← Banking & Credit Rebuilding

# Student Workbook

Banking and Credit Rebuilding (6 weeks)

Financially Sovereign Academy

## This workbook is yours

This is your workbook. Write in it. Cross things out. Make it real.

You were probably never taught most of this. That is not your fault. Money skills are just skills, and skills can be learned. This class will not judge you, and you never have to share a personal number you do not want to share.

This is education, not financial, legal, or tax advice. For your own situation, we will help you find a local partner who can sit with you one on one.

**My class info**

- Facilitator: ______________________
- Site: ______________________
- Start date: ______________________

## Week 1: Why banking beats cash

**The big idea:** A bank account is usually safer and cheaper than cash and check cashers.

**Quick facts in plain words**

- A check casher takes a fee every single time. It adds up.
- A bank or credit union account is usually free or low cost.

- Your money in a bank or credit union is insured by the government up to a limit (FDIC for banks, NCUA for credit unions).

## Worksheet 1A: What does cash-only cost you? (page 1)

Think about a normal month. Fill in what you can. Estimates are fine.

- Check casher fees per check: $______
- How many checks per month: ______
- Money orders to pay bills: $______ each, ______ per month
- Prepaid card fees: $______ per month

Add it up. About how much per month? $______

Multiply by 12. About how much per year? $______

## Worksheet 1B: What I want from an account (page 2)

Check the ones that matter to you:

- ☐ Keep my money safe
- ☐ Stop paying check casher fees
- ☐ Get paid by direct deposit
- ☐ Have a card to pay for things
- ☐ Start saving a little

## Notes (pages 3 to 4)

Write any questions you want to ask next week:

# Week 2: Opening an account with a record or little ID

**The big idea:** Many people with a record or little history can still open an account. Credit unions and second-chance accounts are good places to start.

### Plain words

- Most banks check a report called ChexSystems. If an old account closed owing money, you might be flagged. This is common.
- A second-chance account is made for people who were flagged.
- A credit union is owned by its members and is often friendlier.

## Worksheet 2A: My documents (page 5)

Check what you have. Circle what you still need.

- ☐ State ID or driver license
- ☐ Social Security card or number
- ☐ Birth certificate
- ☐ Proof of address (a letter or bill)

If you are missing documents, the usual order to get them is: birth certificate first, then Social Security card, then state ID. Rules change by state. Ask your facilitator or a partner for help.

## Worksheet 2B: Account-opening checklist (pages 6 to 7)

Before you go, you want:

- ☐ An ID
- ☐ Your Social Security number
- ☐ A little money to open (sometimes $25 or less)
- ☐ A few questions written down (below)

Questions to ask the bank or credit union:

1. Do you offer a second-chance or fresh-start account?

2. What are the monthly fees, and how do I avoid them?
3. Can I set up direct deposit here?

**Take-home sheets for after release:** Open a Safe Account, and If a Bank Says No. Your facilitator has copies. These are steps to take after release, in person at a bank or credit union or on a private device, not in class. No one can promise that a bank will approve you.

### Worksheet 2C: Role-play notes (pages 8 to 10)

Practice asking about a second-chance account. Write what felt easy and what felt hard:

## Week 3: How credit really works

**The big idea:** A credit report is the record. A credit score is the number. You can check both for free, and checking your own does not hurt your score.

**What moves a score (most to least)**

1. Paying on time
2. How much of your credit you use (keep it low)
3. How long you have had credit
4. New credit applications
5. The mix of credit types

### Worksheet 3A: Myth or true? (page 11)

Write M for myth or T for true:

- _____ Checking my own credit report hurts my score.
- _____ Paying on time is the most important habit.
- _____ My credit score says how good a person I am.
- _____ Keeping my card balances low helps my score.

(Answers: Myth, True, Myth, True.)

### Worksheet 3B: Read a credit report (pages 12 to 14)

Using the sample report your facilitator gives you, find and underline:

- ☐ Your accounts
- ☐ Payment history
- ☐ Balances
- ☐ One thing that might be an error

**Take-home sheet:** Dispute a Credit Report Error. If you find a mistake on your real report after release, this sheet shows the steps. It does not decide for you whether something is an error.

### Worksheet 3C: My free report plan (pages 15 to 16)

How and when will you get your free credit report?

When: ______________________

How: ______________________

**Take-home sheet:** Get Your Free Credit Report. Pulling your report is an after-release step. It may need a private device or a mail request. Use only the official site your facilitator names.

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## Week 4: Rebuilding credit step by step

**The big idea:** You build credit with small, steady, on-time steps. There is no safe shortcut.

#### Safe ways to build credit

- Secured credit card: you put down a deposit, that is your limit, you use it and pay on time.
- Credit-builder loan: a small loan held in savings that builds history as you pay.

- Authorized user: a trusted person adds you to their card that is in good standing.

**Warning:** Skip any company that promises to “fix” your credit fast for a fee. Most of what they do, you can do for free.

### Worksheet 4A: Pick one step (pages 17 to 19)

Which step fits you best right now?

- ☐ Secured credit card
- ☐ Credit-builder loan
- ☐ Become an authorized user
- ☐ Not yet, first I will open my account

My first action this week: ____________________

### Worksheet 4B: On-time plan (pages 20 to 22)

Paying on time is the engine. How will you remember payments?

- ☐ Phone reminder
- ☐ Calendar note
- ☐ Autopay
- ☐ Ask someone to remind me

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## Week 5: Old debt, collections, and court debt

**The big idea:** There are three kinds of debt. Each has a first step. Court debt is serious, so do not ignore it, and get free legal help.

#### The three kinds

1. Regular debt you owe (cards, loans).
2. Debt in collections (sold to a collector).

3. Court-ordered payments (fines, fees, restitution, child support).

### Worksheet 5A: Sort my debts (pages 23 to 25)

You do not have to share this. List what you can.

| What I owe | Which kind (1, 2, or 3) | First step |
|---|---|---|
| | | |
| | | |
| | | |

### Worksheet 5B: First steps (pages 26 to 27)

- For regular debt, I will start with: ______________________
- For collections, I will ask for it in writing before paying: yes / no
- For court debt, I will ask about a payment plan or review: yes / no

**Take-home sheet:** When a Debt Collector Contacts You. It explains your rights and safe first steps. It does not tell you whether to pay, settle, dispute, or ignore a debt. For legal questions, ask for a referral to legal aid.

### Worksheet 5C: Free help (page 28)

Write the names and numbers your facilitator shares:

- Legal aid: ______________________
- Nonprofit credit counseling: ______________________
- Child support help (if needed): ______________________

**Take-home sheet:** Find Local Help with 211. Use it to find local legal aid or credit counseling. Dial 211 or visit 211.org.

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## Week 6: My 30-day money setup plan

**The big idea:** A plan you can actually do beats a perfect plan you cannot.

### Worksheet 6A: Copy my plan (pages 29 to 31)

My ID step (what I need and how I will get it):

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My account step (where I will try and when):

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My one credit step (which one and my first action):

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One partner I will contact for help:

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### Worksheet 6B: My first step this week (page 32)

The one thing I will do in the next 7 days:

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Who can support me: ____________________

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## Traps to avoid in your first months out

- Payday loans. The fees trap you in a cycle.
- Check cashers. They take a cut every time.
- Rent-to-own. You pay far more than the item is worth.
- Anyone promising a fast credit fix for a fee.

## Where to get help

Use the partner contact list your facilitator gives you. You do not have to do this alone.

**Activity:** Fill in your Local Resource Map using Find Local Help with 211. Dial 211 or visit 211.org to find local banking, credit counseling, legal aid, and reentry help.

**Keep your take-home sheets together for after release:** Open a Safe Account, If a Bank Says No, Get Your Free Credit Report, Dispute a Credit Report Error, and When a Debt Collector Contacts You. Most of these are steps to take after release, on a private device, by mail, or with a local partner.

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