D. Unit Four: Active Listening
  - 1. The components of active listening
    - a. what you do
    - b. what you say
    - c. what you observe
  - 2. Reflective and non-reflective listening
    - a. exercise in creating reflective statements
    - b. four specific techniques for reflective listening
    - c. examples of non-reflective listening
  - 3. Verbal statements and verbal behavior
    - a. exercise in identifying client emotions
    - b. Listening Skills Self-Assessment
- E. Unit Five: Asking the Right Questions
  - 1. Habits of good interviewers
  - 2. Open-ended Questions
    - a. reasons for asking open-ended questions
    - b. examples of open-ended questions
    - c. exercise for creating open-ended questions
  - 3. Closed-ended questions
    - a. reasons for asking closed-ended questions
    - b. exercise for creating closed-ended questions
- F. Key Words from Module One

## **II. Module Two: Taking Control of Finances**

- A. Unit One: The Problem-Solving Process
  - 1. The Problem-Management/Opportunity-Development Model
    - a. client-centered
    - b. open-systems
    - c. specifically compliments financial problem solving
  - 2. Problem Solving: A Natural Process
    - a. steps from awareness of problem to commitment to solution
    - b. exercise for identifying client problem-solving processes
  - 3. Problem solving through counseling
    - a. where the client is now
    - b. where the client wants to go
    - c. getting there
- B. Unit Two: Where the Client is Now
  - 1. Calculating net worth
    - a. what do you own?
    - b. what do you owe?
    - c. equity sheet

2. Tracking income and expenses
  - a. reflective questions about budgeting
  - b. monthly budget worksheet
  - c. the importance of keeping a spending record
  - d. customizing expense categories
3. Analyzing the budget
  - a. budget scenario
  - b. using a spending percentage guideline
  - c. reflective questions regarding budget scenario
4. Debt-to-income ratio
  - a. how to calculate
  - b. different types used for different purposes
5. Spending Personality Assessment
  - a. identifying your personality
  - b. ways to overcome destructive behaviors
6. Money relationships
  - a. “money talk” reflective assessment
  - b. three A’s of money relationships

C. Unit Three: Where the Client Wants to Go

1. Life-cycle planning
  - a. career planning
  - b. savings planning
  - c. retirement planning
  - d. debt planning
  - e. insurance planning
  - f. investment planning
  - g. estate planning
2. Long term financial goals
  - a. paying for an education
  - b. buying a home
  - c. saving for retirement
3. Goal setting
  - a. components of viable goals
  - b. keys to attaining goals
4. Needs versus wants
  - a. Maslow’s Hierarchy of Needs
  - b. exercise: does spending reflect values
5. Making decisions
  - a. information gathering
  - b. processing information
  - c. choice and execution

D. Unit Four: How the Client will Get There

1. Bandura’s Self-Efficacy
  - a. outcome expectations
  - b. self-efficacy expectations

2. Rotter's Locus of Control
    - a. internal locus of control
    - b. external locus of control
    - c. Self-Assessment: Rotter's Locus of Control Scale
  3. Overcoming self-defeating behaviors
  4. Becoming solution-focused
    - a. reframing
    - b. specific solution-focused techniques
  5. Creating a spending plan
    - a. primary benefits
    - b. monthly spending plan worksheet
  6. Economizing
    - a. substituting
    - b. conserving
    - c. cooperating
    - d. utilizing community resources
    - e. exercise in cutting costs
- E. Key Words from Module Two

### **III. Module Three: Demystifying Consumer Credit**

- A. Unit One: Credit Basics
1. How credit works
    - a. the system of lending and borrowing
    - b. rules and risks
  2. Key players
    - a. consumers
    - b. merchants
    - c. lenders
    - d. federal government
  3. Types of credit
    - a. secured
    - b. unsecured
    - c. installment
    - d. non-installment
  4. Types of credit cards
    - a. bank cards
    - b. travel and entertainment cards
    - c. merchant cards
    - d. secured credit cards
  5. Finance charges
    - a. APR
    - b. balance calculation methods

6. "Hidden fees"
  - a. transaction fees
  - b. late fees
  - c. over-the-limit fees
  - d. pay-off fees
  - e. annual fees
  - f. charges for cash advances
7. Grace periods
  - a. typical grace period
  - b. full grace period
  - c. no grace period
8. Current credit card trends
  - a. universal default
  - b. increased minimum payments
  - c. shrinking grace periods
9. Truth in Lending Act
10. Preventing credit card debt

B. Unit Two: Choosing Credit Wisely

1. Qualifying for credit – "ASAP"
  - a. ability
  - b. stability
  - c. assets
  - d. performance
2. Shopping for a credit card
  - a. credit card features to look for
  - b. credit card features to avoid
  - c. resources for online shopping
3. Exercise for comparing credit card offers
4. The Equal Credit Opportunity Act
5. The true cost of credit

C. Unit Three: Using Credit Wisely

1. Exercise: Reading the Billing Statement
2. Wise credit management
  - a. communicating with creditors
  - b. resolving billing problems
  - c. typical billing errors
  - d. sample letter for correcting billing errors
3. How to cancel a credit card
  - a. steps for canceling card
  - b. typical reasons
4. Identity theft
  - a. current outlook
  - b. ways to prevent ID theft

- D. Unit Four: Understanding Credit Reports
  - 1. Getting a credit report
    - a. Fair Credit reporting Act
    - b. Fair and Accurate Credit Transactions Act
    - c. Sample request letters
  - 2. Reading a credit report
    - a. different formats at three credit bureaus
    - b. different types of information recorded
    - c. hard and soft inquiries
  - 3. Resolving credit report errors
    - a. common credit reporting errors
    - b. process for disputing errors
    - c. sample letter for disputing errors
  - 4. Obligations of credit bureaus
  - 5. rights under the Fair Credit Reporting Act
- E. Unit Five: Credit Scoring
  - 1. How credit scoring works
    - a. FICO scores
    - b. other types of scoring
  - 2. What a FICO score considers
    - a. payment history
    - b. amounts owed
    - c. length of credit history
    - d. new credit
    - e. types of credit in use
  - 3. Top ten reasons for a low score
  - 4. Tips for raising a score
  - 5. What does NOT go into a FICO score
  - 6. Facts and fallacies
- F. Key Words from Module Three

#### **IV. Module Four: Understanding and Dealing with Debt**

- A. Unit One: Getting into Debt
  - 1. Sources of debt
    - a. easy access to credit/money
    - b. consumer culture
    - c. lack of financial literacy
    - d. financial setbacks
    - e. uncontrolled spending
  - 2. The psychology of spending
    - a. competitive spenders
    - b. compulsive spending
    - c. co-dependent spending
    - d. narcissistic spending
    - e. revenge spending

3. Predatory lending
  - a. current outlook
  - b. characteristics of predatory loans
4. Gambling and addictions
  - a. assessment of the National Council on Problem Gambling
  - b. signs of problem gambling
  - c. self-assessment: Are You a Problem Gambler?
5. The condition of indebtedness
  - a. types of debtors
  - b. different ways of dealing with debt

B. Unit Two: Debt Collection

1. Types of collectors
  - a. credit grantors
  - b. collection agencies
  - c. attorneys
2. What they can do
  - a. revoke credit privileges
  - b. damage credit rating
  - c. sue to collect debt
3. Communicating with creditors
  - a. prevent harassment
  - b. request termination of contact – Fair Debt Collection Practices Act
  - c. dispute billing errors – Fair Credit Billing Act
4. Fair Debt Collection Practices Act
  - a. what agencies cannot do
  - b. guidelines for collection agencies

C. Unit Three: The Consequences of Unpaid Debt

1. Foreclosure
  - a. avoiding foreclosure
  - b. common mortgage workouts
2. 2. Eviction
  - a. avoiding eviction
  - b. renter's rights
3. 3. Automobile repossession
  - a. description of process
  - b. the deficiency balance
  - c. options
4. Utility shut-offs
  - a. requirements of service providers
  - b. reducing utility bills
  - c. consumer rights

- 5. Lawsuits
  - a. judgment liens
  - b. wage garnishment
  - c. bank seizures
- D. Unit Four: Getting Out of Debt
  - 1. Resolving the debt
    - a. consumer workouts
    - b. debt consolidation loans
    - c. credit counseling
    - d. debt settlement
    - e. budget counseling
- E. Unit Five: Bankruptcy
  - 1. Chapter 7
    - a. eligibility
    - b. overview of process
    - c. question and answers
  - 2. Chapter 13
    - a. eligibility
    - b. overview of process
    - c. comparing chapters 7 and 13
  - 3. Reasons for filing the two types of bankruptcies (chart)
  - 4. The Bankruptcy Abuse Prevention and Consumer Protection Act
    - a. survey of changes
    - b. the bankruptcy client
  - 5. Pre-bankruptcy counseling
    - a. U.S. Trustee guidelines
    - b. the four components of session
    - c. considering financial/human factors for decision making
    - d. action plan template
    - e. avoiding the unauthorized practice of law
  - 6. Pre-discharge debtor education
    - a. budget development
    - b. money management
    - c. using credit wisely
    - d. consumer information
  - 7. After bankruptcy
    - a. monitor credit report
    - b. re-establishing credit
- F. Key Words from Module Four

## V. Appendixes

### A. Ethics

1. Defining ethics
2. Business and personal ethics
3. Counseling versus therapy
4. Crisis intervention
  - a. imminent danger emergencies
  - b. non-imminent danger emergencies
  - c. making a 911 call
5. *Code of Ethics*

### B. Consumer Resources

1. Consumer assistance organizations
2. Federal Trade Commission Offices
3. Consumer information websites

### C. Consumer Protection Legislation

1. The Equal Credit Opportunity Act
2. The Truth in Lending Act
3. The Fair Credit Billing Act
4. The Fair Credit Reporting Act
5. The Fair Debt Collection Practices Act
6. The Servicemembers Civil Relief Act
7. The Uniformed Services Employment and Reemployment Rights Act

## VI. References

### Supplemental Curriculum

#### I. Section One: Housing Issues

##### A. Home Buying

1. Pros and cons of ownership
2. The three stages of home buying
3. Self-Assessment 1: Your Home-Buyer Profile
  - a. on the move
  - b. deeply rooted
4. Considerations
  - a. location
  - b. style and floor plan
  - c. condition
  - d. price
5. Self-Assessment 2: Features and Amenities
  - a. “must haves”
  - b. “would likes”
  - c. “can’t deal”
6. Self-Assessment 3: Comfort Profile
  - a. privacy
  - b. space and movement
  - c. security
  - d. luxury

- B. The Housing Market
  - 1. Fixer-uppers
  - 2. Foreclosures
  - 3. Condos and duplexes
  - 4. Developments
  - 5. New construction
  - 6. Progressive ownership
    - a. starter home
    - b. step-up home
    - c. status home
  
- C. Getting a Mortgage
  - 1. Pre-approval
  - 2. Choosing a lender
  - 3. Mortgage options
    - a. fixed-rate mortgages
    - b. adjustable-rate mortgages
    - c. Federal Housing Administration Insured Loans
    - d. Veterans Administration Loans
  - 4. Cost considerations
    - a. principal
    - b. interest
    - c. taxes
    - d. insurance
  - 5. Financing
    - a. rates
    - b. points
    - c. fees
  - 6. Worksheet: Shopping for a Mortgage
  
- D. Lending Laws
  - 1. The Equal Credit Opportunity Act
  - 2. The Fair Housing Act
  - 3. The Real Estate Settlement Protection Act
  
- E. Predatory Lending
  
- F. Fannie Mae
  
- G. Qualifying for a Mortgage
  - 1. Steady job history
  - 2. Payment history
  - 3. Credit history
  - 4. Funds for down payment
  - 5. Ability to make monthly payments
    - a. amount borrowed
    - b. interest rate
    - c. term of loan

- 6. FICO score
  
- H. Calculating the Monthly Payment
  - 1. Interest rate graph
  - 2. Exercise: Figuring Monthly Payments
  - 3. Home Mortgage Worksheet
  
- I. Subprime Lending
  - 1. Housing and Urban Development
  - 2. Facts about subprime lenders
  
- J. Online Resources
  
- K. Psychological Homebuyer's Test
  
- L. Real Estate Agents
  - 1. Real estate brokers
  - 2. Real estate sales associates
  - 3. Real estate assistants
  - 4. Realtors
  - 5. What they do
  - 6. How to find one
  - 7. What to look for
  - 8. The deal
    - a. the deposit
    - b. the seller's counteroffer
    - c. countering
    - d. the sales agreement
  
- M. Refinancing
  - 1. Guidelines
  - 2. Home Ownership and Equal Protection Act of 1994
    - a. disclosure requirements
    - b. handling compliance violations
    - c. Federal Trade Commission
  
- N. Renting
  - 1. Guidelines
  - 2. House renting
  
- O. Summary and Review Questions

## **II. Section Two: Student Financial Aid**

- A. Federal Aid
  - 1. Grants
  - 2. Federal work-study
  - 3. Loans
  - 4. Federal income tax credits
    - a. The Hope Credit
    - b. The Lifetime Learning Credit
  - 5. Other sources of aid
    - a. the Leverage Educational Assistance Partnership
    - b. scholarship programs
    - c. assistance from various organizations
  
- B. Student Eligibility
  - 1. Requirements
  - 2. Dependency status
  
- C. Specific Programs
  - 1. Federal Pell Grant
  - 2. Federal Work Study
  - 3. Direct and FFEL Stafford Loans
  - 4. Federal Perkins Loans
  - 5. Federal Supplemental Educational Opportunity Grants
  
- D. Scholarship Sources
  - 1. Publications
  - 2. Contacts
  
- E. Borrower's Rights and Responsibilities
  - 1. Responsibilities
  - 2. Rights
  - 3. Deferment and forbearance
  
- F. Summary and Review Questions

## **III. Section Three: Retirement Planning**

- A. Retirement statistics
  
- B. Retirement income
  - 1. pensions
  - 2. Social Security
  - 3. Personal savings
  - 4. questions and answers
  
- C. Individual Retirement Accounts
  - 1. The Traditional IRA
    - a. withdrawing money penalty-free
    - b. eligibility

2. The Roth IRA
  - a. eligibility
  - b. conversions and qualifications
  - c. IRA guidelines
  
- D. Retirement Plans for the Self-Employed
  1. Simplified Employment Plan
  2. Keogh
  3. SIMPLE
  4. Choosing the right one
  
- E. Compounding
  1. Time really is money
  2. projection graph
  
- F. Mutual Funds
  1. Open-End Funds
  2. Closed-End Funds
  3. Choosing Mutual Funds
  4. Managed Funds
  5. Index Funds
    - a. Dow Jones Average
    - b. Standard & Poor
    - c. NASDAQ
    - d. Other indexes
  6. Managed Funds versus Index Funds
    - a. expense ratio
    - b. capital gains tax
    - c. loaded funds and no-load funds
  
- G. Summary and Review Questions