



National Association of Certified Credit Counselors

Certified Financial Health Counselor Outline

Core Curriculum: Keys to Success

1. Module One: Defining the role of the financial counselor
 - a. Unit One: The components of financial well-being
 - i. Self-assessment: Financial well-being checklist
 - ii. Objective and subjective measures of financial well-being
 - iii. Self-assessment: Money and you
 - b. Unit Two: Establishing the client/counselor relationship
 - i. Five stages of counseling
 - ii. Process and outcome goals
 1. The human/business model
 2. Interactive scenario
 3. Exercise 1: Best and worst interactions
 - iii. Five types of communication
 - iv. Common barriers to communication
 - v. Ten ways to improve communication
 - c. Unit Three: Rapport building
 - i. Essential components
 1. Empathy
 2. Genuineness
 3. Positive regard
 4. Awareness and sensitivity of client cultural differences
 - d. Unit Four: Poverty, cultural and socioeconomic variables
 - i. Variables that perpetuate poverty
 1. The high cost of poverty
 2. Breaking the cycle of poverty
 - ii. Developing empathy
 1. Understanding the effects of counseling on clients
 - iii. Conveying genuineness
 1. Self-disclosure
 2. Immediacy
 - iv. Showing positive regard
 1. Enhancing statements
 2. Non-verbal behaviors
 - e. Unit Five: Active listening
 - i. Essential components of active listening
 1. What you say
 2. What you do
 3. What you observe

- ii. Reflective and non-reflective listening
 - 1. Exercise in creating reflective statements
 - 2. Four specific techniques for reflective listening
 - 3. Examples of non-reflective listening
 - iii. Verbal statements and verbal behavior
 - 1. Exercise in identifying client emotions
 - 2. Listening skills self-assessment
 - f. Unit Six: Asking the right questions
 - i. Habits of good interviewers
 - ii. Open-ended questions
 - 1. Reasons for asking open-ended questions
 - 2. Examples of open-ended questions
 - 3. Exercise for creating open-ended questions
 - iii. Closed-ended questions
 - 1. Reasons for asking closed-ended questions
 - 2. Exercise for creating closed-ended questions
 - iv. Demographic data
 - g. Key words from Module One
2. Module Two: Taking control of finances
 - a. Unit One: The problem-solving process
 - i. The problem-management/opportunity-development model
 - 1. Client-centered
 - 2. Open-systems
 - 3. Specifically complements financial problem solving
 - ii. Problem solving: A natural process
 - 1. Steps from awareness of problem through commitment to solution
 - 2. Exercise for identifying client problem-solving processes
 - iii. Problem solving through counseling
 - 1. Where the client is now
 - 2. Where the client wants to go
 - 3. How to get there
 - b. Unit Two: Where the client is now
 - i. Calculating net worth
 - 1. What do you own
 - 2. What do you owe
 - 3. Equity sheet
 - ii. Tracking income and expenses
 - 1. Reflective questions about budgeting
 - 2. Monthly budget worksheet
 - 3. The importance of keeping a spending record
 - 4. Customizing expense categories
 - iii. Analyzing the budget
 - 1. Budget scenario
 - 2. Using a spending percentage guideline

- 3. Reflective questions regarding budget scenario
 - iv. Debt-to-income ratio
 - 1. How to calculate
 - 2. Different types used for different purposes
 - v. Spending personality assessment
 - 1. Identifying your personality
 - 2. Ways to overcome destructive behaviors
 - vi. Money relationships
 - 1. "Money talk" reflective assessment
 - 2. Three A's of money relationships
- c. Unit Three: Where the client wants to go
 - i. Life-cycle planning
 - 1. Career planning
 - 2. Savings planning
 - 3. Retirement planning
 - 4. Debt planning
 - 5. Insurance planning
 - 6. Investment planning
 - 7. Estate planning
 - ii. Long-term financial goals
 - 1. Paying for an education
 - 2. Buying a home
 - 3. Saving for retirement
 - iii. Goal setting
 - 1. Components of viable goals
 - 2. Keys to attaining goals
 - iv. Needs versus wants
 - 1. Maslow's Hierarchy of Needs
 - 2. Exercise 1: Does spending reflect values
 - v. Making decisions
 - 1. Information gathering
 - 2. Processing information
 - 3. Choice and execution
- d. Unit Four: How the client will get there
 - i. Bandura's Self-Efficacy
 - 1. Outcome expectations
 - 2. Self-efficacy expectations
 - ii. Rotter's Locus of Control
 - 1. Internal locus of control
 - 2. External locus of control
 - 3. Self-assessment: Rotter's Locus of Control scale
 - iii. Overcoming self-defeating behaviors
 - iv. Becoming solution focused
 - 1. Reframing

- 2. Specific solution-focused techniques
 - v. Creating a spending plan
 - 1. Primary benefits
 - 2. Monthly spending plan worksheet
 - vi. Economizing
 - 1. Substituting
 - 2. Conserving
 - 3. Cooperating
 - 4. Utilizing community resources
 - 5. Exercise in cutting costs
 - e. Key words from Module Two
3. Module Three: Demystifying consumer credit
 - a. Unit One: Banking basics
 - i. Why banking is important
 - 1. Required documents
 - 2. Choosing a bank or credit union
 - 3. Types of accounts
 - a. Savings
 - b. Checking
 - 4. ATM and debit cards
 - ii. New banking relationships
 - 1. Starter accounts
 - 2. Rebuilding banking relationships
 - iii. Consumer Reporting Agencies
 - iv. FDIC and NCUSIF
 - v. Overdrafts
 - vi. Alternative financial services
 - vii. Bank on / Resource Guide
 - viii. Interest
 - 1. Simple interest
 - 2. Compound interest
 - b. Rule of 72
 - c. Unit Two: Credit basics
 - i. How credit works
 - 1. The system of lending and borrowing
 - 2. Rules and risks
 - ii. Key players
 - 1. Consumers
 - 2. Merchants
 - 3. Lenders
 - 4. Federal government
 - iii. Types of credit
 - 1. Secured
 - 2. Unsecured

- 3. Installment
 - 4. Non-installment
 - iv. Types of credit cards
 - 1. Bank cards
 - 2. Travel and entertainment cards
 - 3. Merchant cards
 - 4. Secured credit cards
 - v. Finance charges
 - 1. APR
 - 2. Balance calculation methods
 - vi. "Hidden fees"
 - 1. Transaction fees
 - 2. Late fees
 - 3. Over-the-limit fees
 - 4. Pay-off fees
 - 5. Annual fees
 - 6. Charges for cash advances
 - vii. Grace periods
 - 1. Typical grace period
 - 2. Full grace period
 - 3. No grace period
 - viii. Current credit card trends
 - 1. Universal default
 - 2. Increased minimum payments
 - 3. Shrining grace periods
 - ix. Truth in Lending Act
 - x. Preventing credit card debt
- d. Unit Two: Choosing credit wisely
 - i. Qualifying for credit—ASAP
 - 1. Ability
 - 2. Stability
 - 3. Assets
 - 4. Performance
 - ii. Shopping for a credit card
 - 1. Credit card features to look for
 - 2. Credit card features to avoid
 - 3. Resources for online shopping
 - iii. Exercise for comparing credit card offers
 - iv. The Equal Credit Opportunity Act
 - v. The true cost of credit
- e. Unit Three: Using credit wisely
 - i. Exercise 1: Reading the billing statement
 - ii. Wise credit management
 - 1. Communicating with creditors

- 2. Resolving billing problems
 - 3. Typical billing errors
 - 4. Sample letter: Correcting billing errors
 - iii. How to cancel a credit card
 - 1. Steps for cancelling a card
 - 2. Common reasons for cancellation
 - iv. Identity theft (ID theft)
 - 1. Current outlook
 - 2. Ways to prevent ID theft
 - f. Unit Four: Understanding credit reports
 - i. Getting a credit report
 - 1. Fair Credit Reporting Act
 - 2. Fair and Accurate Credit Transactions Act
 - 3. Sample request letters
 - ii. Reading a credit report
 - 1. Different formats at three credit bureaus
 - 2. Different types of information recorded
 - 3. Hard and soft inquiries
 - iii. Resolving credit report errors
 - 1. Common credit reporting errors
 - 2. Process for disputing errors
 - 3. Sample letter for disputing errors
 - iv. Obligations of credit bureaus
 - v. Rights under the Fair Credit Reporting Act
 - g. Unit Five: Credit scoring
 - i. How credit scoring works
 - 1. FICO scores
 - 2. Other types of scoring
 - ii. What a FICO score considers
 - 1. Payment history
 - 2. Amounts owed
 - 3. Length of credit history
 - 4. New credit
 - 5. Types of credit in use
 - iii. Top ten reasons for a low score
 - iv. Tips for raising a score
 - v. What does NOT go into a FICO score
 - vi. Facts and fallacies
 - h. Key words from Module Three
4. Module Four: Understanding and dealing with debt
 - a. Unit One: Getting into debt
 - i. Sources of debt
 - 1. Easy access to credit/money
 - 2. Consumer culture

- 3. Lack of financial literacy
 - 4. Financial setbacks
 - 5. Uncontrolled spending
 - ii. The psychology of spending
 - 1. Competitive spenders
 - 2. Compulsive spending
 - 3. Co-dependent spending
 - 4. Narcissistic spending
 - 5. Revenge spending
 - iii. Predatory lending
 - 1. Current outlook
 - 2. Characteristics of predatory loans
 - iv. Gambling and addictions
 - 1. Assessment of the National Council on Problem Gambling
 - 2. Signs of problem gambling
 - 3. Self-assessment: Are you a problem gambler?
 - v. The condition of indebtedness
 - 1. Types of debtors
 - 2. Different ways of dealing with debt
- b. Unit Two: Debt collection
 - i. Types of collectors
 - 1. Credit grantors
 - 2. Collection agencies
 - 3. Attorneys
 - ii. What they can do
 - 1. Revoke credit privileges
 - 2. Damage credit rating
 - 3. Sue to collect debt
 - iii. Communication with creditors
 - 1. Prevent harassment
 - 2. Requesting termination of contract—Fair Debt Collection Practices Act
 - 3. Disputing billing errors—Fair Credit Building Act
 - iv. Fair Debt Collection Practices Act
 - 1. What agencies cannot do
 - 2. Guidelines for collection agencies
- c. Unit Three: The consequences of unpaid debt
 - i. Foreclosure
 - 1. Avoiding foreclosure
 - 2. Common mortgage workouts
 - ii. Eviction
 - 1. Avoiding eviction
 - 2. Renter's rights
 - iii. Automobile repossession
 - 1. Description of process

- 2. The deficiency balance
 - 3. Options
 - iv. Utility shut-offs
 - 1. Requirements of service providers
 - 2. Reducing utility bills
 - 3. Consumer rights
 - v. Lawsuits
 - 1. Judgment liens
 - 2. Wage garnishment
 - 3. Bank seizures
- d. Unit Four: Getting out of debt
 - i. Resolving the debt
 - 1. Consumer workouts
 - 2. Debt consolidation loans
 - 3. Credit counseling
 - 4. Debt settlement
 - 5. Budget counseling
- e. Unit Five: Bankruptcy
 - i. Chapter 7
 - 1. Eligibility
 - 2. Overview of process
 - 3. Questions and answers
 - ii. Chapter 13
 - 1. Eligibility
 - 2. Overview of process
 - 3. Comparing Chapters 7 and 13
 - iii. Reasons for filing the two types of bankruptcies (chart)
 - iv. The Bankruptcy Abuse Prevention and Consumer Protection Act
 - 1. Survey of changes
 - 2. The bankruptcy client
 - v. Pre-bankruptcy counseling
 - 1. U.S. Trustee guidelines
 - 2. The four components of sessions
 - 3. Considering financial/human factors for decision making
 - 4. Action plan template
 - 5. Avoiding the unauthorized practice of law
 - vi. Pre-discharge debtor education
 - 1. Budget development
 - 2. Money management
 - 3. Using credit wisely
 - 4. Consumer information
 - vii. After bankruptcy
 - 1. Monitoring credit report
 - 2. Re-establishing credit

- f. Key words from Module Four
5. Appendices
- a. Ethics
 - i. Defining ethics
 - ii. Business and personal ethics
 - iii. Counseling versus therapy
 - iv. Crisis intervention
 - 1. Imminent danger emergencies
 - 2. Non-imminent danger emergencies
 - 3. Making a 911 call
 - v. Code of ethics
 - b. Consumer resources
 - i. Consumer assistance organizations
 - ii. Federal Trade Commission offices
 - iii. Consumer information websites
 - c. Consumer protection legislation
 - i. The Equal Credit Opportunity Act
 - ii. The Truth in Lending Act
 - iii. The Fair Credit Billing Act
 - iv. The Fair Credit Reporting Act
 - v. The Fair Debt Collection Practices Act
 - vi. The Servicemembers Civil Relief Act
 - vii. The Uniformed Services Employment and Reemployment Rights Act
6. References
7. Supplemental Curriculum
- a. Section 1: Housing issues
 - i. 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
- 7. The housing market
 - a. Fixer-uppers
 - b. Foreclosures
 - c. Condos and duplexes
 - d. Developments
 - e. New construction
 - f. Progressive ownership
 - i. Starter home
 - ii. Step-up home
 - iii. Status home
- 8. Getting a mortgage
 - a. Pre-approval
 - b. Choosing a lender
 - c. Mortgage options
 - i. Fixed-rate mortgages
 - ii. Adjustable-rate mortgages
 - iii. Federal Housing Administration Insured Loans
 - iv. Veterans Administration Loans
 - d. Cost consideration
 - i. Principal
 - ii. Interest
 - iii. Taxes
 - iv. Insurance
 - e. Financing
 - i. Rates
 - ii. Points
 - iii. Fees
 - f. Worksheet: Shopping for a mortgage
- 9. Lending laws
 - a. The Equal Credit Opportunity Act
 - b. The Fair Housing Act
 - c. The Real Estate Settlement Protection Act
- 10. Predatory lending
- 11. Fannie Mae
- 12. Qualifying for a mortgage
 - a. Steady job history
 - b. Payment history
 - c. Credit history
 - d. Funds for down payment
 - e. Ability to make monthly payments
 - i. Amount borrowed

- ii. Interest rate
 - iii. Term of loan
 - f. FICO score
- 13. Calculating the monthly payment
 - a. Interest rate graph
 - b. Exercise 1: Figuring monthly payments
 - c. Home mortgage worksheet
- 14. Subprime lending
 - a. Housing and urban development
 - b. Facts about subprime lenders
- 15. Online resources
- 16. Psychological homebuyer's test
- 17. Real estate agents
 - a. Who they are
 - i. Real estate brokers
 - ii. Real estate sales associates
 - iii. Real estate assistants
 - iv. Realtors
 - b. What they do
 - c. How to find one
 - d. What to look for
 - e. The deal
 - i. The deposit
 - ii. The seller's counteroffer
 - iii. Countering
 - iv. The sales agreement
- 18. Refinancing
 - a. Guidelines
 - b. Home Ownership Equal Protection Act of 1994
 - i. Disclosure requirements
 - ii. Handling compliance violations
 - iii. Federal Trade Commission
- 19. Renting
 - a. Guidelines
 - b. House renting
- 20. Summary and review questions
- b. Section 2: Student financial aid
 - i. 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 organization
 - ii. Student eligibility
 - 1. Requirements
 - 2. Dependency status
 - iii. Specific programs
 - 1. Federal Pell grant
 - 2. Federal work-study
 - 3. Direct and FFEL Stafford loans
 - 4. Federal Perkins loans
 - 5. Federal Supplemental Education Opportunity Grants
 - iv. Scholarship sources
 - 1. Publications
 - 2. Contacts
 - v. Borrower's rights and responsibilities
 - 1. Responsibilities
 - 2. Rights
 - 3. Deferment and forbearance
 - vi. Summary and review questions
 - c. Section 3: Retirement planning
 - i. Retirement statistics
 - ii. Retirement income
 - 1. Pensions
 - 2. Social Security
 - 3. Personal savings
 - 4. Questions and answers
 - iii. 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
 - iv. Retirement plans for the self-employed
 - 1. Simplified employment plan
 - 2. Keogh
 - 3. SIMPLE
 - 4. Choosing the right one
 - v. Compounding
 - 1. Time really is money
 - 2. Projection graph

- vi. 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
 - 7. Summary and review questions