

Welcome to the SeaComm Federal Credit Union podcast. Your guide to financial information and what's going on at your credit union.

Do you have a debt problem? Here are some indicators that it may be holding you back.

Are you unsure of the amount of debt you have? Some people find managing \$1,000 of debt a struggle, while people with higher incomes can easily manage quite a bit more. If you do not know your total debt, and your debt-to-income ratio, that can be very telling. Take a look at your statements, find out how much you're paying every month to service your debt.

Another indicator is only making the minimum monthly payments on your debt, especially credit card debt. You may have more money in your pocket each month if you only make the minimum payment, but you'll end up paying far more than your original balance by the time you pay it off. Plus, only paying the minimum means you'll be in debt a lot longer.

Do you take credit card cash advances to help pay bills? If you are facing uncertainty on how to cover costs for monthly living expenses, one tempting "quick fix" is a credit card cash advance, especially in the face of unexpected income loss or other emergency situations. But keep in mind, interest accrues immediately on cash advances and they often have a higher Annual Percentage Rate (APR) than standard purchases. Also, some credit card companies charge a transaction fee on the borrowed amount. This can add a lot to the cost of borrowing, making it even more difficult to pay off in the long run.

Another indicator is that you are maxed out or even over the limit on credit card balances. If you've hit the maximum amount on credit cards, it is time to take a hard look at where your money is going and make a plan to change any habits that are not beneficial to your financial health.

Finally, are you getting collection calls? Ignoring calls from debt collectors won't make them go away and can impact your credit report. However, it is a strong indicator that it's time to make a solid plan on what to do next. SeaComm members can get free help with formulating that plan with Greenpath Financial wellness on our website, [seacomm.org](http://seacomm.org). Just click on the resources tab and then tools. And, good luck!

That's it for this edition of the SeaComm Federal Credit Union podcast. Thanks for joining us!