

MONEY SENSE

Genesis
FINANCIAL MANAGEMENT INC.

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NEW BEGINNINGS, DEBT FREE

Recovery Rebate Credit: You May Be Eligible

If you've heard anything at all about the new Recovery Rebate Tax Credit, you may be scratching your head. Let us give you the facts, courtesy of information taken straight from the IRS's website.

The Recovery Rebate Credit is a one-time benefit for people who didn't receive the full economic stimulus payment last year and whose circumstances may have changed, making them eligible now for some or all of the unpaid portion.

Generally, a credit adds to the amount of your tax refund or lowers the amount of taxes owed. Therefore, the amount you receive for the Recovery Rebate Credit will be included as part of your refund as shown on your tax return.

People who fall into the categories below may be eligible for the Recovery Rebate Credit this year:

- Individuals who did not receive an economic stimulus payment.
- Those who received less than the maximum economic stimulus payment in 2008- \$600 per tax payer, \$1200 if married filing jointly- because their qualifying or gross income was either too high or too low.
- Families who gained an additional qualifying child in 2008.
- Individuals who could be claimed as a dependent on someone else's tax

return in 2007, but who cannot be claimed as a dependent on another return in 2008.

- Individuals who did not have a valid Social Security number in 2007, but who did receive one in 2008.

How to get the Recovery Rebate Credit:

- You need to claim the recovery rebate credit on form 1040, 1040A, or 1040EZ. The instructions for these forms will show you which lines to use. Unlike the Economic Stimulus Payment, the Recovery Rebate Credit will be included in your tax refund for 2008 and will not be issued as a separate payment.

The IRS will figure the credit for you in most cases:

- You can let the IRS figure the credit when you file your 2008 Form 1040, 1040A, or 1040EZ. If you're filing on paper, simply follow the line-by-line instruction to choose this option. If you're filing electronically, the software will figure the credit for you.

You WILL need to know exactly how much you received from the Economic Stimulus Payment (if you received it) in order to determine your eligibility for the Recovery Rebate Credit. If you don't remember, you can call the IRS's Tax Rebate Hotline at (866) 234-2942.

For more information visit www.irs.gov

Dollar Saver\$:

Freebies and Cheapies

Greeting Cards- you can find hundreds of free cards, as well as other items like business cards, calendars, gift tags and more, at sites like www.freeprint.com. Some items may require a nominal fee. Also try Hallmark.com for wonderful free e-cards from all their popular collections.

Health and Beauty Samples- Wal-Mart's web site, walmart.com, posts lots of free samples and special offers on healthy and beauty items. Once on the site, look under "In Stores Now," and click on "free samples." Click on "Learn More" next to any sample that interests you. Some can be mailed to you while others will enable you to print a coupon to be used in the store

Online Classes- Knowledge does not have to be pricey. Visit free-ed.net to find free online courses and tutorials in over 120 vocational and academic disciplines- from GED to building trades and more. You can also find links to free online textbooks for various courses.

Payment Address

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It's TAX TIME! Remember that Genesis may be able to help you prepare and file your taxes for FREE if you live in the Tampa area. If not, visit IRS.gov to find free tax sites near you or to tax advantage of their "Free-File" online filing options.



What Will You Do With Your Refund?

Is your tax refund spent before you receive it? Are you one of many filers lining up for costly Refund Anticipation Loans just to get your money a day or two faster? We're well into tax season now, and in these tough economic times, we urge you to consider the benefits of saving at least part of your hard-earned refund for emergencies and unforeseen expense so that you can avoid having to borrow money and get stuck in a potential debt cycle.

Did you know that the IRS will allow you to split your refund between up to three different accounts? You could easily deposit some into a checking account and bank some in savings against a future rainy day!

You trust Genesis to help you with your unsecured debt. Trust us to refer you to an agency that may assist you with your mortgage!

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Rules for Credit Scores About to Change

The rules for credit scores are about to change. In January of this year, Fair Isaac & Company (FICO), used by 90% of the nation's largest lenders, changed how it predicts defaults. Read on, as the following may impact a large number of consumers.

Most notably, the new FICO scoring model will become more sensitive to the percentage of available credit you are using. This is an issue of particular relevance, considering that many lenders are cutting consumers' credit limits as a means of staunching credit losses. This means that you should focus on keeping the portion of the credit limit you use low, even if you pay your balance in full every month.

Unfortunately, credit bureaus don't distinguish between balances you pay off every month and those you carry over from one month to the next. What gets reported to credit bureaus—and the information used to calculate your credit score—is typically the balance shown on your most recent monthly state-

ment. If you're accustomed to charging a significant amount each month and flirting with your credit limit, even if you intend to pay your balance in full or if you're doing so to collect credit card rewards, you may be negatively influencing your score.

Other changes to FICO's new scoring model will include those that relate to "authorized users." Authorized users are often young adults who gain access to credit through their parents' accounts or women who rely on their husbands' FICO scores. To control abusive practices by credit repair companies, it appears that FICO may not weigh the positive data of an authorized user as heavily as it once did. In other words, under FICO's new scoring system, it may take longer for an authorized user to build a positive credit history.

Not all of the changes to the FICO's new model will be negative, however. The new FICO will ignore collection accounts with original amounts of less than \$100, so consumers won't see their scores dip from things such

as library fines and unpaid parking tickets. Also, significant credit issues, such as charge-offs and repossessions won't be weighed as heavily as they were under the old FICO model, assuming that all other active accounts are in good standing.

It can be tempting to get bogged down in the complexity of the credit scoring system, but a good place to start is by pulling a free copy of your credit report. While you won't get your credit score when you pull a free credit report, you can familiarize yourself with the type of information that is used to help determine your score. To pull a free copy of your credit report, visit www.annualcreditreport.com. You can pull a free copy of your report from each of three national credit-reporting agencies once a year; if you stagger them throughout the year, you can see your credit report once every four months.

Article contributed by the American Center for Credit Education

Please Note: Help For Homeowners Available

If, like many homeowners in this turbulent economy, you're struggling to keep up with your mortgage payments and/or have already fallen behind, Genesis may be able to help.

We've recently partnered with an organization whose mission is assisting consumers in resolving their mort-

gage concerns by advocating and negotiating on their behalf with a lender. Whether your goal is to keep your home or to simply be relieved of the debt in a way that least impacts your credit, they will help you pursue all available options by applying their years of experience and knowledge of the mortgage industry.

An initial consultation is free, and you will not incur any costs until you actually agree to a plan of action.

To get connected and get help with your mortgage, contact one of our Accredited Credit Counselors or Client Services representatives.

Visit our New and Improved Website: www.YourGFM.com